

**MINUTES OF THE BOARD OF MANAGERS
OF
UMC HEALTH SYSTEM**

MONDAY, APRIL 22, 2024

Dr. Gladys Whitten, Chairman, called the Board of Managers of University Medical Center to order at 9:21 a.m. on Monday, April 22, 2024. The meeting was held in the board room at University Medical Center, 602 Indiana Avenue, Lubbock, TX.

The Chair confirmed that no one from the public registered to comment.

Dr. Whitten welcomed the Board Members and guests and thanked them for attending. The following members and guests were present:

BOARD MEMBERS PRESENT

John DeToledo, M.D.
Gary Greenstreet
Mont McClendon

Jason Medina
Mikella Newsom

Laura Vinson
Gladys Whitten, D.M.D.

MEMBERS ABSENT

Jolyn Wilkins

OTHERS PRESENT

Teresa Barron
Tina Belcher
Jeff Dane
Aaron Davis
Dean Diarsing
Kristi Duske
Bill Eubanks
Mark Funderburk
Adonica Hall (virtual)

Jeff Hill (virtual)
Bobbye Hrcirik (virtual)
Brent King (virtual)
Steven Maddux
Amy O'Meara (virtual)
Brian Payne, M.D.
Britt Pharris
Mike Ragain, M.D.

Greg Roberts (virtual)
Jodene Satterwhite (virtual)
Nick Skeen
Amanda Tijerina
Kala Waits
Phillip Waldmann
Tammy Williams

INVOCATION

Mr. Mark Funderburk voiced the invocation.

QUORUM

With six voting members present, a quorum was established.

EXECUTIVE SESSION

The Board of Managers went into a Closed Meeting under Government Code Sections 551.071, 551.072, 551.073, 551.074, 551.076 and 551.085 at 9:22 a.m. to consult with attorney concerning pending or contemplated litigation, settlement offers, and confidential legal matters; to deliberate the purchase, exchange, lease or value of real property, deliberate personnel matters; to deliberate financial planning information relating to negotiation for provision of services or product lines; to deliberate proposed new services or product lines and to review Professional Staff credentials (Health and Safety Code Section 161.031 et seq.).

RECESS: Without objection, the Board agreed to recess at 11:24 a.m. to take a break before entering Open Session.

OPEN SESSION

The Board of Managers entered Open Session at 11:28 a.m.

APPROVAL OF THE CONSENT AGENDA ITEMS

The following were presented for approval.

A. Board of Managers Meeting Minutes – March 25, 2024

B. Performance Improvement Oversight Committee Meeting Minutes – March 25, 2024

C. Professional Staff Report

The Board was provided a report of recommendations from the Executive Committee Meeting held on April 1, 2024, including Applicants to Staff, Ad Hoc Applicants to Staff, Temporary Privileges, Resignations, Active Reappointments, and Referring Reappointments.

D. Contract Management Report

The Board was provided a report of UMC's contract management system report. The data is completed for the Det Norske Veritas (DNV) survey and is for information purposes.

E. Furniture

The Board was provided with the additional furniture request that is needed for the expansion of the Southwest GI clinic space. Staff recommends the purchase from Built For Dreams, a Premier vendor, for a total cost of \$145,104. This will be paid for out of the 2024 undesignated construction budget.

Chairman Whitten called for a motion to approve the Consent Agenda items. At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion for the Consent Agenda items.

ACTION: Mr. McClendon moved to approve the Consent Agenda Items as presented. The motion was seconded by Mr. Medina and approved unanimously.

PRESIDENT'S REPORT

Mr. Mark Funderburk, President and Chief Executive Officer, reviewed the UMC Strategic Scorecard.

Mr. Funderburk discussed the successful strategic planning meeting held on April 11, 2024, with Administrative Staff.

Mr. Funderburk mentioned the Regional Board Training that will be held on May 10, 2024, in the UMC Board Room.

After discussion and opportunity for all present to be heard, the Chairman called for a motion.

ACTION: Mr. McClendon moved to accept the President's report as presented. The motion was seconded by Ms. Vinson and approved unanimously.

CHIEF FINANCIAL OFFICER'S REPORT

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, reviewed the March 2024 financial statements. It was the staff's recommendation to approve as presented.

Following discussion and opportunity for all present to ask questions, the Chairman called for a motion.

ACTION: Mr. Greenstreet moved to accept the February financial statements as presented. The motion was seconded by Mr. McClendon and approved unanimously.

TTUHSC REPORT

This report was deferred.

FOUNDATION NOMINATION

Britt Pharris, Chief Philanthropy Officer, presented Jeremy Waller and Sarah Cypert, the Foundation Board member nominations to the board.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

ACTION: Mr. McClendon moved to accept the Foundation Board member nominations as presented. The motion was seconded by Mr. Medina and approved unanimously.

ANNUAL REPORT OF THE UMC AUXILIARY AND SENIORS ARE SPECIAL

Aaron Davis, Vice President and Chief Experience Officer, presented the annual UMC Auxiliary and the Seniors are Special report. Mr. Davis's report summarized the functions, responsibilities, and achievements of each department. It was the staff's recommendation to approve as presented.

After an opportunity for comments and questions, Dr. Whitten asked for a motion.

ACTION: Mr. Medina moved to accept the UMC Auxiliary and the Seniors Are Special Annual Report as presented. The motion was seconded by Mr. Greenstreet and approved unanimously.

BID PROPOSALS AND SERVICE AGREEMENTS

The Board considered all of the following bid proposals and service agreements.

A. Main Lobby Coffee Shop

Mr. Jeff Hill, Senior Vice President of Support Services and Government Relations, presented the Main Lobby Coffee Shop request to the Board. Mr. Hill explained that this request is to purchase the new equipment and millwork for the coffee shop that will be located in the main lobby.

Staff recommends the purchase from Trimark and Core Concepts, both Premier vendors, for a total cost of \$178,955. This will be paid for out of the 2024 budgeted funds.

B. Air Handling Unit - 19

Mr. Phillip Waldmann, Executive Vice President, Operations and Chief Operating Officer, presented the Air Handling Unit-19 to the Board. Mr. Waldmann explained that this request is to retrofit the air handling unit that covers the second floor of the West tower. The AHU-19 will be cleaned and prepared for the new components to be installed. Fan Arrays, Filter Banks, control valves and BMS Components will be installed. AHU-19 will also have new heating and cooling coils installed. The exterior and internal components will be epoxy coated and sanitized.

Staff recommends the purchase from Texas Air Systems, a TIPS vendor, for a total cost of \$514,947. This will be paid for out of the 2024 budgeted funds.

ACTION: Mr. Greenstreet moved to accept staff's recommendation as presented. The motion was seconded by Mr. McClendon and approved unanimously.

AGREEMENTS, PROPOSALS AND DISCUSSION ITEMS

A. Fourth Quarter Investment Report

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, presented the Fourth Quarter Investment Report to the Board. Mr. Dane explained that the portfolio market value on December 31, 2023, is \$360,741,530, with an overall yield of 4.78%. Mr. Dane also presented the yield benchmarks, investment composition and detailed investment analysis and maturities for the quarter.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

ACTION: Mr. McClendon moved to accept staff's recommendation as presented. The motion was seconded by Ms. Vinson and approved unanimously.

B. UMC Authorized Financial Institutions

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, presented the UMC Authorized Financial Institutions to the Board. Mr. Dane explained that that all financial institutions offering to engage in an investment transaction must follow University Medical Center's investment policy. Mr. Dane presented the list of authorized institutions for 2024 which are: Raymond James, Stifel Financial, Hilltop Securities, Amarillo National Bank, City Bank, Lubbock National Bank, Prosperity Bank, TexPool and TexSTAR.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

ACTION: Mr. McClendon moved to accept staff's recommendation as presented. The motion was seconded by Mr. Medina and approved unanimously. Ms. Newsom and Ms. Vinson abstained from voting.

C. TexPool Resolution

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, presented the TexPool Resolution to the Board. Mr. Dane explained that this Resolution grants Mark Funderburk, Jeff Dane and Steven Maddux the authority to oversee this account, which includes authorization to transfer funds for investments in TexPool/TexPool Prime. They are also authorized to withdraw as needed, issue instructions and perform any other actions necessary for the prudent investment of local funds as necessary.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

ACTION: Mr. McClendon moved to accept staff's recommendation as presented. The motion was seconded by Ms. Vinson and approved unanimously.

D. Bank Resolutions

Mr. Jeff Dane, Executive Vice President, Administrator and Chief Financial Officer, presented the Bank Resolutions to the Board. Mr. Dane explained that due to the departure of Terrell Thrasher, Senior Vice President of Finance, will necessitate updates to signature cards for the bank accounts. The board is required to adopt a resolution giving signature authority to the following individuals: Mark Funderburk, Jeffrey Dane, Steven Maddux, Phillip Waldmann, Nick Skeen and Tammy Williams. The list of accounts that will be approved for the respective signers are the following accounts:

City Bank – General Account, City Bank – Special Account, City Bank – Health Plan, City Bank – Radiology Physicians, City Bank – ACH Account, City Bank – LPPF Account, City Bank – Pension Concepts, City Bank – Investment Account, City Bank – Payroll Account, City Bank – Payroll Account, City Bank – UMC Health & Wellness Fitness Center, City Bank – UMC Home Health, City Bank – UMC Health System Home Health, City Bank – UMC Holding, City Bank – Team Choice, City Bank – UMC Accountable Care LLC, City Bank – Health Network Inc.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

**Board of Managers
UMC Health System
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ACTION: Mr. McClendon moved to accept staff's recommendation as presented. The motion was seconded by Mr. Medina and approved unanimously. Ms. Newsom abstained from voting.

E. Tegris Service Agreement

Ms. Adonica Hall, Vice President of Surgical Services, presented the Tegris Service Agreement to the Board. Ms. Hall explained that this contract is a service agreement for Tegris integration equipment owned by UMC. Tegris integration is used to allow the surgical team to view and record images during the surgical procedure. This contract includes software upgrades and service for the equipment and system. This service agreement covers the eight procedures/surgery suites on the fourth floor of the East Tower. UMC will pay a total of \$262,080 over three years, which equates to \$87,360 annually. The term of this agreement is three years.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

ACTION: Ms. Vinson moved to accept staff's recommendation as presented. The motion was seconded by Mr. Medina and approved unanimously.

F. Arthrex Tower

Ms. Adonica Hall, Vice President of Surgical Services, presented the Arthrex Tower request to the Board. Ms. Hall explained that this purchase includes a video tower with orthopedic arthroscopy equipment. This includes five of the Pano Arthroscope, a new scope that allows for single port access to the joint and combines three lenses into one. This tower can also be used with the Arthrex Nanoscopes that are being trialed by hand surgeons. The total cost of the tower and instruments is \$176,175.32. Arthrex is offering a financing option in which the terms are four annual payments of \$46,848.31. Arthrex is offering UMC an additional discount on the financial option due to the amount of dollars that is being spent on implants and disposables. The additional discount offered is \$23,425.00 annual payments (for a spend of \$750,000). \$11,712.00 (spend of \$950,000) or \$0 (for a spend of \$1,200,000). In 2023, UMC spent \$805,000 on Arthrex items. The term of this agreement is four years.

At this time, Dr. Whitten gave members an opportunity to ask questions or voice objections. With no objections, Dr. Whitten asked for a motion.

ACTION: Ms. Vinson moved to accept staff's recommendation as presented. The motion was seconded by Mr. Medina and approved unanimously.

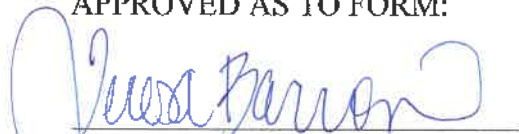
With no further business to come before the Board, the Chair adjourned the meeting at 12:00 p.m.

APPROVED:


Gladys Whitten, D.M.D, Chair


Mont McClendon, Secretary

APPROVED AS TO FORM:


Teresa Barron, Executive Assistant
Consent, Bid Proposals and Agreements


Tina Belcher, Executive Assistant