



CENTRAL HEALTH

Our Vision

Central Texas is a model healthy community.

Our Mission

By caring for those who need it most, Central Health improves the health of our community.

Our Values

Central Health will achieve excellence through:

Stewardship - We maintain public trust through fiscal discipline and open and transparent communication.

Innovation - We create solutions to improve healthcare access.

Respect - We honor our relationship with those we serve and those with whom we work.

Collaboration - We partner with others to improve the health of our community.

BUDGET AND FINANCE COMMITTEE MEETING

Wednesday, October 13, 2021, 3:00 p.m. or upon adjournment of Strategic Planning Committee

via toll-free videoconference¹

A quorum of the Committee and the presiding officer will be present at:

Central Health Administrative Offices
1111 E. Cesar Chavez St.
Austin, Texas 78702
Board Room

Members of the public may attend the meeting at the address above, or observe and participate in the meeting by using the Ring Central meeting link below (copy and paste into your web browser):

<https://meetings.ringcentral.com/j/1482436384?pwd=YkVva2JiSFI3eXIrVUFwcjlCaml1QT09>
Password: 654854

Or to participate by telephone only:

Dial: (888) 501-0031
Meeting ID: 148 243 6384

Effective September 1, 2021, Governor Abbott has rescinded emergency waivers allowing Open Meetings to be conducted virtually. To reduce the possibility of infection as a result of attendance at in-person meetings, the Committee will meet via videoconference with a quorum present in person and allow public participation via videoconference and telephone as allowed under the Open Meetings Act. Although a quorum of the Committee will be physically present at the location posted in this meeting notice, we strongly encourage all members of the public to observe the meeting virtually and participate in public comment, if desired, through the virtual meeting link or telephone number listed on this meeting notice.

Members of the public who attend in person should conduct a self-assessment before coming to the building to ensure they do not have a high temperature or any symptoms of COVID-19. Anyone who is symptomatic and/or has a fever should contact their healthcare provider for further instructions. Symptomatic members of the public can still participate, if desired, through the virtual

meeting link or telephone number listed on this meeting notice. Masks should be worn inside the Central Health offices and individuals should maintain proper social distancing from others. Resources related to COVID-19 can be found at the following link:

<https://www.centralhealth.net/covid-info/>.

A member of the public who wishes to make comments during the **Public Communication** portion of the meeting must properly register with Central Health ***no later than 2:00 p.m. on October 13, 2021.*** Registration can be completed in one of three ways:

- Complete the virtual sign-in form at <https://www.centralhealth.net/meeting-sign-up/>;
- Call 512-978-9190. Please leave a voice message with your full name, your request to comment via telephone, videoconference, or in-person at the meeting with the name of the meeting at which you wish to speak; or
- Sign-in at the front desk on the day of the meeting, prior to the start of the meeting.

Individuals who register to speak on the website or by telephone will receive a confirmation email and/or phone call by staff with instructions on how to join the meeting and participate in public communication.

PUBLIC COMMUNICATION

Central Health will conduct Public Communication by setting a fixed amount of time per person to speak and limiting Committee responses to public inquiries, if any, to statements of specific factual information or existing policy.

REGULAR AGENDA²

1. Approve the minutes of the June 14, 2021 meeting of the Central Health Budget and Finance Committee. (*Action Item*)
2. Discuss and take appropriate action on revised project budgets for Hornsby Bend and Del Valle Health and Wellness Centers. (*Action Item*)
3. Receive an update from Sendero Health Plans, Inc. regarding a proposed business arrangement.³ (*Informational Item*)
4. Confirm the next regular Budget and Finance Committee meeting date, time, and location. (*Informational Item*)

¹ Although emergency orders allowing for fully virtual meetings have expired, the Travis County area continues to have a high COVID-19 infection rate. This meeting may include one or more members of the Budget and Finance Committee participating by videoconference. It is the intent of the presiding officer to be physically present and preside over the meeting at Central Health headquarters, 1111 Cesar Chavez, Austin, Texas 78702. This meeting location will be open to the public during the open portions of the meeting, and any member participating by videoconference shall be visible and audible to the public members in attendance whenever the member is speaking. **Members of the public are strongly encouraged to participate remotely through the toll-free videoconference link or telephone number provided.**

² Agenda item numbers are assigned for ease of reference only and do not necessarily reflect the order of their consideration by the Committee.

³ Possible closed session discussion under Texas Government Code §551.085 (Governing Body of Certain Providers of Health Care Services), and §551.071 (Consultation with Attorney).

The Budget and Finance Committee may consider any matter posted on the agenda in a closed session if there are issues that require consideration in a closed session and the Committee announces that the item will be considered during a closed session.

A quorum of Central Health's Board of Managers may convene, or participate via videoconference, to discuss matters on the agenda. Such quorum may take Board action on items consistent with the Board's bylaws and the limits of any posting on this agenda.

Any individual with a disability who plans to attend or view this meeting and requires auxiliary aids or services should notify Central Health as far in advance of the meeting day as possible, but no less than two days in advance, so that appropriate arrangements can be made. Notice should be given to the Board Governance Manager by telephone at (512) 978-8049.

Cualquier persona con una discapacidad que planee asistir o ver esta reunión y requiera ayudas o servicios auxiliares debe notificar a Central Health con la mayor anticipación posible de la reunión, pero no menos de dos días de anticipación, para que se puedan hacer los arreglos apropiados. Se debe notificar al Gerente de Gobierno de la Junta por teléfono al (512) 978-8049.



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

October 13, 2021

AGENDA ITEM 1

Approve the minutes of the June 14, 2021 meeting of the Central Health Budget and Finance Committee. (*Action Item*)

MINUTES OF MEETING – JUNE 14, 2021
CENTRAL HEALTH
BUDGET AND FINANCE COMMITTEE

On Wednesday, June 14, 2021, a meeting of the Central Health Budget and Finance Committee convened in open session at 6:02 p.m. remotely by toll-free videoconference. Clerk for the meeting was Briana Yanes.

Committee members present via video and audio: Chair Zuniga, Manager Bell, Manager Greenberg, Manager Motwani, Manager Museitif.

Board members present via audio and video: Manager Valadez, Manager Jones, and Manager Brinson.

AGENDA

1. **Approve the minutes of the January 20, 2021 meeting of the Central Health Budget and Finance Committee.**

Clerk's Notes: Discussion on this item began at 6:03 p.m. Manager Valadez asked that the date on the minutes be corrected to reflect January 20, 2021.

Manager Valadez moved that the Committee approve the minutes of the January 20, 2021 meeting of the Central Health Budget and Finance Committee.

Manager Greenberg seconded the motion.

Chair Julie Zuniga	For
Manager Charles Bell	For
Manger Sherri Greenberg	For
Manager Amit Motwani	For
Manager Maram Museitif	For

2. **Receive and discuss a presentation on the proposed Central Health Fiscal Year (FY) 2021 end-of-year estimates and FY 2022 Budget.**

Clerk's Notes: Discussion on this item began at 6:05 p.m. Mr. Jeff Knodel, Chief Financial Officer; Ms. Lisa Owens, Deputy Chief Financial Officer; and Mr. Lester Hannaher, Budget Analyst, presented on the proposed Central Health FY 2021 end-of-year estimates and the FY 2022 budget. The presentation included a brief look at the proposed strategic priorities for FY 2022. The presentation also reviewed FY 2022 highlights, which included an increase in property tax revenue, an Investment Healthcare Delivery Program, an investment in operational excellence and staff, and business planning and staff investments. Next, an FY 2021 tax burden comparison with major Texas hospital districts was presented. Also reviewed was the FY 2022 proposed tax rate of 6.0% over the M&O no-new-revenue rate and financial risks. The presentation also included a look at 6-year forecasts with 6.0%, 6.9%, and 5.0% over the M&O no-new-revenue rates. Lastly, the FY 2022 proposed budget and the FY 2022 budget calendar was discussed.

3. **Confirm the next regular Committee meeting date, time, and location.**

At 6:51 p.m. Manager Museitif moved that meeting adjourn.

Manager Greenberg seconded the motion.

Chair Julie Zuniga	For
Manager Charles Bell	For

Manger Sherri Greenberg	For
Manager Amit Motwani	For
Manager Maram Museitif	For

The meeting was adjourned at 6:51 p.m.

Julie Zuniga, Chairperson
Central Health Board of Managers

ATTESTED TO BY:

Cynthia Valadez, Secretary
Central Health Board of Managers



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

October 13, 2021

AGENDA ITEM 2

Discuss and take appropriate action on revised project budgets for Hornsby Bend and Del Valle Health and Wellness Centers. (*Action Item*)

**AGENDA ITEM SUBMISSION FORM**

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date Budget and Finance October 13, 2021

Who will present the agenda item? (Name, Title) Stephanie Lee McDonald, VP Enterprise Alignment & Coordination

General Item Description Approval of revised project budgets for Hornsby Bend and Del Valle Health and Wellness Centers to reflect proposals from General Contractors given current market conditions.

Is this an informational or action item? ACTION

Fiscal Impact Budgeted

Recommended Motion (if needed – action item) Approve revised project budgets for the Hornsby Bend and Del Valle Health and Wellness Center. Funding available in the FY 22 budget.

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- Active solicitation processes are underway for General Contractors for both Hornsby Bend and Del Valle Health and Wellness Centers. Proposals received have construction estimates that
- 1) require project budget revisions to reflect current construction environment.
 - 2) Additional funding is available in the Fiscal Year 2022 budget and projects remain on track.

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Presentation

Estimated time needed for presentation & questions? 15 minutes

Is closed session recommended? (Consult with attorneys.) No

Form Prepared By/Date Submitted: Stephanie Lee McDonald 10/6/2021



CommUnityCare | Sendero

Eastern Travis County Healthcare Service Delivery Expansion Update

Budget & Finance Committee

October, 13th 2021

Hornsby Bend and Del Valle Budget Increase Drivers

Hornsby Bend

- Professional Services
 - Increase in building square footage
 - Enhanced commissioning per green building standards
- Construction
 - Increase in building square footage
 - Significant material inflation
 - Price/Square foot estimate too low
 - Additional Site Improvements – Additional exterior community spaces
 - Increased contingency
 - Increased escalation to meet market where it is at

Del Valle

- Professional Services
 - Increase in building square footage
 - Enhanced commissioning per green building standards
 - Design Change Orders
- Construction
 - Increase in building square footage
 - Significant material inflation
 - Price/Square foot estimate too low
 - Additional Site Improvements – Community Gathering Space
 - Increased contingency
 - Increased escalation to meet market where it is at



Hornsby Bend

Total Estimated Project Cost	\$	5,071,645.00
Total Project Budget	\$	9,053,676.00*
	\$	(3,982,031.00)

Del Valle

Total Estimated Project Cost	\$	10,081,548.00
Total Project Budget	\$	15,133,165.00*
	\$	(5,051,617.00)

*Budget totals include cost of alternate bids for both natural gas generator and solar panels to projects. Analysis on operational benefit of alternate bids to follow.



Hornsby Bend

Due Diligence, Land Acquisition & Regulatory	\$	843,113.00
	No Change	
Professional Services Estimate (BOM)	\$	278,190.00
Professional Services	\$	408,874.50
	\$	(130,684.50)
Construction Estimate (BOM)	\$	2,993,000.00
Construction	\$	5,463,230.00
	\$	(2,470,230.00)
Furniture Fixtures & Equipment Estimtae (BOPM)	\$	357,342.00
Furniture Fixtures & Equipment	\$	544,050.00
	\$	(186,708.00)
Contingency Estimate	\$	327,744.00
Contingency	\$	735,436.00
	\$	(407,692.00)
Escalation Estimate (4%)	\$	115,939.00
Escalation (10% on all costs)	\$	735,436.00
	\$	(619,497.00)
Total Estimate Project Cost (BOM)	\$	5,071,645.00
Total Project Budget	\$	9,053,676.00*
	\$	(3,982,031.00)

*Budget totals include cost of alternate bids for both natural gas generator and solar panels to projects. Analysis on operational benefit of alternate bids to follow.



Del Valle

Due Diligence, Land Acquisition & Regulatory	\$	822,880
		No Change
Professional Services Estimate	\$	475,125.00
Professional Services	\$	559,904.00
	\$	(84,799.00)
Construction Estimate	\$	6,449,000.00
Construction	\$	8,750,000.00
	\$	(2,301,000.00)
Furniture Fixtures & Equipment Estimtae	\$	1,334,543.00
Furniture Fixtures & Equipment		No Significant Change
Contingency Estimate	\$	640,921.00
Contingency	\$	1,202,341.00
	\$	(561,420.00)
Escalation Estimate (4%)	\$	217,087.00
Escalation (10% on all costs)	\$	1,742,097.00
	\$	(1,525,010.00)
Total Estimate Project Cost	\$	10,081,548.00
Total Project Budget	\$	15,133,165.00*
	\$	(5,051,617.00)

*Budget totals include cost of alternate bids for both natural gas generator and solar panels to projects. Analysis on operational benefit of alternate bids to follow.





CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING
October 13, 2021

AGENDA ITEM 3

Receive an update from Sendero Health Plans, Inc. regarding a proposed business arrangement.³
(*Informational Item*)



AGENDA ITEM SUBMISSION FORM

This form is to provide a general overview of the agenda item in advance of posting for the Board meeting. Proposed motion language is a recommendation only and not final until the meeting and may be changed by the Board Manager making the motion. All information in this form is subject to the Public Information Act.

Agenda Item Meeting Date October 13th, 2021

Who will present the agenda item? (Name, Title) Wesley Durkalski, CEO, Sendero Health Plans

General Item Description Update on Sendero Health Plan's proposed business arrangement

Is this an informational or action item? Informational

Fiscal Impact N/A

Recommended Motion (if needed – action item) None

Key takeaways about agenda item, and/or feedback sought from the Board of Managers:

- 1) Will review prospective business arrangement; details to be provided in executive session per non-disclosure agreement
- 2) Possible Central Health Board action per reserve powers under the Sendero By-laws (approval of new business arrangement)
- 3) This initial review will be followed up by deliberations at future Board or Board Committee meetings

What backup will be provided, or will this be a verbal update? (Backup is due one week before the meeting.) Verbal update with materials to be shared if needed

Estimated time needed for presentation & questions? 45 minutes

Is closed session recommended? (Consult with attorneys.) Yes

Form Prepared By/Date Submitted: Wesley Durkalski October 7th 2021



CENTRAL
HEALTH

BUDGET & FINANCE COMMITTEE MEETING

October 13, 2021

AGENDA ITEM 4

Confirm the next regular Budget and Finance Committee meeting date, time, and location.
(Informational Item)