

Memo

To: Board Members
From: Tom Scaglione
Date: October 20, 2025
Subject: Finance Committee Minutes – **October 14, 2025**

The Finance Committee met on Tuesday, October 14, 2025, at 10:30 a.m. Members of the public were able to participate by telephone, Zoom, or in-person at the Grossmont Healthcare District Conference Center, located at 9001 Wakarusa Street, La Mesa, CA.

Attendees: Director Randy Lenac, Chair
Director Robert “Bob” Ayres, Member
Aaron Byzak, Interim Chief Executive Officer
Tom Scaglione, Chief Administrative Officer
Ryan Purdy, Sharp Grossmont Hospital
Scott Evans, Sharp Healthcare
Dan McNamara, Sharp Healthcare
Jason Broad, Sharp Healthcare
Mary Keith Giordano, Sharp Healthcare
Aaron Nail, Chandler Asset Management (via Zoom)

A. Call to Order: The meeting was called to order by Director Lenac at 10:29 a.m.

B. Approval of Agenda: The agenda was approved as posted.

C. Public Comment: There was no public comment.

D. Reports/Discussion/Possible Action Items

1. Grossmont Hospital Corporation Facilities Master Plan Update (Scott Evans, Sharp HealthCare SVP Chief Strategy Officer and Market Chief Executive Officer)

Mr. Scott Evans, Sharp Healthcare, presented Sharp Grossmont Hospital’s master planning and expansion project, including discussions about capacity needs, seismic compliance requirements, and a proposed \$625 million budget for a new tower and infrastructure upgrades. They discussed the sequence of projects, with Director Lenac suggesting separating the new tower project from seismic upgrades

to avoid complications, potentially delaying compliance until 2032. However, Mr. Scott noted that utility connections through the existing towers could affect hospital compliance. It was noted that 40% of the hospitals in the state are not compliant and will not be by 2030. The conversation also touched on the potential for legislative extensions to seismic compliance deadlines. Mr. Evans discussed the proposed \$625 million budget not being fully funded with a \$200 million funding gap, and the need for funding certainty within the next year to proceed with the project. President Ayres addressed the funding gap, suggesting the Grossmont Healthcare Board consider a bond measure to support the expansion project. Director Lenac emphasized the importance of having the new CEO on board before moving forward. Director Lenac explained that while a bond election might be challenging due to financial stress among the public, the hospital's unique position could help justify funding. Jason Broad from Sharp to engage polling firm to conduct the public opinion poll on the potential bond measure.

2. Investment Report as of and for the Three Months Ended September 30, 2025
(Chandler Asset Management)

Mr. Aaron Nail, Chandler Asset Management, presented the Investment Report for Quarter Ended September 30, 2025. The presentation included the US economic outlook, and the District's portfolio positioning, noting strong returns while maintaining compliance with investment policies and California government code. He also explained the portfolio strategy of building natural liquidity ahead of the spring 2026 withdrawal to fund IGT. The Committee **recommended** that the Investment report for the Quarter Ended September 30, 2025, go before the full Board for a vote. Mr. Nail will attend the next Board meeting on October 16, 2025 to present the report to the full Board.

3. Financial Report as of and for the Three Months Ended September 30, 2025

CAO Scaglione presented the Financial Report as of and for the Year Ended September 30, 2025. All departments are within budget except for administrative which is over slightly because of contracts. The total cash and investments for the General Fund ending September 30, 2025 are \$46.6 million (General Fund) and \$22.4 million (Debt Service). The Committee **recommended** that the Financial Report as of and for the Year Ended September 30, 2025 go before the full Board for a vote.

4. Fiscal Year 2024/2025 Audit Update

CAO Scaglione gave an update on the Fiscal Year 2024/2025 Audit and stated all requested information has been submitted to the auditors through their portal except for the final report on which he is still working. The deadline is January 31st but should be finalized in December.

5. Consideration of Adding Secondary Administrator for Online Banking to Financial Institution Authorization Policy (FIN-02)

CAO Scaglione presented Policy revisions as suggested by staff, and included herein for consideration, to accommodate a second administrator, the CAO, on the Torrey Pines Bank accounts. The Committee **recommended** that the District's Financial Institution Authorizations Policy to include CAO as an administrator for the Torrey Pines bank accounts, go before the full Board for a vote.

6. Consideration of Grant Applications

The Committee made the following recommendations on each grant request listed below.

i. Strategic Initiative or Workforce Project Grants

- (a) For Their Thoughts Foundation Inc.: Expanding Dementia Health Literacy in Schools and Strengthening the Neuro-Healthcare Pipeline in East County - \$46,100 (FY24-25 \$2,500 Sponsorship) Community Grants & Sponsorships Committee recommendation to support it as a strategic workforce initiative

The Committee recommended deferring this grant request to the Workforce Development Ad Hoc Committee.

- (b) University of San Diego: Grossmont Healthcare District Behavioral Health Scholarship Fund - \$75,000 (No prior funding) Community Grants & Sponsorships Committee recommendation to support it as a strategic workforce initiative

The Committee recommended deferring this grant request to the Workforce Development Ad Hoc Committee.

- (c) Walk San Diego dba Circulate San Diego: East County Vision Zero Report Update and Community Engagement - \$48,250 (No prior funding) Community Grants & Sponsorships Committee recommendation to support it as a strategic workforce initiative

The Committee recommended returning this grant request to the Community Grants & Sponsorships Committee with no recommendation for funding because it has no healthcare nexus.

- (d) Heartland Regional Fire Training Foundation: Heartland Fire Training EMS Pathway and Community Training Program - \$25,000 (No prior funding) Community Grants & Sponsorships Committee recommendation to support it as a strategic workforce initiative

The Committee recommended deferring this grant request to the Workforce Development Ad Hoc Committee.

- (e) East County Economic Development Council Foundation: Grossmont Healthcare District Career Pathways Initiative - \$150,000 (FY22-23 \$105,000) Community Grants & Sponsorships Committee recommendation to support it as a strategic workforce initiative

The Committee recommended deferring this grant request to the Workforce Development Ad Hoc Committee.

- (f) St. Madeleine Sophie's Training Center: SMSC Healthcare Students Volunteer Program - \$25,000 (FY24-25 \$25,000) Community Grants & Sponsorships Committee recommendation to support it as a strategic workforce initiative

The Committee recommended deferring this grant request to the Workforce Development Ad Hoc Committee.

ii. Grossmont Hospital Foundation Grant

- (a) Grossmont Hospital Foundation: New Oncology Social Worker Position for Sharp Grossmont's Healing Minds Cancer Connection Program - \$140,400 (FY24-25 \$60,000 Sponsorship) (4/5 Board Vote Required) Consideration to be funded by the District General Fund, Per Policy

The Committee recommended this grant proposal be returned to the Community Grants & Sponsorships Committee with a recommendation for funding it as a grant.

7. CERBT Update

CAO Scaglione gave an update on CERBT, which is at \$3.6 million and will be above the 90% target for funded status. The returns in the CERBT program have been good the last fiscal year at almost 10%.

8. Rescheduling of the November 11, 2025 Committee Meeting Due to Holiday

CAO Scaglione confirmed this information with the Committee.

9. Checks in Excess of \$10,000 Issued in August and September 2025

A list of checks in excess of \$10,000 issued in August and September 2025 was included with the agenda for informational purposes only.

E. Next Meeting: The next regularly scheduled meeting is on the calendar for Tuesday, November 11, 2025, at 10:30 a.m.

F. Adjournment: There being no further business, the meeting adjourned at 11:55 a.m.