

# Memo

**To:** Board Members  
**From:** Tom Scaglione  
**Date:** April 16, 2025  
**Subject:** Finance Committee Minutes – **April 15, 2025**

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The Finance Committee met on Tuesday, April 15, 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  
Amy Abrams, Chief Community Health Officer  
Justine McQuade, Accountant  
Harman Sarky, Compliance Coordinator  
Bill Dennehy, Chandler Asset Management (via Zoom)

**A. Call to Order:** The meeting was called to order by Director Lenac at 10:28 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. Investment Report for the Quarter Ended March 31, 2025 (Chandler Asset Management)

Mr. Bill Dennehy, Chandler Asset Management, presented the Investment Report for the Quarter Ended March 31, 2025. The presentation included the US economic outlook and the District’s portfolio position, emphasizing safety, liquidity, and return. The Committee *recommended* that the Investment report for the Quarter Ended March 31, 2025, go before the full Board for a vote. Chandler Asset Management will attend the next Board meeting (April 17, 2025) to present the report to the full Board.

2. Financial Report as of and for the Nine Months Ended March 31, 2025

CAO Scaglione presented the Financial Report as of and for the Nine Months Ended March 31, 2025. All departments are within budget. The total cash and investments for the General Fund ending March 31, 2025, is \$48.6M (General Fund) and \$32.7M (Debt Service). The Committee discussed ways to improve the presentation of reserve balances in the report, suggesting a stacked bar graph to show commitments and available funds more clearly. The Committee *recommended* that the Financial Report as of and for the Nine Months Ended March 31, 2025, go before the full Board for a vote.

3. FY25-26 Five Percent Annual Stipend Increase for Board and Designees

The Committee briefly discussed a potential 5% (\$6.74) annual stipend increase for Board and Designees. The Committee *recommended* that the consideration for the increase be brought before the full Board for a vote during the next Board meeting. The Public Hearing would be scheduled for June 3, 2025. Counsel Scott to explain the process.

4. FY25-26 Budget Update

CAO Scaglione presented the preliminary FY25-26 budget and asked the Committee to provide their input. The Committee discussed including the Family Residency Program commitment for future years in the Special Projects Reserve.

CAO Scaglione addresses a concern regarding a potential pending bond measure to help fund Sharp Grossmont Hospital's Master Plan and the inability to maintain a favorable credit rating with successive years of \$8 million plus IGT payments. In a press release for the District's recent refunding, Moody's Ratings warned, "significant declines in liquidity and reserves ... could lead to a downgrade of the rating." Moody's also states that "factors that could lead to an upgrade of the rating [include] broadening of operations while maintaining reserves and liquidity at current strong levels." This will be hard to achieve with two-thirds of the District's property tax revenue committed to reimburse the Hospital for Medicaid losses. The Committee discussed reasons why no excess reserves are projected for the budget year and ways to restore reserves.

The Committee to schedule a special meeting in order to finish the budget review. The updated budget will be presented to the Board at the May 6, 2025, for information only, with a workshop and potential recommendation being conducted on May 22, 2025.

- a) Budget FY25-26 Community Grants & Sponsorships Proposed \$5M Budget (\$4M Community Grants and Sponsorships; \$1M Inter-governmental Transfer)

Due primarily to a rise in inflation costs, the Committee reviewed the Community Grants & Sponsorships Committee recommendation to raise the \$1.5M grants and sponsorships budget to \$4M. The Committee expressed concerns over more than doubling the budget from last year. However, in conclusion, the Committee *recommended* increasing the FY25-26 Community Grants & Sponsorship's budget to \$5M (\$4M Community Grants and Sponsorships; \$1M hospital support) at the April 17, 2025, Board meeting.

- 5. Checks in Excess of \$10,000 Issued in March 2025 (For Information Only)

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

- E. Next Meeting:** The next regularly scheduled meeting is on the calendar for Tuesday, May 13, 2025, at 10:30 a.m.
- F. Adjournment:** There being no further business, the meeting adjourned at 11:52 a.m.