

# Memo

**To:** Board Members  
**From:** Tom Scaglione  
**Date:** May 14, 2025  
**Subject:** Finance Committee Minutes – **May 13, 2025**

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The Finance Committee met on Tuesday, May 13, 2025, at 9:00 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  
Justine McQuade, Accountant (via Zoom)  
Jeffery Scott, General Counsel  
Scott Masin, Germane Solutions (via Zoom)  
Samuel Curran, Germane Solutions (via Zoom)

- A. Call to Order:** The meeting was called to order by Director Lenac at 9:01 a.m.
- B. Approval of Agenda:** With the removal of agenda item D(3), the agenda was approved as posted.
- C. Public Comment:** There was no public comment.
- D. Reports/Discussion/Possible Action Items**
1. Family Medicine Residency Program

Pursuant to the \$2M Song-Brown Grant for the Sharp Grossmont Hospital (SGH) Family Medicine Residency Program and agreement with the state, discussion ensued regarding the need for a contract (or grant agreement) between the District and SGH. This contract would establish the District’s funding commitment over the next 10 years (up to \$1M per year). CAO Scaglione stated that the District’s \$500k grant matching commitment has been paid . On-going grant

funding scenarios were briefed and additional information requested in order for Counsel Scott to draft the contract and discuss with SGH’s attorneys. Counsel Scott requested a copy of the Song-Brown fiscal plan that was originally submitted to the state from Mr. Curran of Germane Solutions.

2. Presentation of Recommended Fiscal Year 2025/26 Budget

The Committee further reviewed and discussed the fiscal year 2025/26 Budget and any recommended/anticipated changes:

- Designate \$1M (of the \$10M) from reserves towards the Family Medicine Residency Program
- Revise the scholarship funding from \$345k to \$350k
- Potential program cuts
- Strategic Grants to consist of Rural Health Discharge Program, Workforce Pipeline, Family Medicine Residency, and Nurse Navigation Program. The remaining listed items to be moved to “other strategic opportunities.”

CAO Scaglione answered all questions the Committee had. Designated reserves and the debt service fund were discussed.

Director Lenac requested CAO Scaglione revise various items on the supporting Budget memo, including language regarding reserves and intergovernmental-transfer.

3. Investment Policy Annual Review and Update

- a) Potential Recommendation to Adopt Fiscal Year 2025/26 Investment Policy

*(This topic was removed from the agenda and will be discussed next month.)*

4. Reserve Policy Annual Review and Update

- a) Potential Recommendation to Adopt Fiscal Year 2025/26 Reserve Policy

Annual review of the Reserve Policy commenced, pursuant to District policy. After brief discussion and pursuant to staff recommendation, the Committee **recommended** reducing the Administrative Reserve from twelve months of Administrative budgeted expenditures down to six months which would fully restore the Contingency Reserve. The Committee requested CAO Scaglione revise various items on the supporting memo, including typos regarding the reserves under “Fiscal Impact.”

5. Approve Credit Card Limit Increase for Executive Assistant to \$25,000

With the absence of a permanent CEO, District staff is requesting a credit card limit increase to \$25k for the Executive Assistant in order to accommodate all monthly reoccurring office charges. Pursuant to District policy, increases of \$10k or more require Board approval. After brief discussion, the Committee *recommended* the Executive Assistant's credit card limit be raised to \$25k through September 30, 2025, which is when the permanent CEO is expected to be established.

6. Checks in Excess of \$10,000 Issued in April 2025 (For Information Only)

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

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

**F. Adjournment:** There being no further business, the meeting adjourned at 10:55 a.m.