

Memo

To: Board Members
From: Tom Scaglione
Date: August 13, 2025
Subject: Finance Committee Minutes – **August 12, 2025**

The Finance Committee met on Tuesday, August 12, 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
Lani Lutar, Guest (via Zoom)

A. Call to Order: The meeting was called to order by Director Lenac at 10:40 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. Audit Update

CAO Scaglione gave an update on the audit noting that interim work is complete with no comments, suggesting there will be no management letter this year. Staff is wrapping up and closing the year, but with invoices still coming in, it will be a while until the year closes at which time the auditors will complete their final field work.

2. Long Range Financial Plan

The Committee discussed the need for a long-range financial plan with Director Lenac expressing his view that it is not necessary for a healthcare district, unlike water or fire districts that regularly replace capital equipment. He stated that the Committee should formally decide whether to keep or eliminate the 10-year plan

that was never approved by the Board. Interim CEO Byzak suggested reviving the long-range financial plan with a 5-year horizon to support the strategic plan. He discussed the need for a Board philosophy on spending over the next 5-years to guide strategic planning across three pillars: hospital support, community health and wellness, and healthcare workforce training. The Committee discussed the need for financial projections, including reserve projections, to be incorporated into the budget document. Director Lenac emphasized the need for a useful life document to list all facility inventory and produce a staff recommendation for a replacement process that can be approved by the Board now.

The Committee decided to not advance the long-range financial plan and for staff to no longer refer to the long range financial plan. In lieu of a plan, CAO Scaglione will add relevant five-year projects to future budgets.

3. Secondary Administrator for Online Banking added to Financial Institution Authorization Policy (FIN-02)

At the July 17, 2025 Board meeting, the Board adopted the Financial Institution Authorization policy (FN-02) with the caveat that the policy be brought back to the Finance Committee to consider adding a secondary administrator. After discussion, the Committee *recommended* that the Financial Institution Authorizations Policy (FIN-02) add CAO Scaglione as the backup administrator for online banking with appropriate controls and go before the full Board for approval.

4. Draft Retirement Benefit Funding Policy (New FIN-11)

At the July Finance Committee meeting, the Committee directed staff to bring forth a draft Retirement Benefit Funding Policy for Committee consideration. Staff considered best practices and Government Finance Officers Association (GFOA) guidelines when drafting the Policy. This policy will guide the District's strategy to fund the retirement benefit plan to a minimum target of 90% of the total accrued liabilities. After discussion, the Committee *recommended* that the proposed Retirement Benefit Funding Policy (New FIN-11) be brought before the full Board for approval.

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

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

- E. Next Meeting:** The next regularly scheduled meeting is on the calendar for Tuesday, September 9, 2025, at 10:30 a.m.

- F. Adjournment:** There being no further business, the meeting adjourned at 11:06 a.m.