

Memo

To: Board Members
From: Tom Scaglione
Date: February 7, 2025
Subject: Finance Committee Minutes – **January 10, 2025**

The Finance Committee met on Wednesday, January 10, 2025, at 11:00 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 Robert “Bob” Ayres, Chair
Director Randy Lenac, Member (via Zoom)
Christian Wallis, Chief Executive Officer
Tom Scaglione, Chief Administrative Officer
Amy Abrams, Chief Community Health Officer (via Zoom)
Justine McQuade, Account
Aaron Neil, Chandler Asset Management (via Zoom)
Adam Bauer, Fieldman Rolapp & Associates (via Zoom)
Christina English, Fieldman Rolapp & Associates (via Zoom)
Jason Chung, Field Rolapp & Associates (via Zoom)

A. Call to Order: The meeting was called to order by Director Ayres at 11:00 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 as of and for the Three Months Ended December 31, 2024 (Chandler Asset Management)

Mr. Aaron Nail of Chandler Asset Management gave the Three Months Ended December 31, 2024, Investment Report presentation to the Committee. The presentation included the US economic outlook and the District’s portfolio positioning, emphasizing safety, liquidity, and return. The Committee *recommended* that the Investment report for the Three Months Ended December 31, 2024, go before the full Board for a vote. Mr. Nail will attend the next Board meeting on January 16, 2025, at

9:00 a.m. to present the report to the full Board.

2. 2025 Potential Refunding of Prop G Bonds (Fieldman Rolapp & Associates, Inc.)

Mr. Adam Bauer of Field Rolapp & Associates discussed the potential refunding of Prop G bonds by providing updates on market trends and assessed value growth. He explained that the bonds to be refunded were issued in 2015 and 2021, and the bonds could be refunded 90 days before their call date on a tax-exempt basis. He presented numbers from late December showing a potential gross savings of \$9.3 million over the next 15 years, with a net present value savings of \$7 million, or 3.6%. Director Ayres inquired about the commitment period and the possibility of exiting the refunding if interest rates became unfavorable. Mr. Bauer confirmed the Board could put the deal on hold and come back to it when the market moved in their direction. Director Ayres concluded the potential savings of \$9 million dollars was significant and should be considered.

CAO Scaglione will include an informational item on the January 16th Board Meeting agenda about exploring a refunding opportunity. Mr. Bauer will attend the February 4th Board Meeting to present an updated refunding proposal. He will prepare a full cost of issuance breakdown for the refunding proposal, showing all vendors' costs. The goal is to inform the Board as soon as possible and give them time to analyze the proposal before deciding in March. The Board will be asked for a resolution to approve the refunding proposal at the March 4th Board Meeting,

3. Submittable Contract Renewal

CEO Wallis discussed the benefits of using Submittable, a grants management program, which has improved the grant application process and provided more in-depth knowledge for the Grants Committee. Ms. Abrams confirmed the programs' benefits and mentioned the possibility of using additional Submittable modules to enhance the grant process. The annual cost of the program, with a three-year contract, is \$27,600 per year (if paid annually). The Committee *recommended* that the Submittable contract renewal go before the full Board for a vote.

The grant committee's role in reviewing grant applications and tracking outcomes was also discussed, with Ms. Abrams confirming that the committee receives an Executive Summary prepared by staff. The committee's decision-making process was clarified, with staff providing information but not passing judgement on grant recipients' compliance with policy. Director Lenac asked if there is a system in place to determine if the grant is being used as intended. Ms. Abrams will send Directors Ayres and Lenac a sample of an Executive Summary for further review.

4. Financial Report as of and for the Six Months Ended December 31, 2024

The Committee reviewed the Financial Report as of and for the Six Months Ended December 31, 2024. The Committee *recommended* that the Financial Report as of and for the Six Months Ended December 31, 2024, go before the full Board for a vote.

5. FY23-24 Annual Reimbursements (For Information Only)

The Committee reviewed the FY23-24 annual reimbursements which are the annual non-medical reimbursements over \$100. Director Lenac inquired about the current \$3,000 medical reimbursement limit and the need to increase the amount (due to inflation) was discussed.

Director Ayres made a request to purchase a printer for Randi Baker to increase efficiency at her workstation. Director Lenac approved.

6. Checks in Excess of \$10,000 Issued in December 2024 (For Information Only)

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

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

F. Adjournment: There being no further business, the meeting adjourned at 12:08 p.m.