

Memo

To: Board Members
From: Tom Scaglione
Date: November 11, 2024
Subject: Finance Committee Minutes – **October 9, 2024**

The Finance Committee met on Wednesday, October 9, 2024, at 12:15 p.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 Michael Emerson, RDO, Chair
Director Virginia Hall, Member
Christian Wallis, Chief Executive Officer
Tom Scaglione, Chief Administrative Officer
Justine McQuade, Accountant
Paul Kaymark, Nigro & Nigro (via Zoom)
Aaron Neil, Chandler Asset Management (via Zoom)
Bill Dennehy, Chandler Asset Management (via Zoom)

A. Call to Order: The meeting was called to order by Director Emerson at 12:15 p.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 September 30, 2024
(Chandler Asset Management)

Mr. Aaron Nail from Chandler Asset Management gave the Three Months Ended September 30, 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 September 30, 2024 go before the full Board for a vote. Chandler Asset Management will attend the next Board meeting to present the report to the full Board.

2. Fiscal Year 2023/2024 Audit Report (Nigro & Nigro)

- a. District Auditor to Present FY23/24 Audited Financial Statements for Potential Recommendation and Acceptance by the Board

Paul Kaymark of Nigro & Nigro discussed the FY23/24 Audit Report, including the audited financial statement dashboard. Revenues exceeded expenditures by \$13.6M, cash and investments increased by \$12.8M, and outstanding general obligation bonds were reduced by \$6.9M. The District received an unmodified (clean) opinion. The Committee *recommended* the Board accept the Fiscal Year 2023/24 Audit Report.

3. Financial Report as of and for the Three Months Ended September 30, 2024

CAO Scaglione presented the Financial Report as of and for the Three Months Ended September 30, 2024. The Administration Department is slightly over budget, due to the liability insurance yearly prepayment made in July. All other departments are within budget. The total cash and investments for the General Fund ending September 30, 2024 is \$43.4M with the Debt Service Fund being \$24.9M. The Committee *recommended* that the Financial Report as of and for the Three Months Ended September 30, 2024 go before the full Board for a vote.

4. Review of Budget Policy (FIN-05) and Purchasing & Property Control (FIN-09)

There were no concerns with the Budget Policy. The Purchasing & Property Control Policy was discussed and the possibility of changing the CEO's spending authority from \$25k to \$10k. The Committee could not come to an agreement on this change and was unable to make a formal recommendation. Another suggested change included:

- 9.6, paragraph A: include "... (but not professional services, sponsorships, or grants)..."

5. Checks in Excess of \$10,000 Issued in September 2024 – For Information Only

A list of checks over \$10,000 for September 2024 was presented for informational purposes only, with no concerns or questions by the Committee.

E. Next Meeting: The next regularly scheduled meeting is on calendar for Wednesday, November 13, 2024, at 12:15 p.m.

F. Adjournment: There being no further business, the meeting adjourned at 1:17 p.m.