SIERRA KINGS
HEALTH CARE DISTRICT

SPECIAL MEETING MINUTES

TUESDAY, June 25, 12:00PM
1011 G Street
Reedley, CA 93654

REASONABLE ACCOMMODATIONS FOR ANY INDIVIDUAL WITH A DISABILITY. Pursuant to the Rehabilitation Act of 1973 and the Americans with Disability Act of 1990, any meeting or function of the Sierra Kings Health Care District, may request assistance, by contacting the District, 1011 G. Street, Reedley, CA 93654 – telephone 559.726-2268.

BOARD MEMBERS PRESENT:	**REPRESENTATION**
Bruce Hunter	Zone 1
Pete Perez	Zone 4
Suzane Johnson	Zone 3
Rikki Shaw	Zone 2
Kathy Omachi	Zone 5

BOARD MEMBERS ABSENT:	**REPRESENTATION**

BOARD STAFF PRESENT:	**TITLE**
Chinayera Black Hardaman, MPA	Chief Executive Officer
Merari Gutierrez	Program/ Finance Manager
Brooke Garcia	Executive Assistant
Teresa Jacques via zoom	Chief Finance Officer (Contract)

OTHERS PRESENT:
Stacey Alderson Client Service Director
Chris McCarry Senior Portfolio Strategist

1.0 CALL TO ORDER:
The meeting was called to order at 12:08 p.m. by Chair Kathy Omachi.

2.0 ROLL CALL: Present: Bruce Hunter, Pete Perez, Kathy Omachi, Rikki Shaw and Suzanne Johnson

3.0 CONSENT AGENDA:
3.1 Consideration of the District Agenda

3.2 Consideration of May 28.2024, regular Board Meeting Minutes

3.3 Consideration of March, April, and May Financial Statements

ACTION: Motion to approve the District Consent Agenda, minutes, and March, April, and May financials as presented. M/S Hunter/Perez. Motion passed unanimously: Hunter-aye, Perez-aye, Shaw-aye, and Johnson-aye.

4.0 PUBLIC COMMENT:

None

5.0 STATUS CHECK WITH CHANDLER ASSETS MANAGEMENT

- Before Chandler Assets joined the meeting via Zoom, CEO Chinayera Black briefed the board on the events that transpired during our engagement with Chandler. She explained that we initiated contact with Chandler Assets in October and made our first deposit in December, with The Board investing 6.3 million dollars at that time. Initially, Chandler did not have a relationship with Clearwater. Approximately 30 days after the contract was executed, Chandler requested that we sign an addendum allowing the new vendor, Clearwater, access to our account to create our financial statements.
- When the situation with Chandler Assets Management first became an agenda item, Board Member Suzanne Johnson requested that we establish a chronological order to gain a clearer understanding of the situation.
- During the preparation of financial statements, Finance Manager Merari Gutierrez noticed an inaccuracy in the December statement from Chandler Asset Management. CFO Teresa Jacques brought this issue to their attention; they agreed to reissue the statement, but subsequent months also proved to be inaccurate. In May, it was discovered that Chandler had not provided us with any April statements. Consequently, when it came time to release the Board Meeting packets on May 21, we had to provide an estimate of April's investment income.
- On May 29th CEO Chinayera Black and CFO Teresa Jacques met with Chandler Asset Management to address the lack of communication and reporting failures. During this meeting, the CEO Chinayera Black instructed Chandler to freeze The District's account revoking their authorization to conduct any further investments or transactions on behalf of the board.
- After some discussion among the Board Members, they reached a consensus to allow Chandler Asset Management an opportunity to explain their actions. This decision was made despite initial reluctance expressed by Chair Kathy Omachi and Board Member Pete Perez, while Board Members Rikki Shaw and Bruce Hunter were more flexible. Suzanne Johnson, however, expressed a desire to meet with Chandler to have her questions answered.
- Stacey Alderson Client Service Director at Chandler Asset Management addressed the board regarding the statement issues and explained that a significant factor contributing to these mistakes was Chandler's ongoing conversion of their reporting system. Chandler began this conversion right around the time the district was onboarded.
- Chris McCarry, Senior Portfolio Strategist at Chandler Asset Management, assured The Board that during the period when these inaccuracies were noticed, The District's portfolio was compliant with both the California Government Code and The District's Investment Policy.
- Board Member Suzanne Johnson communicated to Chandler that she felt our account was being sidelined because we are one of their smaller investments. She also emphasized the Board's responsibility to the public and its duty to effectively manage taxpayers' money.

ACTION: Motion to terminate account with Chandler Assets Management and transfer funds to LAIF (Local Agency Investment Fund). M/S Perez/Hunter. Motion passed unanimously: Hunter-aye, Perez-aye, Shaw-aye, and Johnson-aye.
Board Member Rikki Shaw exited the meeting at 1:14 p.m., but she granted permission for her vote to be included in the action.
Break
Start- 1:40 p.m.
End- 1:45 p.m.

6.0 REQUEST FOR CLOSED SESSION: REAL PROPERTY
Start- 1:47p.m.
End- 2:12p.m.

7.0 ACTION AND DISCUSSION ITEMS

7.1 CONSIDERATION OF THE PROPOSED FISCAL YEAR 2024-2025 BUDGET

ACTION: Motion to accept the 2024-2025 budget with change of the loss of 90,000.M/S Hunter/Johnson. Motion passed unanimously: Hunter-aye, Perez-aye, and Johnson-aye.

7.2 CONSIDERATION OF 2025 RENEWAL INSURANCE COVERAGE

ACTION: Motion to continue with current renewal of insurance coverage/S Hunter/Johnson. Motion passed unanimously: Hunter-aye, Perez-aye, and Johnson-aye.

7.3 CEO REPORT

- November 5, 2024, General election Candidate filing period is July 15th-August 9th.
- The Board retreat will be on October 22nd. Staff is currently working on literature review, surveys, and focus groups.
- The SKHCD office with be closed on July 4th in observance of Independence Day.
- Reminder ACHD 72nd Annual Meeting will be on September 25-27, 2024, in Sacramento. Staff members that are interested must notify staff by July 15th.
- CEO Chinayera Black provided the Board with program updates
- Website Update
  - ADA compliance upgrades to the website are complete
  - Back-end access to the site was forwarded to regina Garza on June 11, 2024, to share with Pacific Trial Attorneys as per the settlement. WE are currently awaiting a response.

7.4 THIRD QUARTER GRANTS UPDATE

- The Districts Program Manager gave the Board a brief update on the status grants regarding program deliverables and compliance.

Finance Manager Merari Gutierrez left The Board Meeting at 4:18 p.m.

8.0 ANNOUNCEMENTS
Chair Kathy Omachi announced that she may undergo an operation, which could result in some downtime.

9.0 NEXT MEETING

The next regularly scheduled meeting of the Sierra Kings Health Care District shall be on Tuesday, August 27, 2024.

10.0 ADJOURNMENT:

ACTION: Motion to adjourn the Board meeting at 4:36p.m. M/S Perez/Hunter. Motion passed unanimously: Perez-aye,Hunter-aye and Johnson-aye.

Respectfully submitted,

Suzanne Johnson

Suzanne Johnson
Board Secretary