

HWO, Inc.

BOARD MINUTES Friday September 6, 2019 9:00 AM

The HWO, Inc. Board of Directors met on Friday September 6, 2019, in the Orlando Health-Health Central 2nd Floor Conference Room. J. Whiddon, Acting Chair, called the meeting to order at 9:09 am. after a quorum was present with the following **Directors Present:** J. Whiddon, N. Sutton **Directors Absent:** T. Keating and **Others Present:** M. Griffith, T. Swanson, L. Buckley, K. Harker, L. Boettcher, and J. Jonasen

No members of the public were in attendance, so invitation for public comment was not necessary.

APPROVAL OF MINUTES

Action Taken: Upon a motion duly made and seconded, the minutes of the August 27, 2019 meeting of the Board were unanimously approved.

FINANCE REPORT

Acting Chair J. Whiddon called upon K. Harker to present the finance report. K. Harker responded that the financial statements are as of August 31st and the 11 months of the fiscal year then ended. The balance sheet shows assets of \$70,970 at August 31st, exclusive of grants of \$40 million for endowment purposes, and \$10 million for operating purposes from the West Orange Healthcare District (“WOHD”). These grants have been approved by the WOHD board subject to the execution of formal grant agreements by both parties. The expectation is that this will be done prior to the September 30 year end. K. Harker further reported that three bank accounts have now been established at Seacoast National Bank for checking, payroll and money market purposes.

As to the Profit & Loss statement for the 11 months of the fiscal year ended August 31st, revenues consist of the working capital grant of \$100,000 from the WOHD plus a small amount of interest earned on the money market account. Expenses for the year to date total \$43,869 and primarily consist of legal fees to organize the corporation, filings to obtain 501(c)3 status and other matters plus management fees to the WOHD for providing organizational, financial, and operational support. K. Harker reminded the Board that \$38,500 had been approved under an agreement with the WOHD to provide management services to HWO and that costs to August 31st were \$14,790. N. Sutton suggested that future reports include budgeted amounts compared to actual for Profit & Loss statements.

K. Harker then concluded his report.

HWO, Inc.

Board Action: Upon a motion made and seconded, the finance report was approved as presented.

INVESTMENT POLICY DISCUSSIONS

Acting Chair J. Whiddon called upon K. Harker to update the Board on the status of the Investment Policy Statement (IPS) for the endowment fund. K. Harker responded that as promised at the Board's last meeting, a revised draft had been sent to investment consultant J. Breth for comment and that he and T. Swanson followed up with a telephone conference with J. Breth. J. Breth has suggested that consideration should be given to reduction of the target total return of 6% in the draft because of provisions in the agreement with the grantor (the West Orange Healthcare District). Provisions in the grant agreement that provides the \$40 million funding to establish the endowment emphasizes preservation of corpus and restoration should its value fall below \$40 million. J. Breth's reaction is that such provisions suggest a more conservative target return and the underlying asset mix. K. Harker closed his report by saying that J. Breth will draft an updated IPS draft to reflect these changes and provide it to us ASAP.

Because the agreement for the \$40 million endowment grant from the WOHD requires that the HWO Inc.'s IPS be submitted to the WOHD board for approval, the approval process will begin with an updated HWO, Inc IPS being provided to the WOHD's Finance Committee for consideration and review at its September 17th meeting.

COMMUNICATIONS

T. Swanson shared a communication strategy with the Directors that included possible messages to be used in the interim if necessary, in advance of the planned press release later in September or early October. The intention is to have a comprehensive communication of the three grants upon execution of the third grant regarding the property. Input was provided that suggested a more comprehensive interim message should be developed and T. Swanson agreed to handle preparation. A key item of discussion was the need for a more descriptive and intuitive name for use when introducing the mission and vision of HWO, Inc. to the community. Several alternatives were discussed before a consensus was reached.

Board Action: A motion was made, seconded, and unanimously approved to apply for and immediately begin using the d/b/a Foundation for a Healthier West Orange when referring to the HWO, Inc non-profit organization.

GRANT AGREEMENTS WITH THE WEST ORANGE HEALTHCARE DISTRICT

The Board and staff discussed the requirements to be met prior to disbursement of funds from the Endowment Grant agreement. Those requirements include the expansion of the Board of Directors to five. The directors discussed the existing slate of identified possible candidates at length and added to the list. Plans were made to begin approaching individuals to inquire if they would be interested and willing to serve if elected to the board. T. Swanson was asked to prepare a package for use in speaking with the potential board members as well as provide

HWO, Inc.

documents that might be asked for relative to the incorporation, by-laws and non-profit status. She agreed to provide that information to N. Sutton and J. Whiddon by end of day so that they may begin discussions with potential candidates for consideration.

OPEN FORUM

There were no items for open Forum

MEETING TIMING AND NOTICES

It was determined the next meeting of the Board of Directors will be held on September 23, 2019 at 11:00 a.m. in the second-floor conference room at Orlando Health-Health Central. T. Swanson will confirm T. Keating's availability and have the meeting noticed.

The meeting was adjourned 10:40 a.m.



Jaclyn A. Whiddon, Acting Chair