

# HWO, Inc.

## BOARD MINUTES Monday, September 23, 2019 11:00 AM

The HWO, Inc. Board of Directors met on Monday, September 23, 2019, in the Orlando Health-Health Central 2<sup>nd</sup> Floor Conference Room. T. Keating, Chair, called the meeting to order at 11:06 am after a quorum was established, with the following **Directors Present:** J. Whiddon, N. Sutton, T. Keating, and **Others Present:** M. Griffith by phone for IPS discussion only, 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 September 6, 2019 meeting of the Board were unanimously approved.

### DISTRICT GRANT DISCUSSION

T. Keating called upon T. Swanson to discuss the proposed building and property grant agreement with the West Orange Healthcare District (the "District"). T. Swanson shared that the attorneys met and discussed the proposed grant agreement and had agreed on modifications. She asked J. Jonasen to review the changes made to the agreement. He pointed out the changes that were made to terms and the length of agreement. The Board of Directors felt comfortable with the changes.

**Board Action:** Upon a motion made and seconded, the Board unanimously approved authorizing N. Sutton to execute the grant agreement to transfer the building and real property located at 1200 E. Plant Street to HWO, Inc. from the West Orange Healthcare District, if approved as included in the board package by the District's Board at their meeting on September 24, 2019.

### INSURANCE PROPOSAL

K. Harker informed the Board that he had been in contact with Bryce Knuth of the IOA Agency to request quotes on policies for HWO, Inc. He reminded the Board that this agency recently arranged the D&O liability coverage. The quotes were for workers comp, comprehensive general liability and crime/employee dishonesty coverages. IOA sent applications for such insurance that staff will complete and submit, the intent being to begin the coverages as soon as possible in the new fiscal year. Based upon the premiums for this type of coverage that the District pays, the total cost of all three should be less than \$5,000/year.

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## INVESTMENT POLICY STATEMENT

K. Harker informed the Board that a draft of the Investment Policy Statement (IPS) for the Endowment Fund was completed by J. Breth last week and shared with the District's Finance Committee at its Sept 17<sup>th</sup> meeting. That draft was included in the materials for the meeting. K. Harker called attention to the initial investment allocations in that draft that called for 20% to equities and 65% to fixed income securities. Significant discussion ensued around a term in the preservation of "corpus" to be a "primary responsibility," and some believed that a heavier weighting toward fixed income best complied with that provision.

K. Harker further reported that the District's Finance Committee had expressed the view that a heavier weighting toward equities would achieve a better return on the investment and would improve the opportunity for the preservation and/or growth of fund corpus over the longer term. K. Harker also reported that he had spoken with consultant J. Breth about a policy similar to that of the District's portfolio, which is 50% equities, 30% fixed income and 20% real estate and alternative investments. J. Breth did not take issue with such an asset mix for the HWO portfolio, and attorney J. Jonasen was of the opinion that such an asset mix would not violate the terms of the WOHD/HWO grant agreement.

Following discussion, it was the conclusion of the Board that the IPS should include a total return assumption and asset allocation that mirrors those included in the IPS of the West Orange Healthcare District.

**Board Action:** Upon a motion made and seconded, the Board unanimously approved the draft of the IPS, subject to inclusion of a total return assumption of 6% and target allocations of 30% to domestic equities with a range of 25% to 35%, 20% to international equities with a range of 15% to 25%, 20% to core fixed income with a range of 15% to 25%, 10% to non-core fixed income with a range of 5% to 10%, 10% to real estate with a range of 0% to 15%, and 10% to alternative investments with a range of 5% to 15%.

## BOARD MEMBER CANDIDATES

Prior to discussing the re-election of board members, J. Jonasen provided a brief description of HWO, Inc.'s bylaws concerning the annual election of board members. T. Swanson read the three directors' names who were up for re-election and two new candidates who were being considered. The three current directors nominated for re-election were as follows: Jaclyn Whiddon, Norma Sutton, and Tim Keating.

**Board Action:** Upon a motion made and seconded, the Board unanimously approved the re-election of the three current directors who were eligible for re-election, as follows: Jaclyn Whiddon, Norma Sutton, and Tim Keating, effective October 1<sup>st</sup>.

J. Whiddon then provided insights on her discussions with Carl Dupper of AdventHealth and Mark Marsh of Orlando Health-Health Central concerning the opportunity to be considered as

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candidates for HWO, Inc.'s Board of Directors. Discussion ensued and the Board of Directors requested J. Whiddon follow-up with Carl and Mark to extend the invitation to join the board.

**Board Action:** Upon a motion made and seconded the Board unanimously approved the expansion the board to five Board of Directors.

**Board Action:** Upon a motion made and seconded, the Board unanimously approved the election of Carl Dupper and Mark Marsh to the Board of Directors, effective October 1<sup>st</sup>.

The Board then considered the election of officers for HWO, Inc. for the coming year.

**Board Action:** Upon a motion made and seconded, the Board unanimously approved the election of the following officers for the corporation: Jaclyn Whiddon, Chair; Norma Sutton, Secretary; and Tim Keating, Treasurer; effective October 1<sup>st</sup>.

## OPEN FORUM

J. Jonasen mentioned that the fictitious name had been established for a Foundation for a Healthier West Orange, and it can be used by HWO, Inc. J. Jonasen was asked to draft a resolution that the requirements set forth in the Endowment grant agreement with the District have been met, assuming that the two candidates accept offers to join the Board.

**Board Action:** Upon a motion made and seconded the Board unanimously directed J. Jonasen to prepare a resolution stating that the requirements set forth in the Endowment grant agreement with the District had been met.

## MEETING TIMING AND NOTICES

It was determined the next meeting of the Board of Directors would be held at end of October in the second-floor conference room at Orlando Health-Health Central.

The meeting was adjourned 12:40 p.m.



Tim Keating, Chair