

# FOUNDATION

For A Healthier West Orange

## BOARD MINUTES

Friday, March 13, 2020

8:00 AM

The Foundation for a Healthier West Orange Board of Directors met on Friday, March 13, 2020, in the Orlando Health-Health Central, 2<sup>nd</sup> Floor Conference Room. Chair, J. Whiddon called the meeting to order at 7:57 am after a quorum was established, with the following **Directors**

**Present:** T. Keating, N. Sutton, J. Whiddon; **Others Present:** T. Swanson, L. Buckley, K. Harker, J. Jonasen – Gunster by phone

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 February 17, 2020 meeting of the Board were unanimously approved.

### FINANCE REPORT

Chair J. Whiddon called upon K. Harker to present the Finance report. He responded that the internal financial statements are as of February 29, 2020 and for the five months of the fiscal year 2019-2020. Total assets of the Foundation were \$50.2 million, which includes the \$7.5 million receivable balance on the \$10 million grant to the Foundation from the District. As discussed last month during the auditor presentation, that receivable is not recognized in the audited financial statements but will be recognized ratably over the 3 years that is intended to benefit. K. Harker pointed to the Foundation's most significant asset, the endowment fund that had a value of just over \$40.4 million on February 29<sup>th</sup>, adding that the Investment Performance of the endowment fund will be discussed later. The Foundation also had \$2.2 million in its money market account with Seacoast Bank that was earning 1.75%.

Moving to Liabilities, K. Harker reported that the liability to the District is primarily for staff compensation and benefits for administration and management services provided by the District to HWO. He reminded the Board that for the first quarter of the year, all staff serving the Foundation were employees of the District pending the resolution of employee benefit issues. Following resolution of the benefits issue, effective January 1<sup>st</sup>, five staff members were moved to the Foundation payroll, leaving T. Swanson & K. Harker as the only employees of the District. K. Harker further commented that the restricted net assets of \$40 million is the corpus of the endowment fund established by the grant from the West Orange Healthcare District.

Moving to the Statement of Revenues & Expense, K. Harker pointed out that revenue on the investment portfolio for the five months was over \$2 million. He pointed out that expenses of the Foundation at this early point in the fiscal year are well within budget. The bottom line for the five months was \$42.6 million, which includes the \$40 million grant to establish the endowment fund.

K. Harker concluded the Financial report portion of his report and then moved to the Investment report.

K. Harker first called attention to the AndCo Consulting memo to their “valued clients” dated March 3<sup>rd</sup> that addresses the current market volatility. He reminded the Board that such volatility has gotten worse in the 10 days since. The portfolio value was down \$2.2 million in March from the \$36.4 million at February 29<sup>th</sup>.

Moving to the AndCo report for the month of February, K. Harker stated that the overall portfolio lost 3.83% for the month and is down for the year by -.22%. The equities allocation was the big loser at -7.51%, with the losses spread among all managers and funds. The fixed income allocation was positive at .65% while the alternative allocation, which is a mix of equities and fixed income, was down by -2.53%.

As to Asset Allocation, referring to page 4 of the Monthly Flash Report, all investment allocations are well within the policy ranges approved by the Board and are very near the range mid-points. K. Harker concluded the financial and investment performance reports and asked if there were questions, comments or a motion to approve.

**Board Action:** Upon a motion made and seconded, the Financial report for February 29, 2020 was unanimously approved.

#### **CONFLICT OF INTEREST**

T. Swanson stated that the conflict of interest is still being worked on by J. Jonasen and it will be provided at the next Board meeting.

#### **PROPOSAL FOR OUTSOURCE HUBB STAFF/MANAGEMENT**

L. Boettcher discussed the operational plans and the physical location for Hubb and staff. She has provided an outsource proposal for the Director’s to review from K. Peach of Health Council of East Central Florida for the Healthy User Bulletin Board (HUBB) staffing. L. Boettcher indicated that the Health Council would like to manage the space and can provide staffing for HUBB with someone who is experienced in healthcare and is bilingual (English and Spanish). L. Boettcher also mentioned that the budget is in line with what was budgeted for HUBB. Discussion ensued on the agreement and staff backup for HUBB.

**Board Action:** A motion was made, seconded and unanimously approved for staff to pursue development of an agreement with Health Council of East Central Florida and bring the agreement to the Board for final approval.



## **BOARD ADMINISTRATIVE DISCUSSION**

T. Swanson reminded the Board of Directors of the dates for upcoming Board meetings: April 10<sup>th</sup> and May 8<sup>th</sup>. The Board Retreat will be scheduled for a ½ day session depending on availability of the new building, she indicated she is hoping for July/August.

T. Swanson discussed the Policies and Procedures that have been developed. She went through each section of the Policies and Procedure manual and changes were recorded. It was proposed that consideration be given to creating a virtual approval process with a log and supporting backup to accommodate travel and out of town availability of the Treasurer. T. Swanson and K. Harker will propose a process. T. Swanson pointed out the Competitive Bid section, the amount proposed is \$50,000. For the Property & Entertainment section, any single asset that is more than \$1,000 will be capitalized and depreciated. For, the CEO/Staff Relationship, T. Swanson noted that she is acting CEO with accountability for managing and overseeing the staff, documented with a management agreement. For grant making, T. Swanson suggested that for the time the Directors adopt a by invitation only. T. Swanson indicated changes will be made and brought back for approval.

T. Swanson discussed Board Expansion. She presented an application and recruitment requirements. She suggested that the Foundation should look at the skillsets and the industry applicants come from e.g., Finance, HR and Nutrition. It was agreed the Board of Directors will look at a diverse pool to fill each seat. The Directors requested time to review and consider the recommendations. The goal is to select two new board members in May.

## **OPEN FORUM**

T. Swanson discussed the need for review and approval of a new Management Service Agreement to adequately allocate and manage staff time used for employees of the District and Foundation as reflected on Exhibit A - District Loaned Employees and Exhibit B - Foundation Loaned Employees. The agreement is made effective as of October 1<sup>st</sup>. T. Swanson asked the Board of Director's for approval so that the agreement could be sent to the Finance Committee and then the District Board of Trustees for their approval and then executed. Discussion ensued on ensuring time spent was checked periodically to validate the standard allocations.

**Board Action:** A motion was made and seconded, to accept the Management Service Agreement as attached, for execution upon acceptance by the District Finance Committee and Board was unanimously approved.


T. Swanson then discussed banking authorization for HWO Holdings LLC and suggested approval to designate T. Keating, J. Whiddon, N. Sutton and T. Swanson as officers.

**Board Action:** Upon a motion made and seconded, to authorize T. Keating, J. Whiddon, N. Sutton, and T. Swanson as officers of HWO Holdings LLC and authorized signatory for HWO Holdings LLC bank accounts was unanimously approved.

## Open Forum

T. Swanson discussed the hospital plans to screen all personnel coming into the hospital and limiting access to visitors for patients in the hospital. The Directors authorized T. Swanson to instruct staff to work from home for the near term as the state and national situation was evaluated.

The meeting was adjourned at 9:11 a.m.



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Jaclyn Whiddon, Chair