

FOUNDATION

For A Healthier West Orange

BOARD MINUTES

Monday, February 1, 2021 at 8:00 AM
Healthy West Orange Building
1200 E. Plant Street, Ste. 200
Winter Garden, FL 34787

The Foundation for a Healthier West Orange (HWO, Inc.) Board of Directors met on Monday, February 1, 2021 at the Healthy West Orange Building. Chair J. Whiddon called the meeting to order at 7:59 a.m. A quorum was established, with the following **Directors Present:** T. Keating, N. Sutton, J. Whiddon; and **Others Present:** T. Swanson, L. Boettcher, K. Harker, L. Buckley, J. Jonasen, R. Talbot

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 November 16, 2020 meeting of the Board were unanimously approved.

FINANCE REPORT – DECEMBER 2020

Chair J. Whiddon called upon K. Harker to present the financial reports for December 2020. He then called attention to the combined balance sheet that includes HWO, Inc. and its three affiliates, HWO Investments, LLC, HWO Holdings, LLC and Healthy West Orange, LLC. On a combined basis, total assets were \$56.7 million with the primary assets being the investment portfolio at \$47.4 million (to be transferred to HWO Investments) and the money market account at Seacoast Bank (to remain at HWO, Inc.) that is earning 49 basis points. Liabilities are at \$439 thousand, including \$234 thousand owed by other affiliates to HWO, Inc. K. Harker added that an alternate treatment would be to record amounts received from HWO, Inc. by affiliates as permanent transfers if neither party intends a payback. Restricted assets of \$40 million (HWO Investments) is the corpus of the grant from the West Orange Healthcare District with a stipulation that it be treated as an endowment. Combined unrestricted assets were \$16.3 million at December 31, with two of the affiliates showing deficits and one with positive equity.

Moving to the Combined Statement of Revenues and Expense for the three months ended December 31, K. Harker pointed out that the primary revenue source was the investment portfolio, which returned over \$4 million for the period. As to compensation and benefits, all of the staff were on the HWO, Inc. payroll for the period. But as of calendar 2021, some staff members will be moved to the Healthy West Orange, LLC payroll. Benefits considerations were the reason that these staff members remained on the HWO, Inc. payroll for the quarter ended

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December 31. On a combined basis, net revenues were \$3.9 million for the quarter, primarily attributable to the returns on the HWO Investments portfolio of over \$4 million. The other affiliates incurred losses for the period.

K. Harker concluded his comments on the financial statements and moved to the investment report for December 2020 and for the fiscal year to date provided by Advisor AndCo. The overall returns were very good, both for the month of December and for the three months then ended at 3.15% and 12.68%, respectfully. Both the allocations to domestic and to international equities performed very well. For December, the fixed income allocation returned .81%, but for the fiscal year to date was over 8%. Referring to page 4 of the AndCo report, K. Harker noted that all asset allocations were within their ranges as set forth in the Investment Policy Statement, with some above and some below the mid-points of those ranges. Consultant J. Breth does not recommend portfolio adjustments at this time.

In concluding his reports, K. Harker reminded the Board that the form and content of the monthly financial reports continue to be developed. He welcomes comments and suggestions from Board members.

Board Action: Upon a motion made and seconded, the Finance and Investment Reports for December were unanimously approved.

BENEFIT PROVISION FOR SUBSIDIARIES

Chair J. Whiddon called upon T. Swanson to discuss the proposed board resolutions included in the board packet addressing sponsorship of benefits for employees of the Foundation and for employees of subsidiaries. T. Swanson shared that after formalization of HWO Holdings, LLC, HWO Investments, LLC and Healthy West Orange, LLC, and the movement of employees from HWO, Inc. to Healthy West Orange, LLC, it is necessary to expand benefit programs to the subsidiaries. The resolutions would allow the parent company, HWO, Inc., to provide benefit plans to its own employees and to employees of subsidiaries. The resolution would authorize HWO, Inc. to enter into agreements with subsidiaries for sponsorship of employee benefit plans and reimbursement to HWO, Inc. for benefit costs, and would authorize establishment of common personnel policies and procedures.

Board Action: Upon a motion duly made and seconded, the attached Resolutions of the Board concerning the Foundation's sponsorship of Benefit Plans (including healthcare and retirement plans) to be provided to Foundation employees and employees of Foundation subsidiaries, and concerning personnel policies and procedures, were unanimously approved. (Attachment A).

BOARD MEMBERSHIP

Chair J. Whiddon called upon T. Swanson to discuss board membership. T. Swanson shared that C. Dupper had officially submitted his resignation as a Foundation board member effective

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January 29, 2021 and wishes the Foundation well and has great confidence in the work of the Foundation moving forward.

T. Swanson also shared that she had a phone interview with Kari Vargas, who is the AdventHealth executive assuming responsibilities in West Orange that were previously overseen by C. Dupper. T. Swanson pointed the Directors to her bio, included in the board packet. She stated that Ms. Vargas does not live in West Orange, but she spent many years in West Orange, including graduating from Dr. Phillips High School, and is now the Market CEO for the West Orange and South Lake County AdventHealth assets, serving as President and CEO of AdventHealth in Winter Garden. The Board discussed the departure of C. Dupper and acknowledged his valued service. They then reviewed Ms. Vargas's bio and discussed the desire to continue to have both hospitals represented on the Board.

Board Action: Upon a motion made and seconded, the Board unanimously approved acceptance of C. Dupper's resignation as a Foundation Board Member.

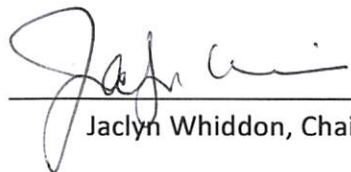
Board Action: Upon a motion made and seconded, the Board unanimously approved extending an invitation to K. Vargas to serve as a Foundation Board Member.

FOUNDATION GOALS & OBJECTIVES WORK SESSION

Chair J. Whiddon called upon T. Swanson to discuss the Foundation goals and objectives work session. T. Swanson suggested that there is work to be done on the Foundation's goals and objectives and strategies to achieve them, and that a work session would accelerate efforts towards that end. Discussion ensued, and T. Swanson was asked to leverage ongoing Board Meetings, for now, to advance the work of the Board.

OPEN FORUM

The meeting was adjourned at 8:45 a.m.



Jaclyn Whiddon, Chair