



BOARD MINUTES
Thursday, April 8, 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 Thursday, April 8, 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:** M. Marsh, K. Vargas, J. Whiddon and N. Sutton (remotely) and **Others Present:** T. Swanson, L. Boettcher, P. Brown, K. Harker, L. Buckley and J. Jonasen (Gunster).

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

APPROVAL OF MINUTES

Board Action: Upon a motion duly made and seconded, the minutes of the March 3, 2021 meeting of the Board were unanimously approved.

FINANCE REPORT – FEBRUARY 2021

Chair J. Whiddon called upon K. Harker to present the financial reports for February 2021. 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 \$56.8 million, with the primary assets being the HWO Investments, LLC portfolio at \$47.9 million and the Foundation’s money market account of \$8.5 million at Seacoast Bank, which is earning 25 basis points. Liabilities are at \$172,500, while the approximately \$486,000 owed by other affiliates to HWO, Inc. is now treated as contributions rather than liabilities and is reflected on the Combined Statement of Revenues and Expenses. Restricted assets of \$40 million (HWO Investments) is the corpus of the grant from the West Orange Healthcare District (the “District”) with a stipulation that it be treated as an endowment. Combined unrestricted assets were \$16.7 million at February 28, 2021.

Moving to the Combined Statement of Revenues and Expense for the five months ended February 28, 2021, the primary revenue source was the investment portfolio, which earned over \$4.6 million for the period. On a combined basis, net revenues were \$4.3 million for the period, which was attributable to the returns on the HWO Investments portfolio. The other three entities incurred losses for the five-month period.

K. Harker concluded his comments on the financial statements and moved to the investment reports for the fiscal year to date (as of February 28) provided by Investment Advisor AndCo

Consultants. The overall returns from portfolio inception to date were very good at 13.54%. For February, the returns were also good in that the portfolio was up 1.57%. Both the allocations to domestic and to international equities at 4.25% and 1.81%, respectively, performed very well. However, the fixed income allocation experienced a loss for the month of 1.15%.

Referring to page 4 of the February AndCo report, K. Harker noted that all asset allocations were within their ranges as set forth in the Investment Policy Statement. However, due to the record setting performance of the domestic equity sector, that allocation is pushing its approved asset allocation upper boundary. Therefore, consultant J. Breth has recommended a rebalancing at this time. The rebalancing will be addressed during the HWO Investments, LLC board meeting later. K. Harker concluded his report by asking for questions, comments or a motion.

Board Action: Upon a motion duly made and seconded, the Finance Reports for February 2021 were unanimously approved.

T. Swanson thanked K. Harker for performing a dual role as the District's CFO and handling finances for the Foundation and its Subsidiary entities. T. Swanson welcomed and asked P. Brown, the new Controller for the Foundation to introduce herself and share her background. T. Swanson then welcomed and asked the new Director, K. Vargas, to introduce herself and share her background.

FUTURE BUILDING BUILDOUT

Chair J. Whiddon called upon T. Swanson to discuss the future building buildout. T. Swanson reminded the board that the District, in addition to the \$40 million endowment grant, had provided an additional \$10 million transition grant to support operating needs of the Foundation and subsidiaries for their first three years and for the buildout of the building on the second floor, with any remaining funds to be used for grant making. T. Swanson indicated that preliminary estimates for buildout are expected to be up to \$300,000, and she requested authorization for HWO, Inc to transfer funds up to \$300K to HWO Holdings for the community space buildout.

Board Action: A motion was duly made, seconded and unanimously approved authorizing staff to transfer \$300,000 from HWO, Inc to HWO Holdings, LLC for purposes of building out the community space.

DISTRICT AUTHORIZATION AGREEMENT

Chair J. Whiddon called upon T. Swanson to discuss the District Authorization Agreement. T. Swanson shared that the District had empowered HWO, Inc. to act on the District's behalf and contract with vendors directly to provide maintenance and operating services for the building. The agreement, dated February 1, 2020, authorizes HWO, Inc. and HWO Holdings to negotiate

FOUNDATION

For A Healthier West Orange

and enter into agreements directly with vendors and contractors for services to be performed for the Healthy West Orange building at 1200 E Plant St.

Board Action: A motion duly made and seconded was unanimously approved to ratify the agreement with the West Orange Healthcare District authorizing HWO, Inc. and HWO Holdings, LLC to enter into agreements with vendors and contractors directly for services for the maintenance and upkeep of 1200 E. Plant St.

MANAGEMENT SERVICE AGREEMENT AMENDMENT

Chair J. Whiddon called upon T. Swanson to discuss the Management Services Agreement Amendment. T. Swanson shared that the October 19, 2019 Management Services Agreement had been updated twice before, and the attached revised “Exhibit A - District’s Loaned Employees” reflects the removal of charges for K. Harker’s services to the Foundation, as a new Controller, P. Brown, will take over the Foundation’s responsibilities once trained. T. Swanson will remain as the sole District employee providing services to the Foundation.

Board Action: A motion duly made and seconded was unanimously approved for amendment of Exhibit A to the Management Services Agreement dated October 1, 2019 removing K. Harker’s charges to the Foundation.

US HUNGER/FEEDING CHILDREN EVERYWHERE UPDATE

Chair J. Whiddon called upon L. Boettcher to discuss the US Hunger/Feeding Children Everywhere grant. L. Boettcher shared that last year an emergency COVID grant of \$250K for 5,625 food boxes was provided to Feeding Children Everywhere, which has since changed its name to US Hunger. One thousand food boxes have been distributed to date. Distribution complications have arisen, and various solutions for getting boxes to those in need are being evaluated.

OPEN FORUM

T. Swanson shared that M. Marsh has provided notification that he will be relocating back to Kentucky to be closer to family and his last day with Orlando Health is set for April 30. T. Swanson acknowledged M. Marsh’s contributions, and the Board thanked him for his service and wished him well.

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

Jaclyn Whiddon, Chair

EXHIBIT A

DISTRICT'S LOANED EMPLOYEES

The District, through its Loaned Employees, as determined by its CEO, will provide management and operational services to the Foundation, subject to approval of the Foundation's board of directors, including but not limited to management of the following functions:

- Financial management
- Advertising and marketing
- Grant Oversight and Administration
- Board Management
- Permitting and licensure
- Equipment purchasing and facility construction
- Recruiting and hiring of personnel
- Payroll processing
- Vendor selection
- Training manuals and procedures
- Purchasing and procurement
- Fundraising
- Required filings and reports for government agencies

From October 1, 2019, through December 31, 2019, the following District employees will be the District Loaned Employees, and the percentage of their time that they are anticipated to spend in the service of the Foundation and the District is as follows:

Luz Buckley	50% Foundation	50% District
Kenneth Harker	50% Foundation	50% District
Tracy Swanson	50% Foundation	50% District
Lesa Boettcher	75% Foundation	25% District
Steven Gilbert	100% Foundation	0% District
Heather Murphy	100% Foundation	0% District
Brendan Moran	100% Foundation	0% District

From January 1, 2020, through April 30, 2021, the following District employees will be the District Loaned Employees, and the percentage of their time that they are anticipated to spend in the service of the Foundation and the District is as follows:

Kenneth Harker	50% Foundation	50% District
Tracy Swanson	50% Foundation	50% District

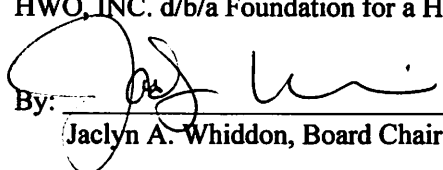
Beginning May 1, 2021, Tracy Swanson will be the sole District Loaned Employee, and the percentage of her time that she is anticipated to spend in the service of the Foundation and the District is set forth above.

The foregoing provisions of this Exhibit A shall be reviewed annually during the Term and adjusted as mutually determined by the parties. This revised Exhibit A has been approved by the parties and executed by their authorized representative effective May 1, 2021, and shall thereafter replace the prior Exhibit A to the Agreement, which shall otherwise remain in full force and effect.

WEST ORANGE HEALTHCARE DISTRICT

By: 
Rodney G. Talbot, Chairman

HWO, INC. d/b/a Foundation for a Healthier West Orange

By: 
Jaclyn A. Whiddon, Board Chair