

FOUNDATION

For A Healthier West Orange

BOARD MEETING MINUTES

Thursday, May 4, 2023, at 12:00 p.m.
1200 E. Plant Street, Ste. 220
Winter Garden, FL 34787

The Foundation for a Healthier West Orange (the “Foundation”) Board of Directors met on Thursday, May 4, 2023, at the Healthy West Orange Building. Chair J. Whiddon called the meeting to order at 12:06 p.m. A quorum was established, with the following **Directors Present:** B. Spong, C. Evans, J. Whiddon, K. Vargas, N. Sutton, T. Keating. **Directors Absent:** none. **Staff Present:** T. Swanson, L. Boettcher, P. Brown, and A. Mendyk. **Guests:** J. Jonasen of Gunster; J. Wynn and N. Diamond of Quatt Associates joined for Compensation topic (virtual).

PUBLIC COMMENT

No members of the public were in attendance; therefore, no public comment period was necessary.

APPROVAL OF MINUTES

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the minutes of the HWO Inc. Board Meeting held on March 21, 2023.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the minutes of the Grant Review Meeting held on April 18, 2023.

FINANCE COMMITTEE REPORT – MAY 1, 2023

Chair J. Whiddon called upon P. Brown to provide a summary of the May 1 Finance Committee Meeting discussion. P. Brown 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 \$94.7 million at end of March 2023 with the primary assets being the HWO Investments, LLC portfolio at \$71.66 million at March 2023. The primary increase is due to gains in the Fund in Q2. The Foundation’s money market account and CD accounts were \$15.5 million at end of March 2023. These funds are at Seacoast Bank primarily in Money Market and CD accounts earning 450 basis points. The primary decrease in cash for the Quarter was due to Operations and payment of several remaining Grants from the West Orange Healthcare District (“WOHD”). Liabilities are \$3.3 million at end of March 2023 with the majority being the \$3.2 million Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 6 months ended March 31, 2023, net Investment Income was a gain of \$6.1 million. All sub-categories for expenses on the HWO Inc. Income Statement are well within budget. Year to date total expenses through March 2023 are \$1M compared to the full year budget of \$2.25 million. Expenses through the first six months of the fiscal year were 45% of the total budget.

FOUNDATION

For A Healthier West Orange

P. Brown concluded her comments on the financial statements and moved to the HWO Investments, LLC investment reports dated March 2023 provided by Investment Advisor AndCo Consultants. The overall returns from portfolio inception to date were 5.03%. For the quarter ended March 2023, the return was up 3.74%. The allocation to domestic equities performed well at 5.89% while the international equities was up 7.8%. The fixed income allocation was up 3.02% while the total real estate composite was down 5.08%. The alternatives composite allocation performed positively for the quarter at 3.08%.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the HWO Inc. March 2023 Draft Finance Committee Report.

P. Brown updated the Board on a recent check forgery incident. As a precaution, Seacoast Bank will add "Positive Pay" to the HWO Inc. and Subsidiaries' checking accounts.

P. Brown also stated that Seacoast Bank recommended the HWO Inc. Money Market and the HWO Inc. dba West Orange Healthcare District Money Market funds be placed in an Insured Cash Sweep (ICS) program. This will allow these accounts to be eligible for the full FDIC Insurance of the US government. The ICS would be done through Seacoast Bank, and the Foundation would have full access to the Money Market balances. It was noted that there may be a possible lesser interest rate associated with it due to a fee attached to the rate. P. Brown would find out the fee and inform Treasurer T. Keating the interest rate before proceeding with the ICS.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved to implement ICS with Seacoast Bank if interest rate is acceptable and with Treasurer's final approval.

IRS FORM 990 REVIEW

P. Brown presented the Form 990 for 2021 (tax year beginning Oct. 1, 2021 and ending Sept. 30, 2022). The verbiage for the 990 including Board Finance Committee recommended additions was reviewed and approved. P. Brown asked for further comments, questions, or a motion from Board members.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the Draft Form 990 Tax Return for 2021 inclusive of Finance Committee recommended additions.

WINDERMERE GRANT DISCUSSION

T. Swanson directed attention to an article in the West Orange Observer regarding the Windermere Pavilion Grant. She stated the article accurately reflects the situation and the City of Windermere is requesting a meeting with her and the Rotary Club to clarify Grant parameters. The Board confirmed she should attend and clarified that the Board is not

FOUNDATION

For A Healthier West Orange

interested in renegotiating the Grant. The Board expressed their belief that the Grant provides appropriate latitude to meet the concerns expressed by most residents.

COMPENSATION DISCUSSION

Chair J. Whiddon excused all staff, and James Wynn and Nick Diamond of Quatt Associates were admitted to the meeting via Zoom. The Foundation had retained Quatt Associates to review the current total remuneration packages for its CEO, Chief Operating Officer, and Controller and Facilities Director, and to evaluate and make recommendations regarding executive compensation. J. Wynn presented their report, which summarized their methodology, findings, and recommendations. Quatt identified a group of 23 foundations that were similar to the Foundation in terms of mission, size/scope, and focus on their communities, and it compared the Foundation's executive compensation to that of the comparator group. Upon review of the findings and recommendations, the Board asked clarifying questions and had substantial discussion. The Board then excused the consultants and had more dialog before asking T. Swanson to rejoin the meeting.

Quatt Associates provided an example of a performance planning and assessment process. The model will help the Foundation set annual goals and objectives for the organization and the executives, create a scorecard to assess the organization and the executives' performance, and use the scorecard to calculate the executives' incentives. The Board expressed interest in introducing the new evaluation system for the upcoming FYE and requested the CEO and Board Chair propose how the plan can be managed consistently from year-to-year given the time, resources, and ability of Board members and staff involved in the process. The Board discussed the Foundation's compensation philosophy for its executives and directed that the philosophy be included in the Policy Manual.

POLICY MANUAL REVIEW

T. Swanson shared the updated draft of the HWO Inc. Policy Manual, including Finance Committee-recommended additions, which were reviewed and approved with the addition of the compensation philosophy for executives discussed earlier in the meeting. T. Swanson asked for further comments, questions, or a motion from Board members.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the HWO Inc. and Subsidiaries Policy Manual as presented with the addition of the discussed compensation philosophy.

CREATIVE AGING GRANT REVIEW RECAP

T. Swanson reviewed feedback from the April 18, 2023 meeting with former WOHD trustees, where they were provided an update on the first phase of work on the Creative Aging Grant. After the presentation they indicated that they felt they had a solid understanding of, and comfort with, changing direction away from a single-site solution. They were also in agreement that a geo-distributed model using existing assets in the community was the appropriate solution to meet the goals and intent of the grant agreement.

FOUNDATION

For A Healthier West Orange

The former trustees expressed interest in continuing to engage with the team as work progresses on the Creative Aging Grant. After discussion regarding next steps, T. Swanson requested release of grant funds up to \$150,000 to continue work in fulfilling the goal of the Creative Aging Grant, including \$50,000 to conduct community focus groups and other related research, up to \$25,000 for continued feasibility and facilitation as the team explores emerging opportunities, and up to \$75,000 to support partner-led, evidence-based research for two or three creative aging programs.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the release of up to \$150,000 towards efforts to advance work on the Creative Aging Grant. The \$150,000 can be used in the following manner: up to \$50,000 for focus groups and research on the Village-to-Village Concept, up to \$25,000 for feasibility consultants and facilitation, and up to \$75,000 to support partner-led, evidence-based research for two or three creative aging programs.

CEO REPORT

T. Swanson provided perspective on all WOHD Grant responsibilities and focused the Board's attention on the Special Needs Endowment Grant. Discussion ensued regarding the intention of the WOHD board to protect smaller past Special Needs Grantees. Alternatives were presented that could meet WOHD's objective sooner given the under-performing market. After discussion it was determined that the current value should be moved into a Money Market account to secure interest earnings.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved movement of the \$2,766,000 WOHD Scholarship Grant fund into a Money Market account.

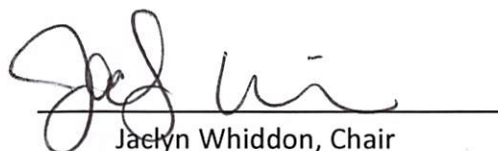
T. Swanson reviewed the progress made towards the current-year Goals & Objectives Strategy.

The Budget timeline proposal was shared, and future meeting dates agreed upon.

OPEN FORUM

T. Swanson shared opportunities for attendance to local community events and invited the Board to tour the completed building space.

The meeting was adjourned at 3:35 p.m.



Jaelyn Whiddon, Chair