

FOUNDATION

For A Healthier West Orange

BOARD MEETING MINUTES

Tuesday, November 12, 2024, at 12:00 p.m.
1200 E. Plant Street, Ste. 220
Winter Garden, FL 34787

The HWO, Inc., DBA Foundation for a Healthier West Orange (the "Foundation") Board of Directors met on Tuesday, November 12, 2024, at the Healthy West Orange Building. Chair J. Whiddon called the meeting to order at 12:04 p.m. A quorum was established, with the following **Directors Present:** B. Spong (virtual), C. Evans, J. Whiddon, K. Vargas, and N. Sutton. **Directors Absent:** T. Keating. **Staff Present:** T. Swanson, P. Brown, K. Carter, and A. Jenkins. **Guest:** J. Jonasen of Gunster.

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., DBA Foundation for a Healthier West Orange Board Meeting held on Wednesday, September 18, 2024.

FINANCE COMMITTEE REPORT – OCTOBER 31, 2024

Chair J. Whiddon called upon P. Brown to provide a summary of the October 31, 2024, Finance Committee Meeting.

FYE2024 Audit Discussion: The HWO Inc. audit will begin in November and is expected to be completed in January. The CPA Firm, MSL Accountants, has been retained to do the audit. P. Brown reported that F. Halikman of MSL CPA announced the merger of MSL CPA firm with Forvis Mazars effective November 1, 2024. Forvis Mazars will be the name of the merged companies and will be the name on the HWO Inc. FYE2024 audit report. F. Halikman will remain the HWO Inc. audit partner. A. Saleh was also introduced as the new Manager for the FYE2024 Audit.

Investment Discussion: P. Brown reported that J. Breth of Mariner had provided an overview of the September 2024 QTD Investment Report for HWO Investments, LLC portfolio to the Finance Committee. The portfolio's overall performance was up 5.63%, net of fees, for the quarter ending 9/30/2024. J. Breth said consistent with current market conditions the Portfolio's performance was up in all categories for the quarter.

As to asset allocation, J. Breth noted all investment allocations are near the policy range mid-point approved by the Board, with domestic equities being above the mid-point and Private Equity below the mid-point. This allocation will be closer to mid-point when the equity call is completed for the private equity investment with JP Morgan. J. Breth did not have any recommendations for changes to the Portfolio.

P. Brown also reported that J. Breth discussed asset allocation models and sensitivity analysis to the approved HWO Investment policy allocations. He provided allocation scenarios and

FOUNDATION

For A Healthier West Orange

portfolio standard deviations when funds were allocated differently between asset categories. Finance committee members agreed to keep the asset allocation as per policy. The committee agreed to review regularly throughout the year.

Finance Reports – September 2024: P. Brown presented the HWO Inc. financial reports for September 30, 2024. P. Brown called attention to the September 2024 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 \$104.9 million at end of September 2024 with the primary assets being HWO Investments, LLC portfolio at \$81.7 million. The Foundation's money market account and ICS accounts were \$16.5 million at end of September 2024. These funds are at Seacoast Bank primarily in the Money Market and ICS accounts earning between 475 and 450 basis points. Liabilities are \$2.6 million at end of September 2024 with the majority being \$2.54 million Grant payables for WOHD grants.

Moving to the HWO Inc. Combined Statement of Revenues and Expenses for the 12 months ended September 30, 2024, net Investment Income was a gain of \$13.4 million with \$1.2 million in the month of September. The FYE24 total operating expenses were \$2.24 million compared to the annual budget of \$2.35 million. The under budget of \$109k was primarily due to lower marketing and promotional spend. P. Brown also discussed the HWO Inc. Cash Flow Forecast. T. Keating requested we continue to monitor interest rates and determine the proper level of liquidity and cash to have on hand in the Money Market, CD's and ICS accounts.

P. Brown presented the Mariner September 30, 2024, Investment Performance Review and Flash Report. P. Brown reported that overall returns from portfolio inception to date were up 7.17% and the fiscal year to date 2024 is up 19.81%. For the quarter ending 9/30/24, overall returns were up 5.63% with domestic equities up 5.79%, international equities up 8.89% and fixed composites up 5.28%. The Real Estate Composite was up slightly at 0.24% for the quarter.

P. Brown concluded the HWO Inc. Finance Committee Report by asking for questions, comments, or a motion.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the HWO Inc. October 31, 2024, Finance Committee Report and September 30, 2024 Financial Statements.

GRANT ACTIVITY AND UPDATES

T. Swanson updated the Board regarding FHWO Grants Status and P. Brown gave an update on HWOTC. There have been no Trail Grant applications to date for funding that was made available from the HWOTC Grant. T. Swanson reviewed District Grants discussing grant statuses for City of Ocoee, Orlando Health-Health Central Park and the ground-breaking events that were held at Tucker Ranch and The Boys and Girls Club both in Winter Garden.

T. Swanson and P. Brown related to the Board that the \$40 million five-year Grant agreement between the Foundation and the West Orange Healthcare District expired on 9/30/2024. T.

FOUNDATION

For A Healthier West Orange

Swanson highlighted that the Foundation continues to closely follow the Grant and its parameters. T. Swanson indicated that a Resolution was recommended by the Foundation's attorney. T. Swanson asked J. Jonasen of Gunster to review the \$40 million Endowment Fund Resolution and rationale with the Board.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved the attached Resolution reaffirming the donor restrictions governing the Foundation's use of the Endowment Fund as set forth in the \$40 million Grant Agreement and the Foundation's Amended and Restated Bylaws, as well as the Board's further restrictions as set forth in the Investment Policy; and further resolved, that the Foundation shall continue to comply with the donor restrictions and the Investment Policy in making decisions regarding the use of the Endowment Fund.

CURRENT FINANCIAL OUTLOOK FOR MISSION ADVANCEMENT

T. Swanson and P. Brown facilitated Board Members through a review of financial funding sources from FYE2024 and projected uses in FYE2025. P. Brown outlined the budget for Fiscal Year 2025 and sources of cash to meet the budget needs. Cash Flow was discussed in detail with decisions to allocate additional available funds to address community health needs and possible scholarships for local nonprofits.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved allocating excess money market earnings up to \$30k to address community health sponsorships, possible scholarships and opportunities that further the core mission of the Foundation, with the flexibility to maximize community impact over the Fiscal Year 2025.

T. Swanson reported efforts for Strong Beautiful Future are ongoing, and state funding/allocations will be pursued again in the upcoming legislative session.

GOALS AND OBJECTIVES FY 2025 DASHBOARD REVIEW

- **T. Swanson reviewed the 2024-2025 Strategic Plan**, noting that no changes have been made to the document and that many measures are currently in progress. She emphasized that significant work has been accomplished on the latent building construction issues in the past 60 days.
- **P. Brown presented the Holdings Building Dashboard Review**, highlighting the over \$65k value of in-kind use of the Community space during the Fiscal year ended September 30, 2024. This benefitted over 25 local nonprofits, Chambers and municipalities.
- **K. Carter discussed the Healthy West Orange year-end 2024 report**, indicating that all marketing and community outreach goals were successfully met. This was achieved while optimizing advertising spend through effective content prioritization, messaging, and targeting. She noted that while HUBB referrals have increased, the growth in users and sessions did not meet expectations and corrective efforts are being put in place to improve utilization
- **K. Carter reported that Healthy West Orange Year-to-Date 2025 is off to a strong start:**
 - Completed 1 HUBB presentation at Lake Buena Vista Rotary

FOUNDATION

For A Healthier West Orange

- Westly's Mile is now operating in 15 schools.
- Hydration Week has been introduced in 2 of the 10 middle schools.
- Two Community Connections were facilitated, receiving positive feedback.
- **A. Jenkins shared a Vibrant update** including Critical Path and Timeline Updates for FYE2024 & Go Live Date in FYE2025.

CEO REPORT

T. Swanson shared the final draft of the Impact Report. She reported it will be added to the Foundation website.

T. Swanson reviewed plans to extend the Paramedicine Trained Care at Home program and shared a contract with MobileMedix Plus LLC. K. Peach is the primary owner and was instrumental in The Healthy, Happy and at Home grant, funded by the District, and originally managed by Health Council of East Central Florida, Inc. The program allows uninsured residents of west Orange County to receive health-related care and assessments at home by paramedicine trained staff. Upon discussion, it was approved to proceed with MobileMedix Plus LLC.

Board Action: Upon a motion duly made and seconded, the Board unanimously approved waiving the bidding requirement and authorized signing of the agreement with MobileMedix Plus LLC for the paramedicine program, not to exceed \$70,000.

T. Swanson led the Board in a discussion regarding Board Development Objectives. Items discussed:

- The optimal number of board members.
- The potential hiring of an advisor to facilitate an exercise aimed at assessing the need for growth and identifying necessary expertise. T. Swanson indicated that she would investigate this matter and present options at the next meeting to initiate the process.
- It was noted that the Finance Committee serves as a valuable resource for prospective board members.

OPEN FORUM

No additional topics were discussed.

The meeting was adjourned at 3:36 p.m.



Jaclyn Whiddon, Chair

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For A Healthier West Orange

RESOLUTIONS OF
THE BOARD OF DIRECTORS OF
HWO, INC.
(d/b/a Foundation for a Healthier West Orange)
A Florida Not-for-Profit Corporation

November 12, 2024

Pursuant to the provisions of the Florida Not For Profit Corporation Act (the “Act”), the members of the board of directors of HWO, Inc., a Florida not-for-profit corporation, hereby adopt the following resolutions:

The Board of Directors (the “Board”) of HWO, INC., a Florida not-for-profit corporation doing business as Foundation for a Healthier West Orange (the “Foundation”), hereby approves following acts and resolutions of the Board pursuant to the Act and the Articles of Incorporation and Bylaws of the Foundation. Such approval is given pursuant to the action of the Board taken at a timely called and duly held meeting of the Board on November 12, 2024:

WHEREAS, the Foundation received a grant of a \$40 million Endowment Fund (the “Endowment Fund”) from the West Orange Healthcare District pursuant to a Grant Agreement dated August 27, 2019 (the “Grant Agreement”); and the Grant Agreement, in Section 2 thereof, contains permanent surviving restrictions on the Endowment Fund, as follows: “Investment income from the Endowment Fund corpus shall be used for the preservation of the public health and to improve the health and wellbeing of residents of west Orange County, Florida, by inspiring healthy behaviors, championing healthy programs, uniting health-minded organizations, advocating for healthy community decisions, and investing in the health and wellbeing of the west Orange County community, within the general charitable purposes of the Grantee as more specifically set forth in Grantee’s articles of incorporation and bylaws, as amended from time to time, and within the stated goals and methods outlined in the Grant Proposal attached hereto”; and

WHEREAS, the Foundation’s Amended and Restated Bylaws, which were incorporated by reference into the restrictions of the Grant Agreement, state, in Section 3.18(b) thereof, as follows: “It shall be the policy of the Corporation that the principal of any endowed funds, title to which is vested in the Corporation, may be expended in such amounts and at such times as the Board may deem advisable only in accordance with the Corporation’s Board-approved spending policy and only up to a limit of ten percent (10%) per year for any individual fund; provided, however, that such limitations may be waived by the affirmative vote of two-thirds of all of the members of the Board, if the Board determines that a waiver is in the best interest of both the Corporation and the fund”; and

FOUNDATION

For A Healthier West Orange

WHEREAS, the Foundation and its subsidiary, HWO Investments, LLC, have adopted an Endowment Fund Investment Policy Statement that includes, in Addendum B thereto, an Endowment Spending Policy (the “Policy”), which states as follows: “Endowment Spending distributions will be set by the Board during each year’s budget approval based upon the performance of the Fund’s investments, considering total returns over the prior 3 years. If investment losses have reduced the Endowment’s market value below the original corpus of \$40 million, grants will not be made until the Endowment corpus is restored to its original amount”; and

WHEREAS, the Board considers it to be in the best interests of the Foundation to acknowledge the donor’s intent with respect to the Endowment Fund and to reaffirm the policies and restrictions governing use of the Endowment Fund;

NOW THEREFORE, BE IT RESOLVED, that the Board hereby acknowledges and reaffirms the donor restrictions governing the Foundation’s use of the Endowment Fund as set forth in the Grant Agreement and the Foundation’s Amended and Restated Bylaws, as well as the Board’s further restrictions as set forth in the Policy; and

FURTHER RESOLVED, that the Foundation shall continue to comply with the donor restrictions and the Policy in making decisions regarding the use of the Endowment Fund.