



**FINANCE COMMITTEE MINUTES
8 AM, TUESDAY, DECEMBER 15, 2020
1200 E. PLANT STREET, STE 200
WINTER GARDEN, FL. 34787**

The West Orange Healthcare District Finance Committee met on Tuesday, December 15, 2020 in the Boardroom of the District's office building at 1200 E. Plant Street in Winter Garden. Chair Maryke Lee called the meeting to order at 8:05am. **Trustees Present:** Maryke Lee, Rod Talbot, Tim Keating, Jaclyn Whiddon and Jeff Sedloff. **Trustees Present by ZOOM:** John Murphy and Mark Griffith. **Trustee Absent:** None. **Staff Present:** Chief Executive Officer Tracy Swanson (by ZOOM) and Chief Financial Officer Ken Harker. **Guests Present: None**

The votes of trustees not physically present for this meeting were not counted.

M. Lee asked if there were members of the public in attendance. There were none.

APPROVAL OF PRIOR MINUTES

Chair M. Lee asked if there were comments or a motion on the minutes of the Committee's November 17, 2020 meeting. There were none.

Action: Upon a motion made and seconded, the minutes of the November 17, 2020 Committee meeting were unanimously approved.

FINANCIAL REPORTS FOR NOVEMBER 2020

Chair M. Lee called upon CFO K. Harker to present the internal financial reports. K. Harker responded that the financial statements are as of November 30th, the second month of the new fiscal year. Referring to the Statements of Net Position, he commented that the total assets were \$80 million vs. \$96.8 million a year earlier. The contraction is due primarily to grant activity and funding of the Plant Street building construction, noting that the investment portfolio and the money market account at Seacoast Bank are the funding sources of those activities. The money market account at Seacoast Bank at \$18 million and earns .49 basis points. K. Harker added the investment portfolio will be commented on later in the agenda. The investment in the Plant Street property, including building construction, was at \$6.5 million at month end, exclusive of retainage owed McCree Construction.

As to liabilities, K. Harker noted that grants payable are at \$4.9 million with the details shown at Exhibit A. Almost all of that is owed to Orlando Health Central for the Cancer Center and the Rehab Center projects. The pay requests for these projects have been received from OHCI and are being processed for payment. The District also has committed to funding grantee construction projects with unpaid balances totaling \$17.9 million as detailed in Exhibit A.



After liabilities & construction grant commitments, the unrestricted net asset balance at November 30th was \$53.9 million.

K. Harker then called attention to the Statement of Changes in Net Assets for the month of November. The top line shows that the investment portfolio had an excellent month in this very volatile market, earning over \$3.4 million. As to other monthly results, the "Mgt & Adm Services to HWO" line is to cover the services rendered to FHWO by T. Swanson & K. Harker, whose compensation is paid by the District. Expense categories are within their monthly budgets with the exception of legal fees, which totaled over \$26 thousand. Some of that related to planning for transfer of the new building to FHWO. But much of it relates to discovery of an old employee benefit plans that existed during the time that the District owned the hospital but were overlooked at the time of closing of the hospital sale. The issue was whether there remains liability on the part of the District to former participants. T. Swanson reported that this matter has been resolved. For the month, the bottom line was well over \$3 million, thanks to performance of the investment portfolio.

K. Harker then moved to the Statement of Changes in Net Assets for the two months of the fiscal year to November 30th. As was the case for the month of November, the observations are much the same as for the month. Investment portfolio performance was the star, the legal fees were well over budget but other lines are well within their budgets.

K. Harker then directed attention to Exhibit A, the Active Grant Status Report for November. It reflects total active grants awards of \$81.6 million with unpaid balances of \$22.8 million at month end. There were four grant payments during the month, those being the final payment of \$35 thousand to the Healthy Start Coalition and three small grants as shown on the report. M. Lee observed that the "Totals for Active Grants" of \$35,323 on page 2 does not appear to be correct. K. Harker agreed and said that the schedule would be corrected. He then called attention to the footnotes on the schedule which disclose several grants that are in various stages of development or processing, reminding the Committee that these are not recorded as liabilities at month end.

K. Harker then moved to Exhibit B, the Plant Street Construction Budget vs Actual report, noting that costs to November 30th were \$6.5 million vs an original project budget of \$6.5 million. The \$6.5 million of costs to date exclude retainage due the contractor. T. Keating then gave the Committee a brief summary of the project status.

K. Harker then concluded his financial report. Chair M. Lee asked for questions, comments or a motion.

Action: Upon a motion made and seconded, the Financial Report for November 2020 was unanimously approved.

INVESTMENT PORTFOLIO ALLOCATION & PERFORMANCE

Chair M. Lee called upon CFO K. Harker to present a report on the Investment Portfolio. Calling attention to the AndCo Investment Performance Review for the month of November, K. Harker commented that results were excellent, returning over \$3 million or 6.58%. Both domestic and international equities produced double-digit returns at 12.7% and 11.8%. Fixed income didn't do as well but did return 2.55%. And, in looking at the results of the individual equities managers, all did well. In fact, Lazard, an international equities manager did over 15%. In commenting on the fiscal year to date returns, K. Harker observed that because of the strength of the numbers for November, the fiscal year to date numbers is also very good, with the overall portfolio returning just over 5%. Note that real estate is a bit different in that results are only reported quarterly when property appraisals are updated. So, UBS Trumbull and Clarion Lion show no returns for the two months and a negative .58% for the calendar year through September 30. K. Harker then directed attention to page 4 of the AndCo statement, noting that all portfolio allocations are within the ranges specified in the IPS, but with considerable deviations from the mid-points of the various ranges.

K. Harker stated that he had completed his report on the investment portfolio. Chair M. Lee asked if there were comments, questions or a motion. There were none.

Action: Upon a motion made and seconded, the investment report for month ended November 30, 2020 was unanimously approved.

OPEN FORUM

M. Lee asked if there were other business to come before the Committee. K. Harker reported that the auditors would visit the District on Wednesday to do some final procedures and that they would arrange to meet with the Committee, probably in January. The audited financials are due to the State Comptroller by February 15th.

ADJOURN

There being no further business to come before the Committee, the meeting was adjourned at 8:45am.

A handwritten signature in black ink that reads 'Maryke Lee'. Below the signature, the text 'Maryke Lee, Committee Chair' is printed in a black, sans-serif font.