

FINANCE & INVESTMENT COMMITTEE MEETING MINUTES

Wednesday, September 13, 2023

Teleconference 1-415-655-0002 Access Code 733 575 474

GCMC Boardroom 13685 Doctors Way, Suite 190 Fort Myers, FL 33912

MEMBERS PRESENT

David Collins, Board Treasurer and Committee Chair

Donna Clarke, Board Chair and Committee Member

Ben Spence, Chief Financial Officer and Committee Sponsor

MEMBERS VIRTUAL

Kathy Bridge-Liles, Committee Member

Peter Andruskiewicz, Committee Member

Bill Gruver – Committee Member

David Klein – Committee Member

Dr. Tim Daugherty – Committee Member

OTHERS PRESENT

George Knott – Board Counsel

Michael Nacheff – VP Government Relations

Nick Grant – Director, Government Relations

Katie Larsen – Program Manager, Government Relations

Kris Fay – Chief Officer Community Based Care

Blake Schofield – Senior Counsel

Scott Nygaard – Chief Operating Officer

Marcelo Zottolo – VP Data Analytics

Patty Duquette – VP Finance

Laura Vannarath – Controller Acute Care

Jessica Schofield – System Director Center for Care Transformation

Marilyn Kole – VP & CPE Center for Care Transformation

The Finance and Investment Committee Meeting was called to order at 9:30 am by David Collins, Board Treasurer and Committee Chair

WELCOME AND INTRODUCTIONS

David Collins welcomed committee members to the meeting.

PUBLIC INPUT STATEMENT

David Collins, Board Treasurer and Committee Chair read the Public Input Statement.

FINANCE & INVESTMENT COMMITTEE MEETING MINUTES

A motion was made by David Klein and seconded by Kathy Bridge-Liles to approve the minutes of 8/9/23 as written. This motion carried without opposition

SEI Investment Policy Review of Legislative Changes

Mr. Michael Nachev, Vice President of Government Relations, provided an overview of new flexibility in investment policies that was included in Lee Health's updated Enabling Act. Mr. Peter Glennon, Client Portfolio Manager at SEI presented an overview of new investment policy considerations and the process for arriving at a draft investment policy. Management anticipates having a draft investment policy prepared by year end for the Committee's review.

Kaufman Hall – Debt Profile and Capacity Review

Mrs. Robert Yaeger and Brad Dills of Kaufman Hall, presented a detailed debt profile overview of Lee Health's current bonds and other borrowing. Included in the analysis was the probably impact of any future borrowing on Lee Health's credit outlook. No additional borrowing is anticipated for this year.

Capital Expenditure Review

Mr. Ben Spence, Chief Financial & Business Services Officer, presented an overview of the FY 2023 capital spending for Lee Health. Mr. Spence also presented certain capital expenses that were undertaken in response to Hurricane Ian. After discussion, the committee approved the following:

A motion was made by Donna Clarke to recommend to the Full Board of Directors approval of capital expenditures incurred during the state of emergency period related to Hurricane Ian in the amount of \$4,914.709. This motion was seconded by

Kathy Bridge-Liles and carried without opposition.

Operating and Capital Budget FY 2024

Mr. Ben Spence, Chief Financial & Business Services Officer, presented the overall Operating and Capital budgets and underlying assumptions for FY 2024. The underlying assumptions included detailed volume projections for all areas of Lee Health's operations, as well as revenue and expense projections. After discussion, the Committee approved the following:

A motion was made by David Klein to recommend to the full Board of Directors approve the FY 2024 operating budget that provides a 5.0% operating margin. The approval of the FY 2024 operating budget will provide the funding for the FY 2024 Capital Budget of \$264 million. This motion was seconded by Kathy Bridge-Liles and carried without opposition.

A motion was made by David Klein to recommend approval to the Full Board of Directors, approval of the FY2024 Capital Budget of \$264,000,000 including contingency in the amount of \$3,127,100. The total FY2024 Capital Budget will be fully funded from cash flow of operations and represents approximately 78.9% of the cash flow available for capital. This motion was seconded by Donna Clark and carried without opposition.

Best Care Collaborative, LLC & Best Care Partners, Inc., Annual Review

Ms. Kris Fay, Chief Officer Community Based Care and Ms. Jessica Schofield, System Director Center for Care Transformation, presented an annual review of the operations of Best Care Collaborative, LLC and Best Care Partners, Inc. This included an overview of the performance of value-based contracts for FY 2023, such as the Medicare Shared Savings ACO.

NEXT REGULAR MEETING

Next meeting of the Finance & Investment Committee will be Wednesday, November 1st, 2023 at 9:30 am in the Gulf Coast Medical Center, Medical Office Building, Boardroom, 13685 Doctors Way, Fort Myers, FL 33912.

ADJOURNMENT

The Finance & Investment Committee Meeting was adjourned at 11:34 am by David Collins

Board Member and Committee Chair

Minutes were recorded by Heide Maclean

Date: 9-13-2023

A handwritten signature in black ink, appearing to be 'DC' followed by a horizontal line.

David Collins
11/07/2023 12:27 EST