



POLICY 1.094

4-A I recommend that the Board adopt the proposed revised Policy 1.094, entitled "Finance Committee."

[Contact: Leanne Evans, PX 48142.]

Adoption

CONSENT ITEM

- The Board approved development of this revised Policy at the development reading on March 30, 2011.
- This Policy generally sets forth the purpose, structure, composition and responsibilities of the Finance Committee, as an advisory committee to the Board.
- This policy also clarifies the appointment procedures for committee members and clarifies the role of staff, by:
 - Permitting the committee to provide input to the Board of potential names for membership to the committee.
 - Providing for each Board member to have an appointment to the committee.
 - Eliminating the ex-officio members, Board members and staff, to the committee. See Sec. 3a.
 - Providing for certain District employees, and others as requested by the committee, to attend the committee meetings; and for the Treasurer to serve as staff liaison and support to the committee. See Sec. 3g.
 - Providing for membership to continue on the committee until removed by Board member.
- This policy further modifies provisions governing the meeting, rules of procedures, etc., of the committee.

POLICY 1.094

FINANCE COMMITTEE

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3 1. **Purpose.**-- The School Board has ~~created~~ hereby establishes a Finance
4 Committee as an advisory committee to the Board, whose primary purpose is to
5 advise the Board on matters related to Board Policies 6.08 (Investment Policy) and
6 6.085 (Debt Management Policy) and the consistency of such matters to Sec.
7 218.415, Fla. Stat.(Local Government Investment Policies). The Committee shall
8 be governed by its charter, as set forth herein.

9 2. **Advisory Authority**

10 a. The Finance Committee serves as an advisory committee to the School
11 Board. Its mission and membership is consistent with School Board Policy
12 1.09, "Advisory Committees to the School Board."

13 b. The Finance Committee shall advise the Board on matters related to the
14 School District's investments and its short-term and long-term obligations as
15 provided for in ~~The need for a Finance Committee is created by School Board~~
16 ~~Policies Policy 6.08,—" (Investment Policy),"~~ and 6.085 (Debt Management
17 Policy) and ~~is~~ consistent with Florida Statute 218.415, "Local Government
18 Investment Policies."

19 c. The Finance Committee shall have regular quarterly meetings. Additional
20 meetings may occur as needed. A quorum shall consist of 40% (rounded to
21 the nearest whole number) of the existing voting members.

22 d. To facilitate preparation for committee meetings, the agenda and backup
23 materials should be available to members a week in advance of each regular
24 meeting. If a special meeting is called, the agenda and backup materials
25 should be available upon calling and noticing the meeting, at least 48 hours in
26 advance.

27 e. The Committee is advisory to the Board and will present reports to the Board
28 that may include dissenting viewpoints. Whenever a recommendation of the
29 Committee on a substantive issue is reported to the School Board and the
30 recommendation was not unanimous, the basis for the majority and minority
31 positions should be brought to the attention of the School Board.

32 3. **Composition**

33 a. The Finance Committee shall be composed of seven voting committee
34 ~~community~~ members, who shall be appointed by the School Board as provided
35 in this section and Policy 1.09 (Advisory Committees to the School Board)

36 along with six non-voting ex-officio members representing the Board and
37 District employees.

38 b. The seven committee members shall be residents of Palm Beach County and
39 from the community are shall be appointed by the School Board upon
40 nomination by a Board member. Each School Board member shall appoint a
41 member to the Committee.

42 i. In selecting committee ~~community~~ members, emphasis should be upon
43 persons who have substantial experience in the financial services
44 industry or who have retired from finance-related professions.

45 ii. As to nominating new committee members, the committee may provide
46 input to the Board and constitute and appropriate source for the names of
47 potential nominees for membership with the preferred experience, as set
48 forth in Policy 1.09.

49 iii. ~~All voting members of the Finance Committee shall be residents of Palm~~
50 ~~Beach County. School Board members will appoint community members~~
51 ~~as provided in this section and Policy 1.09(7), "Advisory Committees to~~
52 ~~the School Board." Up to two community members serving at any given~~
53 ~~time may have been nominated by the same Board member.~~

54 c. Committee ~~Community~~ members serve in a voluntary capacity, and the
55 membership of a committee ~~community~~ member who was nominated by a
56 Board member continues consistent with Policy 1.09. If a vacancy exists as
57 to the position of an appointing Board member, the committee member(s)
58 appointed by that Board member may continue to serve as a voting member
59 until and unless the new Board member decides to remove that committee
60 member. may be annually renewed as long as the nominating Board member
61 serves on the Board (consistent with Policy 1.09(5)), although Board members
62 may exercise their discretion to remove their nominees at any time, as stated
63 in Policy 1.09(5).

64 d. After the initial appointments forming the Finance Committee, the committee
65 ~~community~~ members may continue to serve as members until such member
66 resigns or is removed from the Finance Committee, as stated in subsection
67 3(c). are renewed or replaced by Board action at the School Board's annual
68 reorganization meeting. In the event a committee ~~community~~-member vacancy
69 should occur ~~between annual organizational meetings~~, the Board may appoint
70 a replacement at a regular or special Board meeting. To fill a mid-year
71 vacancy, the source of the nomination shall be the same as it was for the
72 member whose seat has become vacant.

73 Committee ~~Community~~ members will be removed automatically should they
74 miss three consecutive regular meetings, unless, by request of the member,

75 the Chair grants compassionate leave due to personal, business, or familial
76 exigency. A quarterly report will be made to the Board regarding the
77 attendance of appointed committee members.

78 e. Committee ~~The voting members of the Finance Committee shall annually~~
79 ~~elect a Chair and a Vice Chair from among the seven community members.~~

80 f. ~~After the initial appointments forming the Finance Committee, the School~~
81 ~~Board, at its annual reorganization meeting, will decide which two Board~~
82 ~~members will serve as ex-officio committee members. In the event of a~~
83 ~~vacancy for an ex-officio Board member on the committee between annual~~
84 ~~organizational meetings, the Board may designate a replacement at a regular~~
85 ~~or special Board meeting.~~

86 g. The Superintendent (or designee), the Chief Operating Officer, Chief Financial
87 Officer, District Auditor, the Chief Counsel or designee, Treasurer, and other
88 designated staff as requested by the committee, should attend the meetings
89 to answer questions and to provide information to the committee. The
90 Treasurer shall serve as the staff liaison and support for the committee.

91 h. ~~The six ex-officio members shall include: two School Board Members, the~~
92 ~~Superintendent (or designee), the Chief Operating Officer, District Auditor, and~~
93 ~~Treasurer.~~

94 **4. Key Areas of Advisory Responsibility**

95 a. *Investment Portfolio.*-- The committee's first area of responsibility is the
96 quarterly review of the School District's Investment Portfolio as further defined
97 in School Board Policy 6.08, "Investment Policy." At a minimum, the Finance
98 Committee will review the Policy annually and comment on the adequacy of
99 the policy in one of its quarterly reports to the School Board. However, it is not
100 within the Finance Committee's charge to make investment recommendations
101 regarding the acquisition or disposal of specific investment securities.

102 b. *Short-Term and Long-Term Obligations.*-- The second area of responsibility is
103 regarding the debt of the School District. The Finance Committee will review
104 all proposed financings and provide recommendations to the School Board.
105 Upon the implementation of Policy 6.085, "Debt Management," the Finance
106 Committee will review that Policy at least every two years and comment on the
107 adequacy of the Policy in one of its quarterly reports to the School Board.

108 **5. Meeting; Quorum; Conflicts of Interest; and Rules of Procedures**
109 **Administrative Matters**

110 a. Robert's Rules of Order shall guide the conduct of Finance Committee
111 meetings. These meeting-procedure Rules may be suspended for a meeting

112 or portion thereof by a simple majority vote of a quorum of voting members
113 present at the meeting.

114 b. Under the following circumstance, Finance Committee members may attend
115 meetings and participate at meetings through the use of an interactive video
116 and/or telephone systems, as long as a quorum of voting committee members
117 are physically present at the meeting: Voting members of the committee may
118 participate and vote by the use of electronic media technology to allow a
119 member of the committee who is not physically present to attend the meeting,
120 in those instances where the Committee member is confined to home or
121 hospital due to illness or accident or in those situations where the Committee
122 member's absence is due to a death or serious illness of an immediate family
123 member. Any other situations which cause a Committee member to be absent
124 from a meeting will require a vote by majority of the Committee, based only on
125 extraordinary circumstances as required by law, to allow the committee
126 member to participate by the above referenced technology.

127 c. No ~~During the time a person is a committee member of committee, that~~
128 ~~committee member or any his/her company in which the that member may~~
129 ~~have a direct financial interest shall not do business with the district School~~
130 ~~District, as the committee member is subject to those standards within Fla.~~
131 ~~Stat. § 112.313, and relevant ethics opinions issued by the Florida~~
132 ~~Commission on Ethics in accordance with Fla. Stat. § 112.313.~~

133 d. The Finance Committee's meetings shall be subject to the open meeting
134 provisions of Fla. Stat. § 286.011. Absent permission from the Chair, public
135 comment speakers may address the committee for no longer than three (3)
136 minutes at the appropriate time. The committee, however, may vote to limit
137 the time to a lesser amount due to the volume of speakers or the amount of
138 time scheduled for a meeting.

139 e. All documents maintained by persons in their capacity as Finance Committee
140 members are subject to public disclosure unless exempt under Fla. Stat. §
141 119.07 or other statutes.

142 f. A unanimous vote will be considered if all committee members voting (not
143 abstaining due to potential conflict of interest) audibly vote "yes", show by
144 hands a "yes," or all those who are voting and present have indicated a "yes"
145 vote on the e-agenda system, or if they remain silent it will also mean consent
146 (unless they abstained due to a potential conflict of interest.) However, if a
147 member votes "no" on the e-agenda, audibly, or by a show of hands, it will
148 then be considered a split vote. If a vote is evenly tied for and against a
149 measure, such tie vote shall defeat the measure. For each vote, the Chair or
150 acting chair shall announce the vote, and the names of any member in
151 dissent, after it is tabulated.

152 6. **Charter Expiration Date.**-- Consistent with Policy 1.09(1)(f) the Finance
153 Committee charter as set forth herein in this Board Policy shall remain in effect until
154 repealed or amended by the School Board. Following appropriate procedures for
155 revising or repealing this Policy, the School Board may modify or terminate the
156 Finance Committee charter upon recommendation of the Superintendent for stated
157 cause. This Policy shall be evaluated by the Finance Committee on periodically, at
158 least every two years, for possible revisions & ~~(2)~~, ~~this charter/Policy shall expire~~
159 ~~on June 30, 2009, unless the expiration date is modified by School Board action~~
160 ~~prior to that date. The School Board may modify the charter set forth in this Policy~~
161 ~~before its expiration date upon recommendation of the Superintendent.~~
162 ~~Alternatively, the Board may terminate the charter herein before its expiration date~~
163 ~~upon the Superintendent's recommendation for stated cause.~~

164 STATUTORY AUTHORITY: Fla. Stat. §§ 1001.41(1), (2); 1001.43(10)
165 LAWS IMPLEMENTED: Fla. Stat. §§ 218.415; 1001.41(1); 1001.43(2), (10)
166 HISTORY: 4/19/2004 [supersedes the "Investment Committee Charter" dated 4/12/99];
167 ___/___/2011

Legal Signoff:

The Legal Department has reviewed proposed Policy 1.094 and finds it legally sufficient for adoption by the Board.

Attorney

Date