



## **POLICY 1.094**

**5-A** I recommend that the Board approve development of the proposed **revised** Policy 1.094, entitled "Finance Committee."

[Contact: Leanne Evans, PX 48142.]

### **Development**

### **CONSENT ITEM**

- 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

in this section and Policy 1.09 (Advisory Committees to the School Board)  
~~along with six non-voting ex-officio members representing the Board and~~  
~~District employees.~~

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

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

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

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

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

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

Committee ~~Community~~ members will be removed automatically should they

miss three consecutive regular meetings, unless, by request of the member, the Chair grants compassionate leave due to personal, business, or familial exigency. A quarterly report will be made to the Board regarding the attendance of appointed committee members.

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

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

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

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

#### 4. Key Areas of Advisory Responsibility

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

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

#### 5. Meeting; Quorum; Conflicts of Interest; and Rules of Procedures ~~Administrative Matters~~

a. Robert's Rules of Order shall guide the conduct of Finance Committee

meetings. These meeting-procedure Rules may be suspended for a meeting or portion thereof by a simple majority vote of a quorum of voting members present at the meeting.

- b. Under the following circumstance, Finance Committee members may attend meetings and participate at meetings through the use of an interactive video and/or telephone systems, as long as a quorum of voting committee members are physically present at the meeting: Voting members of the committee may participate and vote by the use of electronic media technology to allow a member of the committee who is not physically present to attend the meeting, in those instances where the Committee member is confined to home or hospital due to illness or accident or in those situations where the Committee member's absence is due to a death or serious illness of an immediate family member. Any other situations which cause a Committee member to be absent from a meeting will require a vote by majority of the Committee, based only on extraordinary circumstances as required by law, to allow the committee member to participate by the above referenced technology.
- c. No ~~During the time a person is a committee member of committee, that committee member or~~ any his/her company in which ~~the~~ that member may have a direct financial interest shall ~~not~~ do business with the ~~district School District,~~ as the committee member is subject to those standards within Fla. Stat. § 112.313, and relevant ethics opinions issued by the Florida Commission on Ethics in accordance with Fla. Stat. § 112.313.
- d. The Finance Committee's meetings shall be subject to the open meeting provisions of Fla. Stat. § 286.011. Absent permission from the Chair, public comment speakers may address the committee for no longer than three (3) minutes at the appropriate time. The committee, however, may vote to limit the time to a lesser amount due to the volume of speakers or the amount of time scheduled for a meeting.
- e. All documents maintained by persons in their capacity as Finance Committee members are subject to public disclosure unless exempt under Fla. Stat. § 119.07 or other statutes.
- f. A unanimous vote will be considered if all committee members voting (not abstaining due to potential conflict of interest) audibly vote "yes", show by hands a "yes," or all those who are voting and present have indicated a "yes" vote on the e-agenda system, or if they remain silent it will also mean consent (unless they abstained due to a potential conflict of interest.) However, if a member votes "no" on the e-agenda, audibly, or by a show of hands, it will then be considered a split vote. If a vote is evenly tied for and against a measure, such tie vote shall defeat the measure. For each vote, the Chair or acting chair shall announce the vote, and the names of any member in

dissent, after it is tabulated.

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

STATUTORY AUTHORITY: Fla. Stat. §§ 1001.41(1), (2); 1001.43(10)

LAWS IMPLEMENTED: Fla. Stat. §§ 218.415; 1001.41(1); 1001.43(2), (10)

HISTORY: 4/19/2004 [supersedes the "Investment Committee Charter" dated 4/12/99];

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Legal Signoff:

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

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Attorney

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Date

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