## **POLICY 1.094**

**5-H** I recommend the Board approve the proposed new Policy 1.094, to be entitled "Finance Committee."

[Contact: Leanne Evans, 434-8142.]

## <u>Development</u> CONSENT ITEM

- This proposed new policy is based on an update to the existing "Investment Committee Charter" (dated 4/12/99), to govern the Finance Committee as an advisory committee to the Board.
- This Policy is similar to the recently-adopted Audit Committee Policy and CORC Policy.
- The Finance Committee reviewed the proposed Policy on February 28, 2003 and December 5, 2003 and endorsed its development and adoption by the School Board.

1 PROPOSED NEW POLICY 1.094 2 3 FINANCE COMMITTEE 4 5 6 1. The School Board has created a Finance Committee as an advisory committee to 7 the Board. The Committee shall be governed by its charter, as set forth herein. 8 9 **Advisory Authority** 10 The Finance Committee serves as an advisory committee to the School 11 Board. Its mission and membership is consistent with School Board Policy 12 13 1.09. "Advisory Committees to the School Board." 14 15 The need for a Finance Committee is created by School Board Policy 6.08. "Investment Policy," and is consistent with Florida Statute 218.415. "Local 16 Government Investment Policies." 17 18 19 c. The Finance Committee shall have regular quarterly meetings. Additional meetings may occur as needed. A quorum shall consist of 40% (rounded to 20 21 the nearest whole number) of the existing voting members. 22 23 d. To facilitate preparation for committee meetings, the agenda and backup 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 27 advance. 28 29 The Committee is advisory to the Board and will present reports to the Board 30 that may include dissenting viewpoints. Whenever a recommendation of the 31 Committee on a substantive issue is reported to the School Board and the 32 recommendation was not unanimous, the basis for the majority and minority 33 positions should be brought to the attention of the School Board. 34 35 Composition 36 The Finance Committee shall be composed of seven voting community 37 members, along with six non-voting ex-officio members representing the 38 39 Board and District employees. 40 Four members from the community are appointed by the School Board upon 41 nomination by a Board member and three members are appointed by the 42 43 Board upon nomination by the Superintendent. In selecting community

members, emphasis should be upon persons who have substantial experience

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- in the financial services industry or who have retired from finance-related professions.
- c. The six ex-officio members shall include: two School Board Members, the Superintendent (or designee), the Chief Operating Officer, District Auditor, and Treasurer.
- d. 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.
- e. After the initial appointments forming of the Finance Committee, the community members are renewed or replaced by Board action at the School Board's annual reorganization meeting. The Superintendent's nominations are renewed or replaced concurrent with the School Board's annual reorganization meeting. In the event a 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 (Board member or Superintendent) shall be the same as it was for the member whose seat has become vacant.
- f. The voting members of the Finance Committee shall annually elect a Chair and a Vice Chair from among the seven community members.
- g. 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.
- h. Community members serve in a voluntary capacity, and the membership of a community member who was nominated by a Board 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). The Superintendent may also exercise discretion to remove his/her nominees at any time, subject to ratification by the Board.
- i. 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

89 quarterly report will be made to the Board regarding the attendance of 90 appointed committee members. 91 92 **Key Areas of Advisory Responsibility** 93 94 Investment Portfolio.-- The committee's first area of responsibility is the 95 quarterly review of the School District's Investment Portfolio as further defined 96 in School Board Policy 6.08, "Investment Policy." At a minimum, the Finance 97 Committee will review the Policy annually and comment on the adequacy of 98 the policy in one of its quarterly reports to the School Board. However, it is not 99 within the Finance Committee's charge to make investment recommendations 100 regarding the acquisition or disposal of specific investment securities. 101 b. Short-Term and Long-Term Obligations .-- The second area of responsibility is 102 regarding the debt of the School District. The Finance Committee will review 103 104 all proposed financings and provide recommendations to the School Board. Upon the implementation of a debt policy, the Finance Committee will review 105 106 the policy annually and comment on the adequacy of the policy in one of its 107 guarterly reports to the School Board. 108 **Administrative Matters** 109 110 111 Robert's Rules of Order shall quide the conduct of Finance Committee meetings. These meeting-procedure Rules may be suspended for a meeting 112 113 or portion thereof by a simple majority vote of a quorum of voting members 114 present at the meeting. 115 116 b. During the time a person is a member of the committee, that committee

119 120 121 Stat. §112.313.

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c. The Finance Committee's meetings shall be subject to the open meeting provisions of Fla. Stat. § 286.011.

member or his/her company in which that member may have a direct financial interest shall not do business with the School District, in accordance with Fla.

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d. 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.

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6. Charter Expiration Date.-- Consistent with Policy 1.09(1)(f) & (2), this charter 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

133	its expiration date upon the Superintendent's recommendation for stated cause.
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135	Statutory Authority: §§ 1001.41(1), (2); 1001.43(10), Fla. Stat.
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137	Laws Implemented: §§ 218.415; 1001.41(1); 1001.43(2), (10), Fla. Stat.
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139	History://04 (based on "Investment Committee Charter," dated 4/12/99)

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Legal Signoff:		
The Legal Department has refor development by the Board	eviewed proposed Policy 1.094 d.	and finds it legally sufficient
Attorney	 	