

POLICY 1.094

4-D I recommend the Board adopt the proposed new Policy 1.094, to be entitled "Finance Committee."

[Contact: Leanne Evans, 434-8142.]

Adoption

CONSENT ITEM

- The Board approved development of this Policy on March 1, 2004, with an amendment to the effect of having all seven members from the community be appointed by the Board.
- 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.

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PROPOSED NEW POLICY 1.094

FINANCE COMMITTEE

1. **Purpose.--** The School Board has created a Finance Committee as an advisory committee to the Board. The Committee shall be governed by its charter, as set forth herein.

2. **Advisory Authority**

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

b. 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 Government Investment Policies."

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

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

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

3. **Composition**

a. The Finance Committee shall be composed of seven voting community members, along with six non-voting ex-officio members representing the Board and District employees.

b. The seven members from the community are appointed by the School Board upon nomination by a Board member. In selecting community members,

44 emphasis should be upon persons who have substantial experience in the
45 financial services industry or who have retired from finance-related
46 professions.

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

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

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58 e. After the initial appointments forming the Finance Committee, the community
59 members are renewed or replaced by Board action at the School Board's
60 annual reorganization meeting. In the event a community-member vacancy
61 should occur between annual organizational meetings, the Board may appoint
62 a replacement at a regular or special Board meeting. To fill a mid-year
63 vacancy, the source of the nomination shall be the same as it was for the
64 member whose seat has become vacant.

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66 f. The voting members of the Finance Committee shall annually elect a Chair
67 and a Vice Chair from among the seven community members.

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

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76 h. Community members serve in a voluntary capacity, and the membership of a
77 community member who was nominated by a Board member may be annually
78 renewed as long as the nominating Board member serves on the Board
79 ([consistent with Policy 1.09(5)], although Board members may exercise their
80 discretion to remove their nominees at any time, as stated in Policy 1.09(5).

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82 i. Community members will be removed automatically should they miss three
83 consecutive regular meetings, unless, by request of the member, the Chair
84 grants compassionate leave due to personal, business, or familial exigency. A
85 quarterly report will be made to the Board regarding the attendance of
86 appointed committee members.

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

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

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

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105 **5. Administrative Matters**

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107 a. Robert's Rules of Order shall guide the conduct of Finance Committee
108 meetings. These meeting-procedure Rules may be suspended for a meeting
109 or portion thereof by a simple majority vote of a quorum of voting members
110 present at the meeting.

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112 b. During the time a person is a member of the committee, that committee
113 member or his/her company in which that member may have a direct financial
114 interest shall not do business with the School District, in accordance with Fla.
115 Stat. §112.313.

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

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120 d. All documents maintained by persons in their capacity as Finance Committee
121 members are subject to public disclosure unless exempt under Fla. Stat.
122 119.07 or other statutes.

123
124 6. **Charter Expiration Date.-- Consistent with Policy 1.09(1)(f) & (2), this**
125 **charter/Policy shall expire on June 30, 2009, unless the expiration date is modified**
126 **by School Board action prior to that date. The School Board may modify the**
127 **charter set forth in this Policy before its expiration date upon recommendation of**
128 **the Superintendent. Alternatively, the Board may terminate the charter herein**
129 **before its expiration date upon the Superintendent's recommendation for stated**
130 **cause.**

132 Statutory Authority: §§ 1001.41(1), (2); 1001.43(10), Fla. Stat.

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134 Laws Implemented: §§ 218.415; 1001.41(1); 1001.43(2), (10), Fla. Stat.

135

136 History: ___ / ___ /04 (based on "Investment Committee Charter," dated 4/12/99)

Legal Signoff:

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

Attorney

Date