

The School Board of Broward County, Florida
FINANCIAL ADVISORY COMMITTEE

MINUTES OF THE FINANCIAL ADVISORY COMMITTEE MEETING

May 5, 2023

Mr. Raymond Monteleone, Chair, called the Financial Advisory Committee Meeting to order at approximately 10:00 A.M. The meeting was held in the KCW Board room with the Committee members physically present. Roll call was done and a quorum was determined to be physically present. The Chair then asked if there was anyone from the public physically present or on the phone.

Those in Attendance:

Committee Members

Ray Monteleone - Chair, Community
Henry Robinson – Vice Chair, Community
Dane Sheldon - Community
Ian Thomas – Community
Ivan Perrone – District Staff
Shelley Meloni – District Staff

Public

None

Invited Guests

Richard Pengelly – Investment Advisor, PFM-AM
Laura Howe - Financial Advisor, PFM-FM
Mara Lugo – Financial Advisor, PFM-FM
Todd Chelibashki – District Staff

For more details regarding this Financial Advisory Committee meeting, please refer to <https://www.browardschools.com/Page/35396>.

The purpose of the meeting:

- Approve Minutes of the prior meeting held on February 24, 2023
- Old Business
 - Investment Advisor – PFM Asset Management (AM)
 - Market Update
 - Summary of the Quarterly Investment Report
 - Financial Advisor – PFM Financial Management (FM)
 - Market Update
 - Overview of Tax Anticipation Notes, Series 2023
 - HB3: Government and Corporate Activism
 - Moody's ESG Classification
- New Business
 - Other Matters that May Come Before the Committee
 - Public Questions/Comments

The first item of business on the agenda was the approval of minutes from the February 24, 2023 meeting. A motion was made, seconded and passed unanimously.

The second item of business on the agenda was presented by Mr. Richard Pengelly, Investment Advisor with PFM. He provided a thorough market update and quarterly investment report reviewing the District's portfolio performance, trade summary, compliance and asset allocation.

The next item was presented by Ms. Mara Lugo, Financial Advisor with PFM. The District anticipates issuing the "2023 TAN" to provide funds for paying operational expenditures during the 2023-2024 fiscal year, pending the collection of ad valorem taxes and certain state funds. The 2023 TAN would be a short-term borrowing maturing no later than June 30, 2024. The District has historically issued a TAN each year via a competitive sale. After a thorough review and discussion, a motion was made to move forward with the issuance of the TAN 2023, it was seconded and passed unanimously.

Next, Ms. Laura Howe, Financial Advisor with PFM presented an overview of HB3, regarding government and corporate activism. HB3 was passed by the Senate and is now awaiting the

Governor's signature. HB3 prohibits the issuance of ESG bonds, bans an issuer from paying a third-party certification that may label or designate an ESG bond and prohibits utilizing any rating agency whose ESG scores will have a direct negative impact on the issuer's bond ratings.

Next, Ms. Howe presented an overview of Moody's ESG Classification. The District's ESG Credit Impact Score (CIS) is neutral-to-low (CIS-2), reflecting moderately negative exposure to environmental risks and neutral-to-low exposure to social (S-2) and governance (G-2) risks. Moody's ESG score is not an opinion about the District's sustainability performance or ESG disclosures. The Chair made a motion, that the District has not and will not issue ESG bonds, it was seconded and passed unanimously.

Lastly, comments and/or questions from the public.

Being no further business, the Chair adjourned the meeting at approximately at 12:00PM.