

CHABOT LAS POSITAS COMMUNITY COLLEGE DISTRICT RETIREMENT BYLAWS

PREAMBLE

The objectives of the Chabot Las Positas Community College District (CLPCCD) in establishing a Trust for the pre-funding of its OPEB liabilities are to comply with the requirements of GASB Statements No. 74 & No. 75 and to create a retirement system that complies with the California Constitution and Government Code provisions related to such systems with a Governing Board (referred to as the “Retirement Board”) consisting of officials of the CLPCCD.

The Trust is to be managed in accordance with the following principles:

- ❑ Trust assets are managed in accordance with all applicable laws, Trust documents, and a written Investment Policy Statement (IPS).
- ❑ Trust assets are diversified to a specific risk/return profile.
- ❑ A written Investment Policy Statement (IPS) contains the detail to define, implement, and monitor the Trust’s investment strategy.
- ❑ Appropriate fiduciary standards are applied in the management of Trust assets and the supervision of persons hired to assist in the management of the Trust.
- ❑ Due diligence is documented.
- ❑ Control procedures are in place to monitor and account for Trust investments and administrative expenses.
- ❑ There are safeguards to avoid conflicts of interest, such as the use of funding instruments that are non-proprietary funds of any service provider to the Trust.

1: A Retirement Board

1.1: The CLPCCD’s governing body has established by resolution a Retirement Board (the “Board”) to supervise the Trust.

1.2: The Board has been established to manage, direct and control the Fiduciary, Trust Settlor and Administrative functions, such as Consultants, Actuaries, Auditors and Accountants, Legal Counsel and Financial Advisors of the Trust.

1.3: The Board will sign such documents as are necessary to adopt and maintain an irrevocable Trust which complies with the California Constitution, California Government Code, GASB No. 74 & No. 75 and Section 115 of the Internal Revenue Code.

1.4: As mandated by the California Government Code, the Board shall perform all its duties with the care, skill, and diligence that a prudent person would utilize.

1.5: The Board shall also act solely in the interest of plan participants and beneficiaries with the sole purpose of providing benefits to them and paying only necessary and reasonable expenses for administrating the Trust.

1.6: The Board shall oversee that the Trust’s assets are diversified in order to minimize the risk of large investment losses.

1.7: The Board shall adhere to the terms of the written documents governing the Trust and ensure that they comply with all applicable laws, rules and regulations that may impact the Trust.

1.8: The Board shall facilitate and oversee the preparation and centralized maintenance of the CLPCCD's Comprehensive Compliance Plan. To aid the CLPCCD in meeting its fiduciary requirements, the Substantive Plan, as described in GASB 74 and 75, will be set forth as an essential element in the development of a Comprehensive Compliance Plan.

1.9: The Board will have the exclusive authority to establish, execute and interpret the Trust's written Investment Policy Statement (IPS) which profiles the long-term investment objectives of the Trust.

1.10: The Board shall facilitate any efforts and processes necessary to ensure the CLPCCD executes applicable written agreements providing any required consent to compliance with the terms of the Trust.

1.11: The Board will require that compensation paid to the Trust's service providers is identifiable, transparent, and reasonable and adheres to the terms of the written documents governing the Trust.

1.12: The Board shall abide by all applicable reporting requirements imposed by Sections 7500 through 7514.5 of the California Government Code, including but not limited to the preparation of an annual financial report of the Trust and retirement system of the Public Entity, and the preparation of valuations of the Trust assets by qualified actuaries.

1.13: The Board shall present to the Public Entity's Board of Trustees, in public session, an annual written report within 90 days of the completion of the annual audit of the retirement system, which shall include a summary of the investments and earnings of the system and other related matters, as well as the Board's proceedings and activities for the preceding year.

2: Retirement Board – Member Appointments

2.1: The members of the Board are appointed by resolution of the governing body of the CLPCCD. Board members may be replaced or terminated by the governing body of the CLPCCD at any time as Board members serve at the pleasure of the CLPCCD.

2.2: Board members shall be appointed to the Board based on their titles or affiliation. If the title or affiliation of an existing Board member changes and that new title or affiliation is not one of the designated titles or affiliation included in the resolution of the governing body of the CLPCCD, the Board member will no longer be a Board member unless there is a new resolution from the governing body of the CLPCCD.

2.3: The number of Board members will consist of such number of individuals that are deemed necessary by the governing body of the CLPCCD.

2.4: The Board will designate one of its members by majority vote to serve as Chairperson and a second member as Vice Chairperson.

2.5 The Chairperson and Vice Chairperson will serve in this capacity for two years at which time the Board will act again to select a Chairperson and Vice Chairperson for a subsequent term. The Chairperson and Vice Chairperson can serve multiple terms.

2.6: The Chairperson will act as the presiding officer for Board meetings.

2.7: Based on the minimum number of signatures required therein and/or specific people required by the Board, authorizations for withdrawals, distributions, benefit payments and reasonable fees are restricted to individuals with specimen signatures listed on the Trust's Signature Authorization Form.

2.8: Board meetings shall be conducted by the Chairperson. When the Chairperson is not present, the Vice Chairperson will conduct the meeting.

2.9: A majority of the Board members must be present or attend by teleconference, per the provisions of the Ralph M. Brown Act, in order to conduct a Board meeting and is considered a quorum. A vote, under the protocols of the Ralph M. Brown Act, of the majority of the Board members, shall be sufficient to transact business.

2.10: Each Board member shall have one vote in accordance with the protocols of the Ralph M. Brown Act. No proxy votes shall be permitted. If a member is attending by teleconference, all votes must be by roll-call.

2.11: In recognition of the importance of the work of the Board, regular attendance at Board meetings is expected from all members.

2.12: No Board member shall have the authority to bind the Board to any contract or endeavor without the approval of the Board.

2.13: No member serving on the Board will receive a salary or compensation from the Board.

2.14: The Board may approve reimbursement for reasonable expenses incurred by Board members. All expenditures of funds shall be subject to Board approval.

2.15: In addition to the reporting requirements of Section 1.13 hereof, the Board shall designate a specific location at which it will receive notices, correspondence, and other communications and shall designate one of its members as an officer for the purpose of receiving service on behalf of the Retirement Board.

3: Retirement Board – Meeting Agendas

3.1: Board meetings and agendas are subject to the terms and provisions of The Ralph M. Brown Act. All Board regular meeting agendas shall be prepared and posted in a public location, as approved by the Board, at least 72 hours prior to the date and time of the scheduled meeting. Meeting agendas for any special meetings of the Board shall be prepared and posted in a public location at least 24 hours prior to the date and time of the scheduled meeting.

3.2: Per the provisions of the Ralph M. Brown Act, the Board shall hold their meetings at a minimum of once a year, giving advanced notice of 24 hours for special meetings to the media and certain others who request it.

3.3: The Board shall engage, at least annually, in analysis of any applicable modifications to the Investment Policy Statement (IPS) through meetings and consulting with the Trustee and Registered Investment Advisor (RIA), as applicable.

3.4: In compliance with the Ralph M. Brown Act, an agenda shall be prepared for each regular and special meeting of the Board. The Agenda shall set forth those items which the Board anticipates taking action or discussing. Each Agenda item shall have attached backup material necessary for discussion or action by the Board.

3.5: Full and complete minutes detailing records of deliberations and decisions from each meeting of the Board shall be maintained. Such records and documents shall be available to the public in accordance with the provisions of the Ralph M. Brown Act.

4: Retirement Board – Actuarial, Contribution & Withdrawal Parameters

4.1: The Board will acknowledge the amount of any contributions from the CLPCCD and deliver contributions and allocation instructions to the Trustee. Such contributions and allocation instructions shall be delivered in accordance with the Trust’s written provisions and agreements.

4.2: The Board will establish procedures to review all expenditures and disbursements from the Trust.

4.3: In accordance with GASB Statement No. 75 schedules, the Board will work with the CLPCCD’s governing body in obtaining the necessary calculations to identify the “Actuarial Present Value of Total Projected Benefits” (APVTPB), the “Actuarially Determined Contribution” (ADC) as well as all other calculations and information necessary to comply with GASB’s actuarial valuation requirements.

4.4: The Board will provide any necessary plan participant information to the Trustee on a timely basis. The Board shall provide responses to all information requested by the Trustee in a timely fashion.

5: Retirement Board -- Disclosure & Conflict of Interest

5.1: No Board member shall vote or participate in a determination of any matter in which the Board member shall receive a special compensation or gain.

5.2: Board members have a duty of loyalty precluding them from being influenced by motives other than the accomplishment of the Trust’s objectives.

5.3: Board members, in the performance of their duties, must act pursuant to the documents and instruments establishing and governing the Trust.

6: Retirement Board -- Rules of Order/Bylaws

- 6.1: Amendment of these Bylaws may be proposed by any member of the Board.
- 6.2: All amendments to the Bylaws must be approved by a majority vote of the Board members present, before the amendment shall become effective.
- 6.3: Such amendments shall be binding upon all members of the Board.
- 6.4: The effective date of any amendment shall be on the first day of the month following adoption, unless otherwise stated.

7: Retirement Board -- Appearance before the Board

- 7.1: All persons who wish to make appearances before the Board shall be scheduled in compliance with the provisions of the Ralph M. Brown Act.
- 7.2: Appearances before the Board may be in person or through a representative.
- 7.3: Communications with the Board may be in any form that complies with the provisions of the Ralph M. Brown Act.

8: Retirement Board – Fiduciary & Governance Parameters

- 8.1: The Trust will be structured so that the Board shall reduce its legal liability for investment risk by appropriately delegating investment decision-making.
- 8.2: The Board shall delegate investment decision-making to the Trustee with a mandate and thereafter monitor the performance of the Trustee. For the management of the Trust's assets, an appropriate Registered Investment Advisor (RIA) shall be appointed and monitored by the Trustee.
- 8.3: The Board will monitor the performance and acts of the Trustee in accordance with the limits and constraints of applicable laws, Trust documents and the written Investment Policy Statement (IPS) as well as the Trust's investment goals, objectives, fees and expenses.
- 8.4: The Board shall monitor the Trustee to determine that Trust assets are diversified as directed by the Investment Policy Statement (IPS) and applicable laws.
- 8.5: The Board through periodic reports will compare investment performance against appropriate indices, peer groups and Investment Policy Statement (IPS) objectives.
- 8.6: The Board will require that all service agreements and contracts are in writing, and do not contain provisions that conflict with fiduciary standards. Fees paid to each service provider shall be consistent with agreements, contracts and with all applicable laws.

9: Trustee & Investment Management

9.1: The agreement engaging the Trustee shall require the Trustee to invest Trust assets in compliance with applicable laws, Trust documents, and the written Investment Policy Statement (IPS).

9.2: The agreement engaging the Trustee shall require the Trustee document the specific duties and requirements of the parties involved in the investment process.

9.3: The Board shall require the Trustee to acknowledge, in writing, that it is a fiduciary to the Trust and to the CLPCCD.

9.4: The Board shall prohibit the Trustee from investing Trust assets in its own proprietary investment products or those of its Registered Investment Adviser so as to avoid any potential conflicts of interest.

9.5: The Board shall require the Trustee to manage Trust assets with the care, skill and diligence of a prudent person under California law.

10: Registered Investment Advisor (RIA):

10.1: The RIA engaged by the Trustee must have the following qualifications and responsibilities:

(a) It shall work with the Trustee to establish a long-term, target net rate of return objective for the Trust, constructing an investment portfolio which gives due consideration to the CLPCCD's time horizon of investment, as well as its attitudes and capacity for risk.

(b) It shall recommend the appropriate combination of asset classes that optimizes the Trust's return objectives, while minimizing risk consistent with the Trust's constraints.

(c) It shall provide investment recommendations derived from a disciplined approach to investment selection; considering risk-adjusted performance comparable to managers with similar style; a long-term superior performance profile; an analysis of investment expenses with a preference for investments with no-load, no redemption charges, and no transaction fees or revenue-sharing schedules.

(d) It shall have access to appropriate databases and external research, and shall be supported with adequate technology and report production tools.

11: Program Coordinator

11.1: The agreement shall engage the Program Coordinator with responsibility to assist the Board with the processes, procedures and protocols of the Trust's fiduciary decision making.

11.2: The Board shall require the Program Coordinator to facilitate all aspects of the Board's Fiduciary and Administrative mandates, and work to assist the Board in ensuring that Trust assets are managed in accordance with all applicable laws, Trust documents and the written Investment Policy Statement (IPS).

11.3: The Board shall require the Program Coordinator to provide comprehensive assistance in conducting Board meetings and agendas in compliance with the provisions of the Ralph M. Brown Act.

11.4: The Program Coordinator will provide support to the Board in the preparation and centralized maintenance of the CLPCCD's Comprehensive Compliance Plan, including the Substantive Plan.

12: Program Definitions:

12.1: "Actuarial Present Value of Total Projected Benefits" (APVTPB) is the projected benefit payments discounted to reflect the expected effects of the time value (present) of money and the probabilities of payment.

12.2: "Actuarially Determined Contribution" (ADC) is the target or recommended contribution to a defined benefit OPEB plan for the reporting period determined in conformity with the Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

12.3: "Comprehensive Compliance Plan" shall mean a broad compliance and fiduciary process incorporating the CLPCCD's substantive plan obligations; the actuarial cost of those obligations; the plan for meeting those costs; the fiduciary strategies and steps in meeting plan requirements.

12.4: "Discretionary Trustee" shall mean a trust structure whereby the Trustee will accept the delegation of investment duties and work as the sole authority in the selection, monitoring and disposition of Trust's assets.

12.5: "Investment Policy Statement" (IPS) shall mean a written statement that establishes the Futuris CLPCCD Investment Trust's investment related policies, goals, objectives and criteria for evaluating investment performance that are critical for the successful management of the Trust's investments.

12.6: "Net OPEB Liability" is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit OPEB plan that is administered through a GASB-compliant trust.

12.7: "Quorum" shall mean the majority of the Board members as are required to conduct a Board meeting or to transact business on behalf of the Board.

12.8: "Registered Investment Advisor" (RIA) shall mean the investment entity charged with the responsibility for recommending comprehensive and continuous investment advice for the Futuris CLPCCD Investment Trust.

12.9: "Retirement Board of Authority" is established by the governing body of the CLPCCD and shall mean the entity charged with the discretion, responsibility and authority to oversee the management of the CLPCCD Investment Trust. Specifically, the Board shall determine the investment policy and strategy for the Trust and is empowered to inquire and resolve any matter it considers appropriate to carry out its responsibilities.

12.10: "Substantive Plan" shall mean the terms of the OPEB plans as they are understood by the employer and employees. It is generally comprised of the OPEB plan documents as well as other communications between the employer and the employees as well as the historical pattern of practice with regard to the sharing of benefit-related costs with inactive

employees.12.11: “The Trust” shall mean the CLPCCD’s Investment Trust established for the pre-funding of its OPEB liabilities and maintained in compliance with GASB Statement No. 74 & No 75, the California Constitution and the California Government Code with a governing Board consisting of officials of the CLPCCD.

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