

**CONTRA COSTA COUNTY COMMUNITY COLLEGE DISTRICT
FUTURIS TRUST RETIRMENT BOARD OF AUTHORITY
BYLAWS**

PREAMBLE

The objectives of the Contra Costa County Community College District (Public Entity) in establishing a Trust for the pre-funding of its OPEB liabilities is to comply with the requirements of GASB Statements No. 43 & No. 45 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 of Authority”) consisting of officials of the public entity.

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) for the exclusive benefit of eligible employees, former employees, their dependents and beneficiaries.
- ☛ Trust assets are diversified to a specific risk/return profile as determined by the RBOA and approved by the Public Entity.
- ☛ 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 investment 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 of Authority

1.1: The Public Entity’s governing body has established by resolution a Retirement Board of Authority (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, Financial Advisors of the Trust.

1.3: The Board have and shall sign such documents as are necessary to adopt and maintain an irrevocable trust which complies with the California Constitution, California Government Code, GASB No. 43 & No. 45 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 have and 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 the members comply with all applicable laws, rules and regulations that may affect the Trust.

1.8: The Board shall facilitate and oversee the preparation and centralized maintenance of the Public Entity's Comprehensive Compliance Plan. To aid the Public Entity in meeting its fiduciary requirements, the Substantive Plan, as described in GASB 43 and 45, 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 Public Entity 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 or designee shall present to the Public Entity's Board of Trustees, in public session, a bi-annual performance report.

2: Retirement Board of Authority – Member Appointments

2.1: The members of the Board are appointed by resolution of the governing body of the Public Entity.

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

2.3: The number of Board members will consist of such number of individuals that are deemed necessary by the governing body of the Public Entity. The Board shall serve at the pleasure of the governing body.

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. 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 required 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 unless approved by a majority of the Board members. If a member is attending by teleconference, all votes must be by roll-call. Decisions of the Board shall require an affirmative vote of at least a majority of the members of the Board and their decisions will be in accordance with the Ralph M Brown Act.

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: 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 of Authority.

2.16: In addition to the reporting requirements of Section 1.13 hereof, the Board shall provide information and copies of investment statements and other similar reports regarding the Trust and its applicable investment performance to the Public Entity's Board of Trustees on a not-less-than quarterly basis.

3: Retirement Board of Authority – Meeting Agendas

3.1: As 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: Minutes recording 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 of Authority – Actuarial, Contribution & Withdrawal Parameters

4.1: The Board will, at the direction of the Public Entity 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 ratify the amount of any withdrawal by the Public Entity. Any withdrawal shall be in accordance with the Trust's written provisions and agreements. Expenditures paid for by the Trust shall require a signature from each of the four (4) constituencies.

4.3: In accordance with GASB Statement No. 45 schedules, the Board will work with the Public Entity's governing body in obtaining the necessary calculations to identify the "Actuarial Present Value of Total Projected Benefits" (APVTPB), the "Unfunded Actuarial Accrued Liability" (UAAL) and the "Annual Required Contribution"(ARC).

4.4: The Board will provide any necessary plan participant information to the Trustee on a timely basis. The Board shall provide response to all information requested by the Discretionary Trustee in a timely fashion in order to perform services outlined in the Trust Agreement.

5: Retirement Board of Authority -- 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 & instruments establishing and governing the Trust.

6: Retirement Board of Authority -- 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 of Authority -- 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 of Authority – 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 a Trustee with a discretionary mandate and thereafter monitor the performance of the Discretionary Trustee. For the management of the Trust's assets, an appropriate Registered Investment Advisor (RIA) shall be selected and monitored by the Discretionary Trustee.
- 8.3: The Board will monitor the performance and acts of the Discretionary 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 Discretionary 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.
- 8.7: Directors and Officers insurance shall be provided by the Public Entity for each Board member for indemnification and protection.

9: Discretionary Trustee & Investment Management

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

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

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

9.4: The Board shall prohibit the Discretionary 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 Discretionary 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 Discretionary Trustee must have the following qualifications and responsibilities:

(a) It shall work with the Discretionary 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 Board'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 in accordance with the Investment Policy Statement (IPS) approved by the Board.

(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 Board has appointed a 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 Public Entity's Comprehensive Compliance Plan, including the Substantive Plan.

12: Program Definitions:

12.1: "Actuarial Present Value of Total Projected Benefits" (APVTPB) shall mean the total projected costs to finance benefits payable in the future based on members' service through the valuation date and their future service, discounted to reflect the expected effects of the time value of money. It is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay the total projected benefits when due.

12.2: "Annual Required Contribution" (ARC) is the actuarially-determined level of employer contribution that would be required on a sustained, ongoing basis to systematically fund the normal cost and to amortize the Unfunded Actuarial Accrued Liability (UAAL) attributed to past service over a period not to exceed thirty years. It is the amount needed to pay benefits as they come due plus amortize the UAAL. The ARC has two components: Normal cost and amortization of the UAAL for both active employees and retirees.

12.3: "Comprehensive Compliance Plan" shall mean a broad compliance and fiduciary process incorporating the public entity'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 Public Entity 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: "Registered Investment Advisor" (RIA) shall mean the investment entity charged with the responsibility for recommending comprehensive and continuous investment advice for the Futuris Public Entity Investment Trust.

12.7: "Retirement Board of Authority" is established by the governing body of the Public Entity and shall mean the entity charged with the discretion, responsibility and authority to oversee the management of the Public Entity Investment Trust. Specifically, the Retirement Board of Authority 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.

12.8: "Substantive Plan" shall mean the plan through which assets are accumulated and benefits are paid as they come due in accordance with the commitments or understandings between the employer, eligible employees and their beneficiaries.

12.9: “The Trust” shall mean the Public Entity’s Investment Trust established for the pre-funding of its OPEB liabilities and maintained in compliance with GASB Statement No. 43 & No 45, the California Constitution and the California Government Code with a governing Retirement Board of Authority consisting of officials of the Public Entity.

12.10: “Unfunded Actuarial Accrued Liability” (UAAL) shall mean the excess of the Actuarial Accrued Liability (AAL) over the Actuarial Value of Assets (AVA). The UAAL can derive from three sources: unfunded past Normal costs, actuarial gains and losses (differences between actuarial assumptions and actual experience), and changes to the level of benefits promised.