

**BYLAWS
OF THE
RETIREMENT BOARD
OF THE
EAST SIDE UNION HIGH SCHOOL DISTRICT
PUBLIC RETIREMENT SYSTEM**

Section 1. Retirement Board Established. The Board of Trustees ("Trustees") of the East Side Union High School District (the "District"), having established the East Side Union High School District Public Retirement System ("System") to administer payment of certain health care benefits and early retirement incentive benefits to retired employees of the District (the "Participants"), has determined that it is desirable to establish a retirement board to avail the System of the benefits of California law, including but not limited to the provisions of Article 16, Section 17 of the California Constitution. Therefore, the Trustees has established the Retirement Board of the East Side Union High School District Public Retirement System ("Board," or individually "Members") having the duties and rights set forth in the California Constitution and these Bylaws.

Section 2. Purposes. The purpose of Board is to exercise executive authority and responsibility for the investment of the monies and administration of the System. The Board shall be deemed to be subject to the Ralph M. Brown Public Meetings Act of the State of California ("Brown Act") and shall conduct its meetings in accordance with the provisions thereof. The District shall provide necessary administrative support to the Board as shall be consistent with the Board's purposes.

Section 3. Duties. To carry out its stated purposes, the Board shall perform the following duties:

- (a) Exclusive Fiduciary Responsibility. The Board has sole and exclusive responsibility over the assets of the System, including, but not limited to, the investment of such assets.
- (b) Exclusive Administrative Responsibility. The Board has sole and exclusive responsibility to administer the System in a manner that assures prompt delivery of benefits and related services to the Participants and their beneficiaries.
- (c) Primary Obligation to Participants and Beneficiaries. The Board shall carry out its activities solely in the interest of, and with the exclusive purposes of providing benefits to, the Participants and their beneficiaries, minimizing employer contributions to, and defraying reasonable expenses of administering the System.
- (d) Duty of Care. The Board shall carry out its activities with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with the matter or matters before the Board would use in the conduct of an

enterprise of like character and with like aims.

- (e) Diversification of Investments. The Board shall diversify investments of System funds so as to minimize risk of loss and maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.
- (f) Annual Report. The Board shall present to the Trustees, in public session, an annual written report which includes a summary of the Board's proceedings and activities for the preceding year.
- (g) Other Reporting Requirements. The Board shall abide by all other reporting requirements imposed by Sections 7500-7514.5 of the California Government Code, including but not limited to:
 - (i) the preparation of an annual financial report generated in accordance with generally accepted accounting principles;
 - (ii) the preparation of tri-annual valuations conducted by a qualified actuary; and
 - (iii) retention of a qualified auditor to review the System's financial statements.

Section 4. Powers. Subject to the limitations imposed by California law and the duties in Section 3, all business and affairs of the System shall be controlled by the Board. No Member is responsible for any error in judgment or for anything that he or she may do or refrain from doing in good faith. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Board has the following powers:

- (a) To hold the assets of the System in trust for the exclusive purpose of providing benefits to the Participants and their beneficiaries and defraying reasonable expenses of administering the System;
- (b) To invest funds of the System in accordance the duties set forth in Section 3 and any applicable provisions of federal or state law; and
- (c) To select and remove all of the other officers, agents, and employees of the System, prescribe such powers and duties for them as may be consistent with California law or these Bylaws, fix their compensation and require from them security for faithful service.

Section 5. Membership.

- (a) Number of Directors. The Board consists of nine Directors, to be known collectively as the Board of Directors. The number of Directors may be changed by a Bylaw or amendment thereof duly adopted by the Board of

Directors.

- (b) Selection: Tenure of Office and Vacancies. The Board of Directors consist of the individuals who act as the members of the Board of Trustees of the District, the individual who acts as Superintendent of the District, the individual who acts as Assistant Superintendent, Business Services of the District, the individual who acts as President of the California School Employees Association East Foothills Chapter #187 or the Vice President in absence of the President and the individual who acts as President of the East Side Teachers Association or the Vice President in the absence of the President. Each person who holds any such office of the District shall be and remain a member of the Board of Directors for so long as such person remains the holder of such office.
- (b) Compensation. Directors shall serve without compensation, but each Director may be reimbursed his or her necessary and actual expenses, including travel incident to his or her services as Director, pursuant to resolution of the Board of Directors. Any Director may elect, however, to decline said reimbursement.
- (c) Ethics: Conflicts of Interest. By accepting appointment to the Board, each Member agrees to comply with Articles 4 (commencing with Section 1090) and 4.7 (commencing with Section 1125) of Division 4 of Title 1 of the Government Code.

Section 6. Meetings of the Board.

- (a) Regular Meetings. The Board may by resolution provide for the holding of regular meetings and may fix the time and place of holding such meetings. The Board shall meet at least annually.
- (b) Special Meetings: Notice of Waiver. A special meeting of the Board may be held whenever called by the President or by a majority of the Members. Written notice of each such meeting shall be delivered personally or by email to each Member at least 48 hours before the time of such meeting or shall be sent to each Member by mail, charges prepaid, at least four days before the time of such meeting as specified in the notice. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. The call and notice shall signify the time and place of the special meeting and the business to be transacted. No other business shall be considered at such meeting by the Board. Notice of adjournment of a meeting need not be given to absent Members if the time and place are fixed at the meeting adjourned. The transactions of any meeting of the Board, however called and noticed and wherever held, shall be as valid as though had at a meeting held after regular call and notice, if a quorum is present; provided, however, that before the meeting, each of the Members not present signs a written waiver of notice and files said written waiver of notice with the Secretary/Treasurer; and provided further, that notice be given to each

local newspaper of general circulation, radio or television station requesting notice in writing pursuant to Government Code Section 54956. All waivers shall be filed with the corporate records and made a part of the minutes of the meeting if the time and place are fixed at the meeting adjourned.

- (c) Adjourned Meetings; Notice of Adjournment. The Board may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Less than a quorum may so adjourn from time to time. A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held within 24 hours after the time of the adjournment. When a regular or adjourned regular meeting is adjourned as provided in this section, the resulting adjourned regular meeting is a regular meeting for all purposes.
- (d) Quorum. A majority of the authorized number of Members shall be necessary to constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Members present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board, unless a greater number is required by law.
- (e) Location. All meetings shall be held within the boundaries of the East Side Union High School District.
- (f) Procedures. All meetings shall be open to the public in accordance with the Brown Act, Government Code Section 54950 *et seq.* Meetings shall be conducted according to such additional procedural rules as the Board may adopt.

Section 7. Officers.

Officers. The officers of the System shall be the following: a President, a Vice President, a Secretary, and a Chief Financial Officer. The Board may also have, at its discretion, such other officers as assistants to such officers as may be appointed by the Board. One person may hold two or more offices, except that the offices of the President and Secretary/Treasurer may not be combined.

Designation. The President and Vice President shall be the same as the President and Vice President of the ESUHSD Board of Trustees. The Secretary shall be the ESUHSD Superintendent. The then-current Assistant Superintendent, Business Services of the District shall serve as Chief Financial Officer. If there is no Assistant Superintendent, Business Services, then whoever is acting as the chief business officer of the District shall serve as Chief Financial Officer of the System. All officers shall hold office until the such officer shall resign, be removed, or otherwise become disqualified to serve, or the officer's successor shall be appointed and qualified.

President. The President is the executive officer of the System and, subject to the control of the Board, has general supervision, direction and control of the affairs of the System. The President shall preside at all meetings of Members and meetings of the Board.

Vice President. In the absence or disability of the President, the Vice President shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President has such other powers and duties as from time to time may be prescribed for the Vice President by the Board or by the Bylaws.

Secretary. The Secretary shall keep at the principal office of the System a book of minutes of all meetings of the Board, with the time and place of holding how called or authorized, the notice thereof given, and the names of those present at such meetings.

Chief Financial Officer. The Chief Financial Officer shall keep and maintain adequate and correct books of account showing the receipts and disbursements of System funds, and an account of its cash and other assets, if any. Such books of account shall at all reasonable times be open to inspection by any Member. The Chief Financial Officer shall deposit all moneys of the System with such depositories as are designated by the Board, and shall disburse System funds as may be ordered by the Board, and shall render to the Board, upon request, statements of the financial condition of the System.

Subordinate Offices. Subordinate officers shall perform such duties as shall be prescribed from time to time by the Board or the President.

Section 8. District Support. The District shall provide to the Board necessary technical and administrative assistance as follows:

- (a) preparation of and posting of public notices as required by the Brown Act, ensuring that all notices to the public are provided in the same manner as notices regarding meetings of Trustees;
- (d) provision of a meeting room, including any necessary audio/visual equipment;
- (e) preparation and copies of any documentary meeting materials, such as agendas and reports; and
- (f) retention of all Board records.

District officers, staff and/or District consultants shall attend Board proceedings in order to report on the status of projects and the investment or expenditures of System funds.

Section 9. Miscellaneous.

Execution of Documents. The Board may authorize any officer or officers as agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the System, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or other person shall have any power or authority to bind the System or the District by any contract or engagement or to pledge its credit or to render it liable for any purpose or to any

amount.

Inspection of Bylaws. An original copy of these Bylaws shall be maintained in the principal office of the System, as amended or otherwise altered to date, certified by the Secretary, which shall be open to inspection by the Members at all reasonable times during office hours.

Fiscal Year. The fiscal year of the System begins on July 1 and ends on June 30 of each year.

Reports. In addition to any reports required by Section 3.6, the Board may report to the Trustees from time to time in order to advise the Trustees on the activities of the Board.

Amendment of Bylaws. Any amendment to these Bylaws must be approved by a majority vote of the Board.

Principal Office. The principal office of the System is hereby fixed and located at the offices of the East Side Union High School District, 830 North Capitol Avenue, San Jose, California 95133. The Board has full power and authority to change said principal office from one location to another. Any such change shall be noted by the Secretary of the Board, but shall not be considered an amendment of these Bylaws.

Adopted: 01/25/2007

Amended: 06/11/2013; 05/06/2014