BOARD OF INVESTMENT TRUSTEES
Montgomery County Employee Retirement Plans
Montgomery County Retiree Health Benefit Trust
A Montgomery County Government (Maryland) Board

BYLAWS

ARTICLE 1
Purpose

Purpose. The purpose of the Board of Investment Trustees (the "Board") is to establish, monitor, and modify, as needed, systems for the receipt, custody, disbursement and investment management of the assets of the (I) defined benefit retirement plans, known as the Employees' Retirement System (ERS), (2) Retirement Savings Plan (RSP), (3) the Deferred Compensation Plan (DCP), and (4) the Retiree Health Benefits Trust (RHBT), each in accordance with the laws of Montgomery County, Maryland, as amended. For the purpose of these bylaws and Board business, "Montgomery County Employee Retirement Plans" (ERP) will be used to refer to an incorporation of the retirement plans.

ARTICLE II
Membership

2.1. Membership. The Board consists of thirteen members, appointed by the County Executive and confirmed by the County Council, to include the Directors of the Department of Finance, the Office of Human Resources, and the Office of Management and Budget, and the Council Staff Director; three active County employees, each of whom is a member of a different collective bargaining unit, and who are vested members of the ERS, or individuals recommended by each employee organization; one active County employee who is a vested member of the ERS or RSP and Merit System and who is not a member of a collective bargaining unit; a retired member of the ERS or RSP; two persons recommended by the County Council who are knowledgeable in pensions, investments or financial matters; and two individuals knowledgeable in pensions or financial matters (33-59(b))

2.2. Terms. Except for ex-officio officers, the individual nominated by the fire and rescue unit and the individual nominated by the Office, Professional, and Technical (OPT) and Service, Labor and Trades (SLT) bargaining units who serve indefinitely while holding office, a 3 year term ends on March 1 of every third year after confirmation by the Council. (33-59(b)(2), (3) and (4))

2.3 No member may serve more than two consecutive full terms. This requirement may be waived if there are no other qualified candidates or other unique circumstances justify reappointment. (2-148)

ARTICLE III
Officers

3.1. Officers. The officers of the Board consist of a Chair, a Vice Chair, and a Secretary. The officers shall be nominated from the floor and elected by the members at a meeting. (33-59(g))

3.2. Officer Terms. The term of the Chair, Vice Chair and Secretary shall be two years. The Board Chair, Vice Chair and Secretary may not serve more than two consecutive terms unless the member served less than one half of a term in which case the member can serve for two full consecutive terms following the incomplete term.

3.3. Officer Elections. Officer elections shall take place at the September meeting of the Board or the next meeting thereafter in the absence of a September meeting. If an officer is unable to complete a term, the Board must elect a member to serve the remainder of the term. The election of a replacement must be made at the first Board meeting following the receipt by the Board of either formal or informal notice of the officer's inability or unwillingness to complete the term.

3.4. Chair and Vice Chair Responsibilities. The Chair must conduct the meeting. In the Chair's absence, the Vice Chair must conduct the meeting. If both the Chair and the Vice Chair are absent from a meeting, the members present must elect a member to act as the Chair for the meeting.

The Chair may take administrative action, including executing an instrument, on behalf of the Board. (33-59(g)(1)).

The Vice Chair must perform the duties and exercise the powers of the Chair when the Chair is absent from the County or disabled, or the Board determines is otherwise unable to perform the duties of the Chair. (33-59(g)(2))

3.5. Secretary Responsibilities. The Secretary must record the proceedings and actions of the Board and may certify a document or action of the Board. (33-59(g) (3).

3.6 Facilitators. The Board may elect Board members to serve as facilitators to assist the Chair with administrative and investment matters during meetings. The facilitators will be nominated from the floor and elected by the members during the September meeting of the Board. The term will be one year and the facilitator may not serve more than two consecutive terms unless the member served less than one half of a term in which case the member can serve for two full consecutive terms following the incomplete term.

3.7 Compliance and Audit Committee. At the September Board meeting, the Board will elect four Board members to serve on the Compliance and Audit Committee. The term will be one year and a committee member may not

serve more than two consecutive terms unless the member served less than one half of a term in which case the member can serve for two full consecutive terms following the incomplete term. The Committee will assist the Board in its oversight responsibilities for financial reporting, internal controls and compliance with Board policies and applicable laws. The Committee will meet at least twice in a calendar year.

ARTICLE IV
Term of Board

4.1. Term of Board. The Board continues in existence until it is abolished by law. (33-59(a)(2))

ARTICLE V
Meetings

5.1. Meeting Schedule. The Board must meet at least once during each calendar quarter. (33-59(h)(1). Board meetings shall be held in January, March, May, July, September and November. Board meeting dates may be changed by the consent of seven members of the Board. The Chair or seven members of the Board may call additional Board meetings. (33-59(h)(1))

5.2. Attendance Requirements. A member who is absent from more than 25 percent of the scheduled meetings of the Board during any 12-month period has resigned from the Board. Scheduled meetings mean meetings held at least 7 days after notice of the meeting (33-59(c)(1)). For the first year of a member's term, attendance is based on a member's first 12 months otherwise the 12 month period is the calendar year. A member who is not present for all scheduled action items presented during a meeting is considered absent. A member may only participate by teleconference or videoconference for one-third of the scheduled meetings during a calendar year.

5.3. Meeting Locations. The Board shall meet in the Stella B. Werner Council Office Building, the Executive Office Building, or the official location of Board offices in Rockville, Maryland, unless the Chair, or a majority of the members, designates another location.

5.4. Meeting Notification. The Chair or the Chair's delegate must supply reasonable notice of the date, time, and place of meetings as required by the Maryland Open Meetings Act.

5.5. Special Meetings. Special meetings may be called by the Chair. Two business days' notice of special meetings must be given to each member of the Board. Such notice may be oral or written.

5.6. Emergency Meetings. The Chair may call an emergency meeting of the Board. Each member must file a written waiver of notice of any emergency meeting after the meeting.

5.7 Meeting Agendas. The Chair or the Chair's delegate must prepare a written agenda for each meeting. After the Chair calls a meeting to order, a member of the Board may move to add or delete from the agenda of that meeting or add an item to a future meeting's agenda. Addition or deletion of an item from the agenda at a current meeting requires the affirmative vote of a majority of all members present. The addition of an item to an agenda for a future meeting requires the request of the majority of Board members.

5.8. Meeting Materials. The written agenda must be mailed to the members at least one week before each meeting. Written information that will be addressed at a Board meeting should be received one week before each meeting. The Chair or the Chair's delegate must send an agenda and any information with respect to a meeting, which is not a regularly scheduled Board meeting, as early as possible prior to the meeting.

5.9. Quorum. A quorum consists of seven members of the Board. A quorum is required to conduct business of the Board. (33-59(h)(2))

5.10. Member Representation. A member of the Board cannot designate a substitute to sit and act in the member's place.

5.11. Closed Sessions. Closed session meetings that are not open to the general public may be held in accordance with the State law on meetings of public bodies. Information discussed and materials distributed during the closed session are deemed confidential.

5.12. Actions Taken Outside of Meetings. The Board may act without a meeting. All of the members must concur in writing for the Board to approve any action the Board takes without a meeting. (33-59(h)(3). Any action taken outside of a meeting must be recorded in a Board resolution at the next Board meeting.

ARTICLE VI
Conduct of Meetings

6.1. Rules of Order. The Chair, or a majority of the members present at the meeting, may direct that the proceedings for a deliberative body as contained in the Robert's Rules of Order apply to meetings of the Board for an entire meeting, for a special purpose or during a certain time period of a meeting. Robert's Rules of Order govern when it is necessary to take formal action or decide controversial matters. (2-149) When the Robert's Rules of Order do not apply, the Chair must conduct a discussion informally. Any reference to Robert's Rules of Order means the latest published edition of such rules at the time an issue arises with respect to such rules.

6.2. Board Action Validity – Rules of Order. A Board action that is otherwise valid is not invalid because of the failure to follow Robert's Rules of Order.

6.3. Board Action Validity – Bylaws. Unless otherwise prohibited by law, if Board action is taken in a manner not in accordance with these Bylaws, that action is valid unless a majority of the members of the Board vote to rescind the action. A vote to rescind a Board action which was taken in a manner not in accordance with these Bylaws must be taken no later than the first meeting after the distribution of the draft minutes which refer to the relevant Board action, but in no event later than the next Board meeting.

ARTICLE VII
Minutes

7.1. Requirement for Minutes. The Secretary or the Secretary's delegate must take minutes of all meetings of the Board. Minutes of a closed session meeting must be kept separately from minutes of the open meetings. All minutes must be prepared, distributed and maintained in accordance with the State law on meetings of public bodies.

7.2. Approval Process. Draft minutes of each Board meeting must be prepared by the Secretary or the Secretary's delegate and mailed to each member of the Board and counsel to the Board as soon as reasonably possible after the meeting. Draft minutes must be approved or corrected by vote of the Board at its next meeting to the extent the Board can reasonably do so. After minutes have been approved or corrected by the Board, the drafts of the minutes and any related notes must be destroyed.

7.3. Distribution. The Director must forward copies of the approved minutes (except those of closed meetings which do not become public under the Maryland public record rules) to the Reference Section of the Rockville Public Library within six months of their approval.

ARTICLE VIII
Board Action

8.1. Resolutions. An action of the Board must be evidenced by a resolution that must be contained in the minutes of the Board. A resolution must be initially moved by one member of the Board, seconded by another member of the Board and must receive an affirmative vote of seven members of the Board. (33-59(h)(2)) Resolutions are recorded in the minutes by number.

8.2. Voting Requirements. In order to vote, a member must be present. Alternatively, a member may participate in the meeting and vote by teleconference or videoconference if the member has access to all information necessary for making an informed decision. In order to participate by teleconference or videoconference, a member must participate and vote on all action items. For this purpose, an abstention is considered a vote.

8.3. Amendments. An amendment to a pending resolution or motion may be made only upon the affirmative vote of seven members of the Board.

ARTICLE IX
Professional Staff

9.1. Board Office Staff. The Chair may request the Chief Administrative Officer of the County to appoint persons to serve as staff to the Board. The Director shall direct the staff and perform the duties set by the Board.

9.2. Public Information Requests. The Executive Director must respond to all public information requests in accordance with the State law on public records and rules adopted by the Board.

9.3. Information Requests. All requests from the media or third parties for information regarding Board actions must be directed to the Executive Director, or his or her designee, who will respond accordingly.

ARTICLE X
Compensation and Expenses

10.1. Compensation. Members of the Board serve without compensation. (33-59(d))

10.2. Expense Reimbursements. The Board must authorize reimbursement to members, Board staff and Board counsel for all reasonable and proper expenses incurred in performing their duties. Board members may not receive reimbursement for expenses from any other source. (33-59(d)) Specific procedures for reimbursement are set forth in the Board's administrative manual.

ARTICLE XI
Reports

11.1. Reporting Requirements. The Board will prepare the annual and quarterly reports pursuant to Montgomery County Code (sec. 33-61B).

11.2. Preparation and Approval Process. The Director must prepare and distribute quarterly and annual investment reports for consideration by the Board

following confirmation of data received from the appropriate sources. Reports will be approved by the Board as soon as practicable thereafter, and filed as required by law.

ARTICLE XII
Bond

12.1. Custodian Bond Exemption. The Board shall not require a bond of the Director of Finance as custodian of the ERS or the RHBT in addition to the bond required as the Director of Finance.

ARTICLE XIII
Miscellaneous

13.1 Signature Authorities for Payments. All payments from the retirement system assets and RHBT assets must be made by (i) the Director of Finance, (ii) a designee of the director of finance, or (iii) two (2) persons designated by the Board, acting jointly. The Board must file a duly attested copy of the resolution of the board designating the two (2) persons, with specimen signatures of those persons, with the Director of Finance to indicate their authority for making payments. (33-61(a))

13.2. Mailing Address. The mailing address of the Board is the official location of Board offices at such address established in Rockville, Maryland.

13.3. Amendment of Bylaws. An amendment of the Bylaws may be made only in accordance with the following procedure. A draft amendment must be prepared distributed to Board members and the Board must have one week to consider the draft amendment. The Board may vote on an amendment at any meeting of the Board after the conclusion of the one week period. An amendment of the Bylaws must be approved by the affirmative vote of seven members.

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