

RESOLUTION NO. 2111

A RESOLUTION OF THE CITY OF SALISBURY APPROVING THE BY-LAWS OF THE RETIREE HEALTH PLAN TRUST FOR THE WICOMICO COUNTY BOARD OF EDUCATION, WICOMICO COUNTY, MARYLAND AND CITY OF SALISBURY

WHEREAS, the Wicomico County Board of Education, Wicomico County, Maryland and the City of Salisbury sponsor a Retiree Health Plan Trust, referred to as the GASB#45 Trust (Trust); and

WHEREAS, the Board of Trustees of the Retiree Health Plan Trust are responsible for the management and operation of the Trust; and

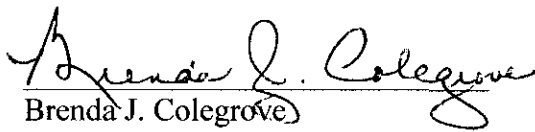
WHEREAS, the Board of Trustees desires to institute by-laws to establish a formal structure for the management and operation of the Trust; and

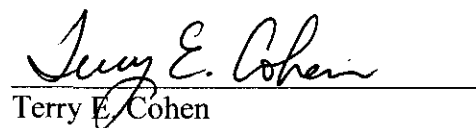
WHEREAS, the Board of Trustees unanimously accepted the attached By-laws of the Retiree Health Plan Trust at their July 28, 2011 Trustees' quarterly meeting.

NOW, THEREFORE, BE IT RESOLVED, BY THE CITY COUNCIL OF THE CITY OF SALISBURY, MARYLAND that the attached By-laws of the Retiree Health Plan Trust for the Wicomico County Board of Education, Wicomico County, Maryland and City of Salisbury are hereby approved.

THE ABOVE RESOLUTION was introduced and passed at a meeting of the City Council of the City of Salisbury, Maryland held on October 24, 2011 and is to become effective immediately upon adoption.

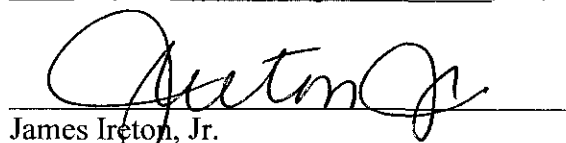
ATTEST:


Brenda J. Colegrove
City Clerk


Terry E. Cohen
City Council President

APPROVED BY ME THIS

25th day of October, 2011


James Ireton, Jr.
Mayor

**BY-LAWS
OF THE RETIREE HEALTH PLAN TRUST FOR
THE WICOMICO COUNTY BOARD OF EDUCATION,
WICOMICO COUNTY, MARYLAND
AND CITY OF SALISBURY**

- 1) **Board of Trustees** – established in accordance with the provisions of the Trust Agreement of the Retiree Health Plan Trust for the Wicomico County Board of Education, Wicomico County, MD and the City of Salisbury, collectively known as the “Sponsor”. The Trust established by this agreement is referred to as the GASB#45 Trust.

- 2) **Membership** –
 - A. The Board of Trustees consists of the following:
 - (1) Three (3) at-large community trustees. These individuals should not have a vested interest in the plan or be participants thereof. They should not be employed by either the Wicomico County Board of Education (WCBOE), Wicomico County, MD (County Government) or the City of Salisbury. A background or experience in finance, banking, investment, etc., is desirable. Initial recommendations for trustee appointments will be made by the Sponsor. Subsequent recommendations may be offered by the remaining trustees or Sponsor. The Sponsor agrees and/or accepts that the three (3) at-large community trustees serve as trustees of the GASB# 45 Trust and the Trust established for the Retirement Plan for Employees of Wicomico County and the Board of Education. The initial appointments were approved by the WCBOE and the County Government. Subsequent trustee reappointments will be approved by all three (3) Sponsor employers.
 - (2) Three (3) Finance / Human Resources-oriented Trustees. One person from each employer, with either a finance or human resources background, will be appointed by the chief administrative officer of the respective employer to serve as a trustee. The employee may or may not have a vested interest in the health plan.
 - (3) Six (6) General Participating Trustees. Two (2) current employees will be appointed by the WCBOE from the active participants in the Retirement Plan, two (2) current employees will be appointed by the County Government from its group of employees, and two (2) current employees will be appointed by the City of Salisbury from its group of employees.

B. Terms of Membership –

- (1) Three (3) at-large community trustees. The initial community trustees were appointed to a one, two or three-year term to correspond with their Retirement Plan Trustee terms. Subsequent trustees or term reappointments will be for a three-year term.
- (2) Three (3) Finance / Human Resources-oriented Trustees. The term for the County Government and WCBOE trustees will correspond with their Retirement Plan trustee term. The City Of Salisbury trustee will be appointed for an initial 3 year term. Subsequent trustees or term reappointments will be for a three-year term.
- (3) Six (6) General Participating Trustees. The term for the 2 County Government and 2 WCBOE Trustees will correspond with their Retirement Plan trustee terms. The 2 City Of Salisbury trustees will be appointed initially to serve a three-year term. The subsequent trustees or first term reappointments will be staggered as a one or two year term as determined among the 2, and then three year terms thereafter.
- (4) A trustee described in subsection A. (3) of this section who becomes a retiree during their term of office may complete that term of office but cannot succeed themselves. The successor trustee shall be a current employee as described in subsection A. (3)
- (5) At the end of a term a trustee may continue to serve until a successor is appointed.

C. A trustee may not serve simultaneously as a member of the Board of Education and/or a Council member of the County or City and a member of the Board of Trustees.

D. Reappointment. All trustees may be reappointed for additional terms of membership in accordance with provisions of this section.

E. Upon appointment of an individual as a trustee, the individual shall agree to:

- (1) diligently and honestly administer the affairs of the Board of Trustees; and
- (2) not knowingly violate or willingly allow a violation of the law applicable to the Plan.

F. The Sponsor may remove a trustee in accordance with Article 5.2(b) of the Trust Agreement.

3) **Officers** –

A. A Chairman will be chosen annually by the Board of Trustees from the membership of the Board of Trustees.

1. The role of the Chairman is to preside over meetings of the Board of Trustees and ensure all business of the trustees is performed in an orderly fashion.

2. None of the Finance / Human Resources-oriented trustees may serve as Chairman of the Board of Trustees.

B. A Secretary shall be chosen annually by the Board of Trustees from the membership of the Board of Trustees whose role is among other duties, to accurately record the decisions of the trustees.

4) **Quorum; meetings; expenses** –

A. Each trustee is entitled to one vote on the Board. A trustee may vote by proxy as granted to another trustee who is present at the meeting.

B. A majority of the trustees then serving on the Board is a quorum for:

- (i) the transaction of any business;
- (ii) the exercise of any power; or
- (iii) the performance of any duty authorized or imposed by law.

C. The affirmative vote of seven of the trustees then serving on the Board is sufficient for the taking of any action in accordance with the Plan.

D. The Board shall set the times and places for, and give notice of its meetings.

E. A trustee may not receive compensation from any source for service as a trustee. However, a trustee who is a County or City or Board of Education employee may receive employee wages from their respective employer.

F. A trustee is entitled to reimbursement for expenses the Board of Trustees authorizes.

5) **Management of the Trust** –

The Board of Trustees is responsible for the management and proper operation of the Trust in accordance with the Amended Retiree Health Plan Trust Agreement of the Wicomico County Board of Education and Wicomico County, MD and City of Salisbury.

INTER

OFFICE

MEMO

Office of the City Clerk

410-548-3140

To: City Council

From: Brenda J. Colegrove, MMC
City Clerk

Brenda

Subject: GASB#45 By-laws

Date: October 18, 2011

The By-laws of the Retiree Health Plan Trust for the Wicomico County Board of Education, Wicomico County, Maryland and City of Salisbury were unanimously accepted at the Trustees' quarterly meeting held on July 28, 2011.

The Wicomico County Council approved the By-laws on October 4 and the Board of Education approved them on October 11. A copy of the Resolution and GASB#45 By-laws are attached for Council's consideration on October 24, 2011.