

BYLAWS

PUBLIC AGENCY RISK SHARING AUTHORITY

OF CALIFORNIA

("PARSAC")

Adopted May 27, 2015

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BYLAWS
PUBLIC AGENCY RISK SHARING AUTHORITY
OF CALIFORNIA

ARTICLE I
PURPOSES

The Public Agency Risk Sharing Authority of California (“**PARSAC**”) is a joint powers authority, established under the laws of the State of California (Government Code, Section 6500 et seq.) and governed by that certain Joint Powers Agreement of the Public Agency Risk Sharing Authority of California, effective as of May 21, 1986, as amended (the “**Agreement**”). The definition of terms used in these Bylaws shall be the same as contained in the Agreement, unless otherwise expressly provided herein. If any provision of these Bylaws conflicts with the Agreement, the Agreement shall govern.

ARTICLE II
OFFICES

The principal office for the transaction of the business of PARSAC shall be located within the area where PARSAC is qualified to do business at a place fixed by the Board of Directors from time to time. The Board of Directors may also establish one (1) or more subordinate offices at any place or places within the area where PARSAC is qualified to do business. Written notification shall be given within seven (7) days by the Secretary of PARSAC to each Member Entity of any change in the location of the principal office or any subordinate office.

ARTICLE III
BOARD OF DIRECTORS

Section 1. **Powers of Directors.**

Subject to the powers and limitations as provided by law, the Agreement, or these Bylaws, all powers of PARSAC shall be exercised, its property controlled and its affairs conducted by the Board of Directors (the “**Board**”) as is further specified in the Agreement.

Section 2. **Composition of the Board and Terms of Directors.**

The Board shall be composed of one (1) Director representing each Member Entity identified in Exhibit A of the Agreement. The legislative body of each Member Entity shall pass a resolution to appoint one of its elected officials or employees to serve as its representative Director on the Board. Each shall also appoint an alternate member who may serve in the respective Director's absence (all

provisions of this Article III and of Article IV referring to Directors shall also apply to alternates when serving for Directors). The Member Entities shall notify the Secretary of PARSAC, in writing, of both appointments within 30 days. Alternatively, a Member Entity may pass a resolution to grant authority to a specific individual or position within their entity that may act on their behalf with regard to the appointment of its PARSAC representatives.

Directors shall not have fixed terms of office but each shall serve on this Board at the pleasure of the appointing Member Entity's legislative body, except as provided herein.

Section 3. Voting Rights.

Directors shall have one (1) vote on all issues pertaining to their respective Member Entity's program of participation (liability and/or workers' compensation) as well as general pool governance such as general and administrative issues, budget and investments, changes to governing documents, election of officers and approval of new members to the extent authorized by their governing body. Directors not participating in a certain program may not vote on issues specific to that program. There shall be no voting by proxies.

Section 4. Vacancies.

Any vacancy in the office of a Director, whether because of death, incapacity, resignation, removal or otherwise, shall be filled by the legislative body of the respective Member Entity. Termination of office or employment with the appointing Member Entity shall automatically terminate the membership of a Director on this Board.

Section 5. Resignation.

Any Director may resign at any time by giving written notice of such resignation to the Secretary of PARSAC. Such resignation shall be effective at the time specified, and acceptance of such resignation shall not be necessary to make it effective.

Section 6. Removal.

A Director or alternate may be removed, with or without cause, by the respective governing body of the Member Entity or their authorized representative (refer to Section 2 above).

Section 7. Withdrawal/Expulsion.

Directors who represent Member Entities which withdraw or are expelled as parties to the Agreement shall be removed as members of the Board, the Executive Committee and subcommittees.

ARTICLE IV
MEETINGS OF THE BOARD

Section 1. Regular Meetings.

Regular meetings of the Board shall be held at such day, time, and place as the Board may determine. Attendance by a member representative (Director or alternate) at one meeting per year is required. A 1% penalty will be assessed against the member's Liability or Workers' Compensation Program premium (whichever is greater) if the member does not comply.

Section 2. Annual Meeting.

The Board shall hold an annual organizational meeting in May of each year for the purposes of the election of Officers and Executive Committee members, the installation of new Directors, the approval of the budget, and the transaction of other business.

Section 3. Quorum.

A majority of the Executive Committee (six members) plus six other members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting. A majority of Board members belonging to a program must be present in order for the Board of Directors to transact business specific to that program.

Section 4. Board Actions and Limitations.

Except as provided otherwise by these Bylaws or the Agreement, actions of the majority of the persons entitled to vote at any meeting at which a quorum is present shall be considered actions of the Board.

Section 5. Public Meetings.

All meetings of the Board, whether regular, special or adjourned, shall be open to the public, except for closed or executive sessions authorized by law.

Section 6. Special Meetings.

Per Section 54956 of the Government Code, special meetings may be called by the President of the Board or by a majority of the members of the Board by delivering notice personally, or by any other means, to each member of the Board and to each local newspaper of general circulation, radio or television station who has requested such notice in writing. The notice shall be received at least twenty-four (24) hours before the time of the meeting as specified in the notice, except for emergency meetings held in compliance with Section 54956.5 of the Government Code. The notice for special meetings shall specify the time and place of the special meeting and the business to be transacted or discussed, and no other business shall be considered at such meetings. A Board member may, at or prior to the time of the special meeting, file a written waiver of notice with the Secretary of PARSAC.

Section 7. Notices of Meetings.

Notices of the time and place of any regular meeting for which notice is required by law or these Bylaws shall be delivered personally, or by any other means, to each Director utilizing the contact information as shown on the records of the Authority. If delivered electronically or by telephone, such notice shall be delivered at least forty-eight (48) hours prior to the hour set for the meeting. If such notice and related materials are mailed, they shall be sent via priority mail, charges prepaid, in time for delivery at least seven (7) days prior to the date set for the meeting.

Section 8. Adjournment of Meetings.

The Board may adjourn any regular, special or adjourned special meeting to a time and place specified in the order of adjournment, provided that the provisions of Section 54955 of the Government Code are complied with.

Section 9. Posting of Agendas.

In accordance with the Brown Act, the Board shall post agendas of all regular meetings, containing a brief general description of each item of business to be transacted or discussed at the meeting, at least seventy-two (72) hours before such regular meeting. The Board shall post agendas of all special meetings at least twenty-four (24) hours in advance of such special meeting.

The agenda shall specify the time and location of the meeting and shall be posted in a location that is freely accessible to members of the public. No action shall be taken on any item not appearing on such posted agendas, except as provided by Sections 54954.2 and 54954.3 of the Government Code.

Section 10. Opportunity for Public to Address the Board.

Per Government Code §54954.3, each agenda for a regular meeting shall provide an opportunity for members of the public to address the Board directly on matters of interest to the public, provided that such matters are within the subject matter jurisdiction of the Board, and provided that no action shall be taken by the Board on any item arising out of such speeches unless the matter already appears on the agenda. The Board may adopt reasonable regulations which limit the total amount of time allotted for public speakers and for each individual speaker.

Section 11. Compensation of Directors.

Directors, members of committees and officers, with the exception of the Officer Emeritus, shall receive no compensation for their services. However, they shall be entitled to receive such just and reasonable reimbursement of expenses as may be determined by the Board.

ARTICLE V
OFFICERS

Section 1. Officers.

The officers of PARSAC shall be a President, Vice-President, Auditor/Controller, and Treasurer, and such other officers as the Board may appoint. Officers shall be selected from among the Executive Committee, and their duties may not be performed by alternates. Eligible candidates shall have served on the Executive Committee at least two years and attended at least six Executive Committee meetings.

Section 2. Election.

The Board shall elect the President, Vice-President, Auditor/Controller and Treasurer from among the Directors and they shall serve staggered two-year terms or until removed or replaced. The President and Auditor/Controller will be elected in odd-numbered years and the Vice President and Treasurer will be elected in even-numbered years. Elections shall be held at the annual organizational meeting of the Board

Section 3. Vacancies.

In case any office becomes vacant by reason of death, resignation, retirement, disqualification, or any other cause, the President may select a Director to fill such vacancy, and the officer so selected shall hold office and serve until the next meeting of the Board, when such appointment shall be confirmed or terminated by the Board via majority vote.

In the event the office of President becomes vacant, the Vice President shall assume all duties and shall appoint a Vice President. Both officers shall hold office and serve until the next meeting of the Board, when such appointment shall be confirmed or terminated by the Board via majority vote.

Section 4. President.

The President shall preside at all meetings of the Board and the Executive Committee, and shall have such other powers and duties as may be designated from time to time by the Board.

Section 5. Vice-President.

In the absence or disability of the President, the Vice-President shall perform all the duties of the President and, in so acting shall have all the powers of the President. The Vice-President shall have such other powers and perform such other duties as may be designated from time to time by the Board.

Section 6. Auditor/Controller.

The Auditor/Controller shall be a Director and shall be responsible for the duties and functions prescribed by Government Code Section 6505.6, as well as any other duties as may be specified by the Board or the Executive Committee. The Auditor/Controller may appoint an assistant to serve as needed, provided such assistant shall not be an employee or public official of the same Member Entity as the Auditor/Controller. The assistant shall not become a member of the Executive Committee, *ex officio*.

In the absence of both the President and Vice President at any one meeting, the Auditor/Controller shall preside over that meeting only and shall have powers and duties as may be required by the Board for this purpose.

Section 7. Treasurer.

The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of PARSAC, including accounting of its assets, liabilities, receipts, disbursements, gains and losses, and shall perform the duties prescribed by Government Code Section 6505.6 or by the Board. All monies and other valuables shall be deposited, in the name of and to the credit of PARSAC, with such depositories as may from time to time be designated by the Executive Committee and ratified by the Board. The funds of PARSAC shall be disbursed pursuant to the procedures authorized by the Board. When requested by the President or the Board, the Treasurer shall render an account of the financial condition of PARSAC and shall perform all other duties required of him or her by the President, the Board and the committees pertaining to the office of Treasurer.

The Treasurer may appoint an assistant treasurer to serve as needed provided such assistant shall not be an employee or public official of the same Member Entity as the Treasurer. The assistant shall not become a member of the Executive Committee, *ex officio*.

Section 8. Officer Emeritus.

An Officer Emeritus is a retired or former member of the Executive Committee, preferably an Officer, having served three terms or more. The Officer Emeritus serves to maintain the institutional knowledge, culture, and practice of PARSAC. The Officer Emeritus is independent and does not represent any Member Entity. The Officer Emeritus attends and may participate in meetings. The Officer Emeritus may represent PARSAC as directed and may serve as a mentor or advisor as needed and available. The Officer Emeritus receives a stipend as determined by the Board via resolution and reimbursement for reasonable travel expenses. The Officer Emeritus is appointed by the Executive Committee and affirmed by the Board.

Section 9. Personnel Committee.

The Officers shall serve collectively as the Personnel Committee, with the Authority to oversee, review and recommend action to be taken by the Executive Committee regarding the performance of the General Manager.

Section 10. Removal and Resignation.

Any officer may be removed, either with or without cause, by a majority vote of the Directors at any duly held regular or special meeting of the Board.

Any officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Any such resignation shall take effect at the date of the receipt of such notice, or at any later time specified therein and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

ARTICLE VI
EXECUTIVE COMMITTEE

Section 1. Composition, Terms and Vacancies.

There shall be an Executive Committee of the Board composed of eleven (11) persons. The elected officers of PARSAC (the President, Vice President, Treasurer, and Auditor/Controller) shall serve *ex officio*, and the President shall preside at its meetings. The remaining seven (7) members shall be elected by a majority vote of the Board for two-year terms, at its annual meeting. Three (3) members will be elected in odd numbered years, four will be elected in even numbered years, and all may be re-elected to subsequent terms. No Member Entity shall be represented by more than one member on the Executive Committee. Candidates shall be Directors who have served on the Board with any member agency for at least eighteen months as either a Director or Alternate and attended at least two meetings. The General Manager shall attend meetings but shall have no vote.

Members of the Executive Committee may be removed with or without cause by the Board, which shall elect replacements for the vacancies caused by such removal. Members may also be removed for failure to attend two consecutive meetings without reasonable excuses. The President may appoint replacements to fill any vacancies caused by death, disability, resignation, disqualification, or removal for unexcused absences, and such appointees shall serve until the next annual or special meeting of the Board, at which time they shall be elected or replaced.

Section 2. Meetings.

Meetings of the Executive Committee shall be held in accordance with the provisions for meetings of the Board contained in Article IV hereof, with respect to notices, posting of agendas, quorums, compliance with the Brown Act, and other matters. Voting during meetings of the Executive Committee shall be in accordance with the Voting Rights described in Article III, Section 3 hereof.

Section 3. Quorum.

A majority of the Executive Committee, which is six of eleven members serving on the Committee, shall constitute a quorum for the transaction of business at any meeting. A majority of the Executive Committee members belonging to a program must be present in order for the Executive Committee to transact business specific to that program.

Section 4. Authority.

The Executive Committee shall exercise all powers and authority of the Board, except the expulsion of Member Entities, the election of officers and members of the Executive Committee, final approval of special assessments from or refunds to Member Entities, and final approval of modifications or amendments of these Bylaws, the Agreement, the Memorandums of Coverage, and other principal coverage documents. The Executive Committee shall exercise, subject to ratification by the Board, the authority to change Member Entities' retention levels, establish annual budgets, and approve new Member Entities. The Executive Committee may also establish subcommittees, define their functions and responsibilities and appoint members to them; appoint or terminate the General Manager; and exercise such other powers and perform such other duties as these Bylaws or the Board may prescribe.

Board and Executive Committee members shall be entitled to reimbursement by PARSAC for expenses incurred in attending their respective meetings, or the meeting of any subcommittee they participate on or have established, provided that such reimbursement shall not exceed the amount established in PARSAC's travel/reimbursement policy.

ARTICLE VII
SUBCOMMITTEES

Subcommittees shall be standing or special (ad hoc) and may be appointed by either the Board or Executive Committee. Each subcommittee shall exercise such power and carry out such functions as are delegated to it by the appointing committee. Except as otherwise provided by the Agreement, these Bylaws, or the appointing committee, such subcommittees shall be advisory only and are subject to the control and direction of the appointing committee.

Except as may otherwise be provided for in the Agreement or these Bylaws, any expenditure of funds by a subcommittee shall require prior approval from the appointing committee.

Subcommittees shall meet on an "as needed" basis, either in person or by teleconference, and shall report the outcome of such meetings during the next regular meeting of the appointing committee.

Section 1. Workers' Compensation Subcommittee.

The Workers' Compensation subcommittee shall be a standing subcommittee comprised of a Chairperson, and four members, all of whom are appointed by the Executive Committee. Any Director or alternate may be considered for appointment to the subcommittee if their respective Member Entity participates in PARSAC's Workers' Compensation Program. The subcommittee shall undertake tasks specific to the Program as directed by the Executive Committee.

Section 2. Finance Subcommittee.

The Finance subcommittee shall be a standing subcommittee comprised of a Chairperson and four finance-oriented members, all of whom are appointed by the Executive Committee. Any director or alternate may be considered for appointment. The subcommittee shall undertake tasks as directed by the Executive Committee.

Section 3. Loss Control Subcommittee.

The Loss Control subcommittee shall be a standing subcommittee comprised of a Chairperson and four members, all of whom are appointed by the Executive Committee. Any Director or Alternate may be considered for appointment. The subcommittee shall oversee administration of the Safety & Loss Control Grant Program and undertake other tasks as directed by the Executive Committee

ARTICLE VIII
ADMINISTRATION

Section 1. General Manager.

The General Manager shall attend meetings of the Board and of the Executive Committee, *ex officio*, but shall have no vote, and shall administer the business and activities of PARSAC, including those specific duties assigned by the Board or the Executive Committee or required by the Agreement. The duties as Secretary shall be as prescribed by Section 7 of Article V, above.

The General Manager shall provide for such other employees as may be necessary for management of PARSAC's business, subject to approval by the Board or the Executive Committee.

Section 2. Duties of General Manager.

Subject to general supervision and direction of policy by the Board or the Executive Committee, authority and responsibility of the General Manager, or his/her designee, shall include:

- A. Exercising responsibility for the selection, employment and supervision of all other employees of PARSAC;
- B. Coordinating and carrying out PARSAC's purposes and objectives according to PARSAC's established policies and procedures, policy directives from the Board or the Executive Committee, and the approved work program;
- C. Attending, as a non-voting member, the meetings of the Board, Executive Committee, and subcommittees;
- D. Representing the Board and PARSAC in dealings with the public and other organizations;
- E. Reporting PARSAC's activities to the Member Entities at such times and in such manner as prescribed by them;

- F. Performing such specific duties as are set forth in the Agreement; and
- G. Performing other duties as are delegated by the Board or the Executive Committee.

Section 3. Secretary.

The General Manager shall also serve as Secretary and will keep, or cause to be kept, a full and complete record of the proceedings of the Board, of the Executive Committee, and of any subcommittees, shall make service of such notices as may be necessary or proper, shall supervise the keeping of the records of PARSAC, and shall discharge such other duties as pertain to the office or as are designated by the Board. The Secretary may appoint a deputy secretary to serve as needed.

ARTICLE IX
BUDGET

An annual budget shall be prepared for each program (Liability and Workers' Compensation) and shall delineate revenues, expenses, interest income, rental income, and capital expenditures allocated to said programs.

ARTICLE X
INVESTMENT AND DISBURSEMENT OF FUNDS

Section 1. Investment.

The Treasurer may invest money not required for the immediate necessities of PARSAC, as directed by the Board or the Executive Committee, in the same manner and on the same conditions as local agencies, as provided by Government Code Section 53601.

Section 2. Disbursement.

The General Manager shall draw warrants to pay demands against PARSAC, after such demands have been approved by both the President and the Auditor/Controller, except for employee payroll and benefits disbursements, and other unusual or urgent circumstances as determined by the General Manager.

All checks disbursing funds of PARSAC shall be signed by at least two Authority officials, one of whom must be the General Manager, or designee.

ARTICLE XI
EXPULSION

Member Entities may be expelled from PARSAC as provided in the Agreement.

ARTICLE XII
MISCELLANEOUS

Section 1. Agents and Representatives.

The Executive Committee or the Board may appoint such agents and representatives of PARSAC, with such power and to perform such acts or duties on behalf of PARSAC, as the Executive Committee or the Board may see fit, so far as may be consistent with the Agreement, these Bylaws and applicable laws.

Section 2. Contracts.

Except as otherwise provided in these Bylaws, the Executive Committee or the Board may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of PARSAC, and such authority may be general or confined to a specific instance. Unless so authorized by the Executive Committee or the Board, no officer, agent or employee shall have any power or authority to bind PARSAC by any contract or engagement, nor to pledge its credit, nor to render it liable for any purpose or to any amount.

Section 3.

A. **Bonding.**

Officers, directors and employees handling funds shall be properly bonded as determined by the Board.

B. **Liability and Indemnification.**

The Authority shall defend and indemnify its directors, officers, and employees to the same extent as any other public entity of the State of California is obliged to defend and indemnify its public employees pursuant to California Government Code Section 825, *et seq.*, or other applicable provisions of law.

The Authority may insure or self-insure itself to the extent deemed necessary by the Board against loss, liability and claims arising out of or connected to the conduct of the Authority's activities.

Section 4. Fiscal Year.

PARSAC's fiscal year shall end on June 30 of each year.

Section 5. Authority for Payments.

All invoices, billings and claims for payment of losses in excess of the amount delegated by the Board to the contracted claims administration firm shall be approved and signed by any two (2) of the following, before payment by the Treasurer: President, Vice President, and General Manager.

Section 6. Additional Guidance.

Except as provided in (i) the Agreement, (ii) these Bylaws, and (iii) The Ralph M. Brown Act, as amended, meetings of the Board shall be conducted pursuant to the Robert's Rules of Order, as amended.

ARTICLE XIII
AMENDMENTS

These Bylaws may be amended by a two-thirds vote of the Board present and voting at any duly convened regular or special meeting. The Secretary shall prepare and distribute any proposed revisions to all members of the Board with the notice of such meeting. Any such amendment shall become effective immediately, unless otherwise stated therein.

CERTIFICATE OF DEPUTY SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly appointed and acting Deputy Secretary of the Public Agency Risk Sharing Authority of California (PARSAC), a California joint powers authority created under Section 6500, et seq., of the Government Code;
2. That the foregoing Bylaws, comprising 12 pages, constitute the Bylaws of said Authority, as duly restated and adopted by its Board of Directors at a meeting duly held on May 27, 2015.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 27th day of May, 2015.

Amanda A. Wright,
Deputy Secretary, PARSAC