

DECLARATION OF TRUST (aka TRUST FUND DOCUMENT)

Establishes basic operating procedures for the Job Creation and Retention Trust. Originally approved March 5th, 2019.

Article 1: **Purpose:** To assist in the creation and maintenance of employment and career opportunities within and near the City of Somerville for the residents of the City of Somerville. Limits use of all Trust Fund property to these purposes. Any funds received pursuant to the Linkage ordinance can only be used for the purposes set forth in the Linkage ordinance (Article 15 of Somerville Laws).

Article 2: **Board of Trustees and Staff**

- 2.1 **Composition** Board of Trustees shall consist of nine trustees with full voting rights, three ex-officio and six appointed. The ex-officio trustees shall include the Mayor (or designee), the Superintendent of Somerville Public Schools (or designee), and the President of the City Council (or designee). The other six, appointed by the Mayor subject to City Council approval, shall include:
 - two Somerville residents
 - two representatives of nonprofit organizations
 - two Somerville business representativesThe Mayor and the City Council shall insure, to extent feasible, that the composition of the Board of Trustees reflects the geographic and ethnic mix of the city.
- 2.2 Mayoral appointees are subject to confirmation by the City Council.
- 2.3 **Term of Office** The term of each trustee not serving ex-officio shall be three years. Terms shall be staggered so that initial trustees in the same category do not have terms expiring the same year.
- 2.4 **Trustee Resignation** Any trustee may resign by written notice sent to the Mayor. If a person ceases to serve as trustee for any reason, the Mayor must appoint a substitute trustee, subject to City Council approval, to serve out the balance of the original trustee's term.
- 2.5 **Managing Trustee** The Board of Trustees must appoint one of the non-ex officio trustees to act as Managing Trustee. The Managing Trustee is responsible for setting meeting agendas and chairing meetings of the Board of Trustees.
- 2.6 **Secretary and Staff** The Board of Trustees may appoint a secretary (cannot be a Trustee) and such staff as Board deems necessary. Such staff and secretary must work under the supervision of the Managing Trustee and may be paid reasonable compensation. The total cost of such compensation and all other costs of compensation can't exceed the lesser of 3% of the balance of principal as determined at the beginning of such year or \$100,000 unless the Board unanimously determines otherwise.
- 2.7 **Conflicts of Interest** Trustees must comply with the conflict of interest law as laid out in Massachusetts General Law chapter 268A.

Article 3: **Distribution and Use of Principal and Income**

- 3.1 **Distributions and Undistributed Net Income** The Board may distribute portions of the net income and principal of the Trust for the allowed purposes. *They must distribute all of the funds received through the linkage ordinance and all income received thereon by the end of the fifth fiscal year after the fiscal year in which such linkage funds were received.*
- 3.2 **Method of Distribution** Each distribution of principal and/or income shall require the favorable vote of at least 2/3 of the members of the Board of Trustees eligible to vote. Distributions can be in the form of grants, secured loans or in such other manner as the Board may deem necessary or appropriate to fulfill the purpose of the Trust.
- 3.3 **Use of Distributions** In deciding how to expend trust assets, the Board must consider the following:
 - whether the program or project will help to insure long term employment and career building opportunities;
 - community need for the program or project;
 - organizational capacity within the community to facilitate the program or project;
 - current trust assets;
 - other sources of funds available for the program or project;
 - vulnerable and underserved populations; and
 - other criteria to be included in the Rules and Regulations.

Consistent with purposes of Trust, the Board may choose to fund or create a variety of programs, including but not limited to:

- A. funds to assist in the development and creation of job training, skill development, apprenticeship, and adult education and credentialing programs;
- B. funds to assist in outreach efforts to identify vulnerable populations facing barriers to employment;
- C. funds to purchase tools, including software, to enable the City and its workforce development partners to develop data-driven systems to identify and assess residents' skills or match residents with available local jobs;
- D. funds to assist public agencies and non-profit partners to purchase equipment and defray other capital costs directly related to job training and education purposes;
- E. funds for research projects to determine other appropriate uses of the Trust Fund;
- F. seed money for new programs or new organizations;
- G. Funds to support high school and career and technical education programs;
- H. Funds to assist employers and their partners to improve high road business practices with innovative business models such as worker-owned coops;
- I. Funds for professional development and training for non-profit and education partners;
- J. Funds for capacity building; and
- K. any other programs or projects which fulfill the purpose of the Trust.

3.4 Limitations The Board shall engage in no activity nor distribute any funds or other property except in a manner consistent with the requirements of the Internal Revenue Code or similar provisions of subsequent Revenue Acts pertaining to entities organizing and operating exclusively for charitable purposes and except in a manner consistent with Chapter 68 of the Massachusetts General Laws.

Article 4. **Duties of the Board of Trustees**

The Board shall administer the trust property and arrange for the distribution of net income and principal.

Article 5: **Powers of the Board of Trustees**

The Board shall have the following powers to be exercised in a fiduciary capacity consistent with and in furtherance of the overall purpose of the Trust. Key powers include:

- to receive and accept property, real or personal, including grants of funds;
- to employ advisors and agents, such as accountants and appraisers, and to delegate to them ministerial or discretionary powers, and pay compensation to same;
- to extend the time for payment of any obligation to the Trust.

Article 6: **Operation of the Board of Trustees**

6.1 Meetings The Board shall meet at least monthly on dates to be determined by Board on an annual basis. It may also meet at such other times (Special Meetings) as designated by the Managing Trustee.

6.2 Quorum A quorum shall be constituted at each meeting if at least five (5) trustees are present in person.

6.3 Votes Except as otherwise provided under Article 3.2 (requiring a favorable vote by 2/3 of the Trustees eligible to vote with regarding spending), the Board shall act by a majority vote of the Trustees who are present in person, or represented by an appropriately designated alternate (see 6.4).

6.4 Delegation of Authority Each ex officio trustee may delegate any or all of his/her duties as follows:

- Mayor may delegate to any one employee of the Executive Department of the City;
- City Council President may delegate any designee
- SPS Superintendent may delegate to any one SPS employee.

Delegations must be in writing and recorded per Article 10 and shall be revocable. A delegate shall only count toward a quorum if they have been given authority in the delegation to vote in the place of the ex officio trustee. Each delegate shall serve as an alternate member of the Board; either but not both can attend meetings as a member of the Board.

6.5 Rules and Regulations The Board must establish written rules and regulations for the operation of the Trust and the Board of Trustees, including rules and regulations for

- evaluating all applications to the trust, and
- for ensuring distributions are used exclusively for purpose for which Trust has been created.

A copy of the rules and regulations and all amendments thereto must be recorded (see Article 10).

Rules and regulations must be reviewed at least annually.

Article 7: **Management of Assets and Accounts**

7.1 Linkage Funds The Board must keep all Linkage Funds in a separate account or accounts maintained in the Office of the Somerville City Treasurer.

7.2 Other Assets The Board shall keep all other assets of the Trust in one or more separate accounts maintained for such purpose in the Office of the Somerville City Treasurer

Article 8: Amendment of the Trust

The Trust may be amended by a vote of at least seven (7) of the members of the Board of Trustees and approved by both the Mayor and the City Council as long as the amendment does not violate Article 1 (Purpose of the Trust). No amendment shall authorize the Board to conduct the Trust in any way contrary to the provisions of 501c3 of the Code. Amendments shall not take effect until recorded (see Article 10).

Article 9: Dissolution of the Trust

It is intended that the Trust shall continue in perpetuity. If for any reason this becomes impossible, then the trust may be terminated upon unanimous vote of the Board of Trustees and all property shall be distributed to the City of Somerville to be used solely for the purposes for which the Trust was created.

Article 10. Miscellaneous

10.1 Recording Executed counterparts of this Trust shall be recorded in the Office of the Somerville City Clerk and in the Division of Public Charities of the Office of the Attorney General of the Commonwealth of Massachusetts.

10.2 Operating Procedures Supplementary guidelines on the conduct of meetings, election of officers, and annual reporting will be set forth in an operating procedures document.

JCRT Operating Procedures

Updated 6/22/2022

The Operating Procedures are supplementary, and where in conflict, subordinate to the ordinance and the Trust Document. Key provisions include the following.

Article 1: **Purpose** to establish methods of operation, conduct of meetings and election of officers.

Article 2. **Officers** Officers shall be elected at the annual meeting of the Trust and hold the office for one year or until their successors are elected and qualified.

- Managing Trustee in addition to the duties set forth in the Trust Document, shall have the following duties:
 - to preside at all meetings
 - to establish agendas
 - to sign, on behalf of the trustees, all legal documents required to carry out projects or programs voted on by the members.
- Assistant Managing Trustee shall perform the duties of the Managing Trustee in his/her absence.
- Treasurer shall sign all checks for payment and disburse money at the direction of the Trustees. The Board may designate one or more members to countersign such checks.
- Assistant Treasurer shall perform the duties of the Treasurer in his/her absence.
- Secretary shall
 - keep the records of the Trust
 - act as Secretary of the meetings of the Trust and record all votes,
 - keep a record of the proceedings in a minute book to be kept for such purposes (documents and supplementary material that form a part of the minutes may be kept in a supplementary book or file),
 - be responsible for posting notice of the Trust meeting pursuant to MGL Chapter 39, and
 - perform all duties incident to the office.In the absence of the Secretary at any regular or special meeting, a Secretary pro tempore may be appointed from among the members of the Trust.
- Vacancies Should any office become vacant, the Trust shall elect a successor at the next meeting. The election shall be for the expired term of said office.

Article 3: **Meetings**

- Date and Place Annual and monthly meetings shall be held at such time and place as designated or subsequently changed by resolution adopted by the Trust at any regular or special meeting. Meetings shall be held at City Hall absent the specific designation of another meeting place in the resolution.
- Absences Non-ex officio trustees who miss 50% of the meetings or three (3) meetings in succession may be replaced by the Mayor at his/her discretion
- Regular Meetings shall be held after public notice at least once in each calendar month for the transaction of the business of the Trust.
- Special Meeting The Managing Trustee may, when he/she deems it expedient, and shall, upon written request of 3 members of the Trust, call a special meeting to transact any business designated in the call. The call may be delivered or mailed to any member for arrival at least 2 days prior to the date of the meeting. At a special meeting, no business shall be considered other than as designated in the notice, unless all members of the Trust are present at the special meeting..
- Annual Meetings shall be held in conjunction with the regular meeting in September of each year.
- Order of Business At regular meetings of the Trust, the order of business shall be:
 - Reading and approval of the minutes of the previous regular and any intervening special meeting
 - Reports of Committees
 - Unfinished business
 - New business
 - Adjournment

Article IV: **General**

- Committees Standing or temporary committees may be authorized by majority vote of the Trust.
- Annual Report At the annual meeting of the Trust, or other annual date determined by the members, the Managing Trustee shall report on the activities of the Trust during the previous year. The Report shall include at a minimum programmatic and financial activities and an audit of such activities.

- Board voting procedure for prioritizing and funding investments The Board will take a series of votes, each at the appropriate time in the Board’s funding cycle, to identify, prioritize, and fund its investments. The series of votes includes in this order:
 - 1. Ranked Priority Investments vote: A first vote to approve a ranked list of preferred funding investments for the year, based on Board deliberations in previous meetings, including estimated funding amounts for each investment idea. The Board shall engage in a process to create the ranked list and then each member vote yes or no on the list. This vote requires a super-majority of the Board members, i.e., 2/3rds of all eligible Board members, i.e., 6 out of 9 Board members. At the discretion of the Board, funding items not on the annual Ranked Priority Investment may be identified and voted on as new Priority items, e.g., COVID-19 emergency response funds. For these items, the Ranked Priority Investment vote step is bypassed; however, steps 2 and 3 below must be followed.
 - 2. Scope and Funding Obligation vote: As each ranked item or new priority item is deliberated (not necessarily in ranked order), the Board shall take a second vote when there is a clear and adequate description of a specific proposed investment, i.e., a scope of work for a Request for Proposals (RFP), and a specific amount proposed. This vote will approve the release of the RFP or other announcement to the public with the approved Scope of Work and specific funding amount. This vote will obligate the funds for this priority investment item. This vote requires a simple majority of the Board members present.
 - 3. Funding Distribution vote: After the staff and any participating Board members have reviewed applications and proposed a recommendation for funding in response to the RFP or other funding opportunity of the Board to the full Board, the Board shall take a third vote to distribute the specific funding amount to a specific entit(ies). Per the JCRT’s Declaration of Trust, this vote requires 2/3rds of the eligible Board members to approve it, i.e., 6 out of the 9 members.

Current Trustees:

Ex Officio

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|---------------------------|-----------------------------|
| 1. Mayor | (Thomas Galligani-designee) |
| 2. SPS Superintendent | (Lisa Cook-designee) |
| 3. City Council President | (JT Scott-designee) |

Appointed Trustees

- | | |
|------------------------|-----------------|
| 1. Somerville Resident | Vickie Choitz |
| 2. Somerville Resident | Silvana Dinka |
| 3. Nonprofit | Rand Wilson |
| 4. Nonprofit | Anika Van Eaton |
| 5. Business | Thomas Bent |
| 6. Business | Colleen Moran |