



RECORD OF PROCEEDINGS

Meeting Minutes Michigan Cooperative Liquid Assets Securities System Board of Trustees June 16, 2017

A Regular Meeting of the Board of Trustees ("Board") of the Michigan Cooperative Liquid Assets Securities System ("Michigan CLASS") was held at 10:00 a.m. on Friday, June 16, 2017 at The Courtyard by Marriott Holland Downtown, 121 East 8th Street, Holland, MI 49423.

Board Members Present:

- Mr. Jeff Anderson
- Mr. Jeffrey Budd
- Ms. Kelly Corbett
- Ms. Glenna Macdonald
- Mr. Bruce Malinczak
- Ms. Holly Moon
- Mr. Edward Sell
- Mr. Bradley Slagh
- Mr. Kurt Dawson
- Ms. Julie Omer
- Mr. Scott Taylor
- Ms. Susan Daugherty

Board Members Absent:

- None

Staff Present:

- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Greg Wright, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Richard Garay, Public Trust Advisors, LLC

Others Present:

- Mr. Bill Petri, CliftonLarsonAllen, LLP (phone)
- Ms. Michelle Alexander, CliftonLarsonAllen, LLP (phone)



1. Roll Call of the Members

Chairman Budd called the meeting, which was duly posted, to order at 10:00 a.m. It was determined that a quorum was present.

2. Approval of Agenda

Ms. MacDonald moved to approve the agenda as presented, Ms. Omer seconded the motion, which passed unanimously.

3. Comments from the Public or Other Interested Parties

None

4. Presentation of Audit Scope by CliftonLarsonAllen, LLP

Mr. Petri and Ms. Alexander presented the scope of the upcoming Michigan CLASS audit which will cover the fiscal year ending on June 30, 2017. The Board requested that the auditors be available to review the annual report during the regularly scheduled meeting of the Board of Trustees in September.

5. Consent Agenda

Upon a motion made by Mr. Dawson and a second from Ms. Moon, the Board unanimously approved the consent agenda as presented.

6. Staff Reports – Economic Overview and Fund Overview

Mr. Palomba discussed the U.S. economy and reviewed the detailed financial updates that were included in the Board packet regarding market overview, fund safety, liquidity and yield.

7. General Board of Trustee Items

A. Review of By-Laws

The Board of Trustees reviewed their current By-Laws, which were recently amended (2016). No further changes were recommended at this time.

B. Review of Investment Advisor's Contract

The Board of Trustees annually reviews its contract with Public Trust Advisors, LLC. The current agreement was established in September of 2016.

C. Review of Custodial Contract

The Board of Trustees reviews its current custodial contract with Wells Fargo. A discussion was held surrounding the current health of the bank, as well as recent headlines surrounding the banks retail business. While the headlines have not been all positive, staff indicated that the banks custodial services are outstanding and that the bank offers operational efficiencies which most custody banks cannot duplicate.

The Board requested that staff keep them apprised of any news related to Wells Fargo.



D. Approve Scope of the 2017 Michigan CLASS Audit

With a motion made by Ms. Corbett and a second by Mr. Anderson the Board of Trustees unanimously approved the scope of the audit as presented by CliftonLarsonAllen, LLP.

E. 2018 Board of Trustee Election

Staff presented the Board with the preliminary information for this year's Board of Trustee Election. Nominations will be requested beginning August 11, 2017.

8. Board Monitoring Responsibilities

A. Treatment of Clients – Participant Survey (Protect Policy)

The Board of Trustees reviewed the results of the 2017 Participant survey. Approximately 70 responses were collected and the comments from Participants were very positive.

9. Discussion Items

A. Board Expense Policy

Staff presented the Board of Trustees with a drafted policy in order to further formalize approved Board expenses, including meeting expenses and educational expenses. At the Board's direction, staff will continue to work with individual trustees to amend the draft for approval at the September meeting.

B. Michigan CLASS Staff Updates

Staff reported that it had several candidates to supplement the marketing and sales effort in the state. Interviews were ongoing and the expectation is to have an additional representative in place no later than July.

C. Bulk Transfers / MYACCESS 3.0

Staff provided the Board with an overview of the changes being implemented in the newest version of MYACCESS. Expected release date is during the first quarter of 2018.

D. Standard and Poor's Ratings Profile

Standard and Poor's has once again reaffirmed the 'AAAm' rating for Michigan CLASS. The most recent ratings profile was attached to the Board presentation.

E. Updates to Web Site

Staff presented the Board with a demonstration of the new Web Site, its layout, administrative features and marketing tools. The new Web site is tentatively scheduled for release this upcoming fall.

F. National GFOA / Public Trust Open House

Public Trust hosted an event in May at the National GFOA Conference in Denver. Several trustees noted that they had attended the event, as well as the open house at Public Trust's headquarters.



G. 2017 ASBO Conference

The 2017 International ASBO conference will be held in Denver this September. Public Trust will be hosting an evening event and an open house to coincide with this conference as well.

H. September Board Meeting

Staff provided a tentative schedule for the September meeting, which will be held in Frankenmuth, MI on Thursday, September 28, 2017.

I. Other Items

There were no other items to report at this time.

10. Board Committee Updates

None

11. Board Advocacy Updates

None

12. General Business

A. Chairman Report

No Report

B. Treasurer's Report

Ms. MacDonald reported that she had reviewed the current 2017 Board Expenses. Upon hearing her report, Mr. Dawson offered a motion to approve the expenses, which was seconded by Ms. Daugherty and unanimously approved by the Board of Trustees.

C. Individual Trustee

- Mr. Anderson, Ms. Moon and Mr. Sell shared impressions regarding their recent trips to Denver for GFOA and to meet the staff at Public Trust.
- Request to seek ways to have the ability to see/review the Board Packet when no WIFI is available, as we look to have no printed copies.
- Seeking to have an overview of the Cyber Security for one of our next meetings

D. Legal Counsel Comments

None



**13. Administrator Updates
Staff Report – General Administration**

A. Marketing Report

Mr. Garay provided a marketing update on assets under management, new Participants, underfunded Participants, entity distribution, conferences and events.

B. Marketing Initiatives

Staff provided copies of the most recently distributed Investor Newsletters and electronic marketing.

C. Tasks and Projects

Staff provided a list of current projects concerning Michigan CLASS.

D. Public Trust Updates

No further updates.

E. Other Items

None

14. Board of Trustee Action Items

A. Accept a Board Member Resignation

Upon a motion by Mr. Slagh, seconded by Mr. Sell, the Board of Trustees regrettably accepted the resignation of Mr. Dawson, effective July 21st 2017. Mr. Dawson is retiring from his position at the City of Rochester Hills.

Mr. Garay presented Mr. Dawson with an engraved clock, thanking him for his years of committed service to the Michigan CLASS program.

B. Resolution 17-01: Appointment of a new Trustee

With a motion by Ms. Macdonald, seconded by Mr. Slagh, the Board of Trustees unanimously approved Resolution 17-01 appointing Mr. Joe Snyder, CFO of the City of Rochester Hills to serve the remainder of Mr. Dawson's term on the Michigan CLASS Board of Trustees.

C. Electronic Document and Notification Delivery Consent Authorization

Staff presented the consent form which is a one-time regulatory requirement of Public Trust. Ms. Corbett moved to approve the authorization form, Ms. Moon seconded and the motion was carried unanimously.



15. Executive Session

None

16. Adjournment

Upon a motion by Ms. Moon and a second by Ms. Omer the meeting was adjourned at 1:10 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting June 16, 2017.

Signed: _____

Date: September 28, 2017

Bradley Slagh, Secretary

Minutes taken by: Matthew Starr
Minutes prepared by: Matthew Starr