



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**December 12, 2019**

A Regular Meeting of the Board of Trustees ("Board") of the Michigan Cooperative Liquid Assets Securities System ("Michigan CLASS") was held at 9:30 a.m. on Thursday, December 12, 2019 at The Royal Park Hotel, Rochester, MI 48307

Board Members Present:

- Mr. Jeff Anderson
- Mr. Edward Bradford
- Mr. Jeff Budd
- Ms. Karen Coffman
- Ms. Kelly Corbett
- Ms. Susan Daugherty
- Ms. Glenna MacDonald (phone)
- Ms. Holly Moon (phone)
- Ms. Julie Omer
- Mr. Edward Sell
- Mr. Joe Snyder

Board Members Absent

- Mr. Bruce Malinczak
- Mr. Scott Taylor

Staff Present:

- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Ms. Acacia Scavone, Public Trust Advisors, LLC
- Mr. Richard Garay, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC

Others Present:

- None



**1. Roll Call of the Members**

Chairman Sell called the meeting, which was duly posted, to order at 9:32 a.m. It was determined that a quorum was present.

**2. Approval of Agenda**

Mr. Budd moved to approve the agenda as presented, Ms. Coffman seconded the motion, which passed unanimously.

**3. Comments from the Public or Other Interested Parties**

None

**4. Consent Agenda**

With a motion made by Ms. Omer and a second from Ms. MacDonald, the Board unanimously approved the consent agenda as presented.

The consent agenda included: the regular minutes of the Board Meeting dated September 20, 2019, approved lists, Public Trust invoices, approval of portfolio composition and an acknowledgement of custody statement receipt.

**5. Board of Trustee Action Items**

**A. Resolution 19-02: Use of Michigan CLASS Name**

The Board of Trustees reviewed a resolution and exhibit to the Michigan CLASS/Public Trust Agreement approving Public Trust's use of the Michigan CLASS name whenever necessary to conduct official Michigan CLASS business.

Upon a motion made by Mr. Anderson, seconded by Ms. Coffman, the Board unanimously approved resolution 19-02.

**B. Resolution 19-05: Ratification of Election Results**

With respect to the 2019 Trustee Election, seven individuals submitted nominations to run for the Board, and there were four positions available on the ballot.

The election period ran from October 11, 2019 through November 15, 2019 and the results of the election were presented to the Board. With a motion made by Mr. Snyder, seconded by Ms. Daugherty the Board unanimously approved the results of the 2019 Trustee Election.

Mr. Jeff Budd, Mr. Bruce Malinczak, Ms. Glenna MacDonald and Mr. Edward Bradford will serve new terms effective at this meeting and ending at the last Board meeting of 2022.



### **C. Resolution 19-06: Appointment of Board Officers and Committees**

Motion was made by Mr. Snyder, second by Mr. Budd to appoint Mr. Sell as Chairperson. Motions from Ms. MacDonald and Ms. Coffman to appoint Ms. Corbett as Vice-Chairperson. Motions from Ms. Omer and Ms. Corbett to appoint Ms. Moon as Secretary and; Motions from Ms. Moon and Ms. Omer to appoint Ms. MacDonald as Treasurer.

Ms. Daugherty (Chair), Ms. Corbett and Mr. Budd volunteered to sit on the 2020 Elections Committee.

Ms. MacDonald, Ms. Omer, Mr. Taylor and Mr. Snyder volunteered to sit on the 2020 Audit Committee.

Upon a motion made by Ms. Coffman, which was seconded by Mr. Anderson the Board unanimously approved the appointment of the 2020 Board Officers and Committees and Resolution 19-06 was unanimously accepted.

## **6. Staff Reports – Economic Overview and Fund Overview**

Mr. Palomba provided an update with respect to the recent news in the U.S. economy. Since the last meeting of the full Board the Federal Open Market Committee (FOMC) voted to decrease the fed funds target rate for a third time in 2019, the target rate is now 1.50-1.75%. However, the market is now forecasting that interest rates remain stable over the months to come.

Mr. Palomba then provided the Board with an overview of the Michigan CLASS portfolio. As always, the primary objectives of the Michigan CLASS program are; safety, liquidity and then yield.

## **7. Board Responsibilities**

### **A. Strategic Engagement with Participants, Potential Participants and State of Michigan Representatives**

Ms. Omer, Ms. MacDonald and Ms. Corbett arranged for Mr. Palomba to present to the Central Michigan School Business Officials (CMSBO) group during their annual holiday luncheon held on Friday, December 13 in East Lansing.

### **B. Review of Participation Agreement**

The Board conducted its annual review of the Participation Agreement. There were no changes recommended at this time.

### **C. Review of Investment Policy**

The Michigan CLASS portfolio team reported that it had conducted a formal review of the policy and had no recommended changes at this juncture.



#### **D. Review of Portfolio Management Policies**

The Board conducted its annual review of the Market Valuation, NAV Deviation and Net Realized Capital Gains and Losses policies. No changes were deemed necessary.

### **8. Board Monitoring Responsibilities**

#### **A. Proposed 2020 Board of Trustees Budget**

The Board reviewed a proposed budget prepared by staff. It was determined that the Board would revisit the 2020 budget during the first quarter of 2020 in order to evaluate the final 2019 budget and to decide whether an increase in the budget would be appropriate.

### **9. Discussion/Information Items**

#### **A. Banking Services Update**

Public Trust staff reported that three banks recently provided banking services demos at the firm's headquarters in Denver. Staff is continuing its review and will keep the Board updated with regards to the findings.

#### **B. 2020 Board Meeting Calendar**

The Board reviewed their respective calendars and determined that the regularly scheduled 2020 meetings would be held:

Friday, March 13<sup>th</sup>, 2020 – Grand Rapids  
Friday, June 19<sup>th</sup>, 2020 – Mt. Pleasant  
Friday, September 18<sup>th</sup>, 2020 – Bay Harbor, MI  
December (Date TBD) – Ann Arbor, MI

#### **C. 2020 Due Diligence Visit**

Several Board members have scheduled for a visit to Public Trust's Denver Headquarters in April of 2020.

#### **D. March 13<sup>th</sup>, 2020 Michigan CLASS Board Meeting**

The regularly scheduled 1<sup>st</sup> quarter Michigan CLASS Board meeting will be held in Grand Rapids on Friday, March 13<sup>th</sup>.

#### **E. Other Items**

Staff will plan to provide the Board with results from the recently completed Administrator Survey at the 1<sup>st</sup> quarter meeting.

### **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 Board expenses for 2019. She is still waiting for final invoices from legal counsel and the final expense report will be available to the Board prior to the March 2020 meeting. Upon hearing her report, Ms. Moon made a motion for acceptance of the 2019 Board Expenses and Budget as presented, the motion was supported by Ms. Coffman and was unanimously approved.

**C. Individual Trustee**  
None

**D. Legal Counsel Comments**  
None

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

**A. Marketing Report**

Ms. Angel provided marketing updates, discussed recent new accounts, refunded Participants and upcoming conferences and events. Staff plans to host a series of Participant luncheons across the state in 2020.

**B. Marketing Initiatives**

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

**C. Tasks and Projects**

Staff provided a list of Michigan CLASS related projects.

**D. Public Trust Updates**

Mr. Starr discussed recent Public Trust staffing changes, the firm now has more than 65 full time employees nationwide.

**E. Other Items**

Mr. Starr indicated that staff would be prepared to discuss the Board's insurance coverages at the March 2020 meeting.



**14. Executive Session**

With a motion made by Ms. Daugherty and a second from Ms. Coffman the Board entered into an Executive Session at 12:10 p.m. to discuss succession planning. With a motion made by Ms. Corbett, seconded by Mr. Budd the session was adjourned at 12:38 p.m.

**15. Adjournment**

Upon a motion by Mr. Anderson and a second by Mr. Snyder the meeting was officially adjourned at 12:40 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting December 12, 2019.

Signed: Holly Moon  
Holly Moon, Secretary

Date: March 13, 2020

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

