



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**March 13, 2020**

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 Friday, March 13, 2020 at the Offices of Barnes & Thornburg LLP, 171 Monroe Avenue NW, Suite 1000 Grand Rapids, MI 49503

Board Members Present:

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

Board Members Absent

- Mr. Bruce Malinczak
- Mr. Edward Sell

Staff Present:

- Ms. Anneliese Williams, Barnes & Thornburg, LLP (phone)
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Cory Gebel, Public Trust Advisors, LLC (phone)
- Mr. Matthew Starr, Public Trust Advisors, LLC (phone)
- Mr. Richard Garay, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC

Others Present:

- None



**1. Roll Call of the Members**

Vice Chairperson Corbett called the meeting, which was duly posted, to order at 9:30 a.m. It was determined that a quorum was present.

**2. Approval of Agenda**

Ms. Omer moved to approve the agenda as presented, Ms. MacDonald 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. Coffman and a second from Mr. Budd, the Board unanimously approved the consent agenda as presented.

The consent agenda included: the regular minutes of the Board Meeting dated December 12, 2019, approved lists, Public Trust invoices, approval of portfolio composition, the updated Board insurance policy and an acknowledgement of custody statement receipt.

**5. Board of Trustee Action Items**

**A. Approval of Final 2019 Board Budget**

**B. Approval of Proposed 2020 Board Budget**

Treasurer MacDonald reviewed the final 2019 budget. The combined expenses for the trustees, insurance, legal and audit totaled approximately 79% of the budget. The proposed 2020 budget includes an increase of \$10,000 to account for due diligence/site visits anticipated to occur in the calendar year.

Upon a motion by Ms. Coffman and a second by Ms. Daugherty the Board of Trustees unanimously approved both the 2019 budget and the proposed 2020 budget.

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

Mr. DeBow and Mr. Starr discussed Public Trust's current successful implementation of its business continuity plan due to recent outbreak of COVID-19 (coronavirus). Effective Monday, March 9 nearly 90% of all Public Trust employees were operating at full capacity remotely from their homes. Staff expects for 100% of all personnel to be remote by Monday the 16<sup>th</sup>. Michigan CLASS is operating under normal business hours and the team does not expect there to be any interruptions to service.

Mr. Gebel, Director of Portfolio Management at Public Trust, joined the call to provide market updates and U.S. economic news. The unusual circumstances created by the global impact of COVID-19 have led to extraordinary market volatility over recent days. In response, the Federal Open Market Committee (FOMC) has decreased the fed funds target rate 1.00-1.25%, it is widely expected that the Fed will move the target to near zero by mid-month. Fund management has the portfolio well-



positioned from a liquidity standpoint, nearly 20% of the portfolio is held in cash and cash equivalents. While yields may fall, the safety and liquidity of the funds held in Michigan CLASS will always be the top priorities.

## **7. General Board of Trustee Items**

### **A. Review of 2020 Board of Trustee Annual Calendar**

Staff provided a copy of the 2020 calendar which details the items for Board review and approval over the course of the year.

### **B. Review of Signature Authority**

It was determined that the Board signatories would remain the same; Ed Sell (Chairperson), Kelly Corbett (Vice-Chairperson) and Glenna MacDonald (Treasurer).

### **C. Review of Michigan CLASS Board of Trustee By-Laws**

The Board conducted its annual review of the By-Laws. The date of the current Michigan CLASS Participation Agreement will be amended, no further changes are necessary at this time.

### **D. Review of Governance Policy – Direct**

Upon review the Board had no recommended changes to the current Direct Policy.

## **8. Board Monitoring Responsibilities**

### **A. Protect Policy – Financial Conditions and Activities/Internal**

Ms. MacDonald noted that the 2019 Board of Trustees budget, as well as the 2020 proposed budget had been reviewed and approved under item 5 of this agenda.

### **B. Communication and Support**

Staff presented a summary of communications provided monthly and quarterly to the Board. Additionally, a complete listing of staff dedicated to Michigan CLASS was provided for succession planning purposes.

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

### **A. Banking Services Updates**

Public Trust reported that it had recently met with Wells Fargo to discuss their pending transition to Principal. The team at Wells is researching certain requirements specific to custodial services in the State of Michigan. Staff will continue to review and will keep the Board updated with regards to the findings.

**B. Transition Consent Letter from Wells Fargo**

Wells Fargo has provided Public Trust with a draft consent letter. The letter is a non-binding certification acknowledging the upcoming transition of Wells Fargo's Institutional Custody Business to Principal. Staff will provide a copy of the consent letter to the Board's legal counsel for review and comment.

**C. Public Trust Succession Planning**

Ms. Williams reported that she had discussions with Chairman Sell and members of the Public Trust management team in order to review an SEC required client consent letter pertaining to Public Trust's partnership with Bear Creek Asset Management.

Upon a motion made by Ms. Moon, seconded by Ms. Coffman, the Board of Trustees unanimously approved Chairman Sell's execution of the letter.

**D. Board Insurance Policies**

Mr. Starr provided a copy of the updated Board insurance certificate. In addition to the required insurance, Public Trust and Wells Fargo (custodian) carry significant policies related to errors & omission, crime and cybersecurity.

**E. 2020 Board Meeting Calendar**

The Board reviewed the 2020 meeting calendar and confirmed the following:

- Friday, June 19<sup>th</sup> (Lansing)
  - Followed by Lugnuts Game
- Friday, September 18<sup>th</sup> (Bay Harbor/Petoskey/Traverse City)
- Thursday, December 17<sup>th</sup> (Ann Arbor/Detroit)

**F. April 2020 Due Diligence Visits**

The previously scheduled due diligence visit to Public Trust Denver headquarters has been temporarily postponed due to the COVID-19 (coronavirus) global health crisis.

**G. June 2020 Michigan CLASS Board Meeting**

The regularly scheduled 2nd quarter Michigan CLASS Board meeting will be held in Lansing on Friday, June 19<sup>th</sup> in Lansing. The meeting will be preceded by a luncheon open to Participants and it will be followed with optional attendance at the annual Lansing Lugnuts game.

**H. Updated Board Members and Committees Lists**

The updated contact lists were attached to the meeting presentation, staff requested that each Trustee confirm for accuracy.

**I. Other Items**

None.

**10. Board Committee Updates**

None



**11. Board Advocacy Updates**  
None

**12. General Business**

**A. Chairman Report**

Vice Chairperson Corbett thanked the members of the Board, as well as staff for attending under such unusual circumstances.

**B. Treasurer's Report**

No further updates.

**C. Individual Trustee**

None

**D. Legal Counsel Comments**

No further updates.

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

**A. Marketing Report**

Mr. Garay and Ms. Angel provided brief comments related to the ongoing sales and marketing efforts statewide.

**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**

No further updates.

**E. Other Items**

None

**14. Executive Session**  
None

**15. Adjournment**

Upon a motion by Mr. Budd and a second by Ms. Daugherty the meeting was officially adjourned at 11:13 a.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, March 13, 2020.



Signed: Holly Moorys

Date: June 19, 2020

Holly Moon, Secretary

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

