



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**June 19, 2020**

A Regular Meeting of the Board of Trustees ("Board") of the Michigan Cooperative Liquid Assets Securities System ("Michigan CLASS") was held at 9:00 a.m. on Friday, June 19, 2020. The meeting was held virtually via Microsoft Teams due to the COVID-19 Pandemic.

Board Members Present:

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

Board Members Absent

- Mr. Bruce Malinczak

Staff Present:

- Ms. Anneliese Williams, Barnes & Thornburg, LLP
- Ms. Michelle Alexander, CliftonLarsonAllen, LLP
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Neil Waud, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Peter Rizzo, Public Trust Advisors, LLC
- Ms. Molly Brown, 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 9:01 a.m. It was determined that a quorum was present.

Ms. Williams recommended that all actionable items be voted through a stated roll call, the Board of Trustees agreed.

**2. Approval of Agenda**

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

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

None

**4. Presentation of the Scope of Work for 2020 Michigan CLASS Audit by CliftonLarsonAllen, LLP**

Ms. Alexander presented the scope of the 2020 audit for Michigan CLASS. She provided an overview of the audit plan, required communications, risk assessment procedure and investment, transactional and statement reviews. The completed audit will be available for the Board to review at its regularly scheduled September meeting.

**5. Consent Agenda**

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

The consent agenda included: the regular minutes of the Board Meeting dated March 13, 2020, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

**6. Board of Trustee Action Items**

**A. Resolution 20-01: Consent Pursuant to Investment Advisor Service Agreement**

Staff presented Resolution 20-01 pertaining to a services agreement Public Trust has initiated in order to make improvements to the Michigan CLASS online transaction portal as well as the systems utilized for transfer agency and fund accounting.

With a motion by Ms. Corbett and a second by Ms. Coffman the Board of Trustees unanimously approved Resolution 20-01.

**B. Approval of 2020 Michigan CLASS Board of Trustees Election Schedule**

Prior to the Board's consideration of the election schedule, Ms. MacDonald announced that she would be retiring from Howell Public Schools effective September 2020. Ms. Moon also formally announced her retirement from Newaygo County at the end of



the year. The Board expressed thanks to both Trustees for their many years of service to Michigan CLASS.

The 2020 Election calls for an open nominations period from August 7<sup>th</sup> to September 4<sup>th</sup>, the election period will open on October 9<sup>th</sup> and closes on November 13<sup>th</sup>.

Upon a motion by Ms. Moon and a second by Ms. Omer the Board of Trustees unanimously approved the 2020 Board Election Schedule.

**C. Wells Fargo – Principal Bank Continuation Consent**

Mr. Starr and Ms. Williams discussed the Wells Fargo Transition Consent Letter which was attached to the Board’s presentation. The letter seeks the Chairman’s consent to authorize Wells Fargo’s transition to Principal Bank in 2021.

Ms. Williams recommended that the Board make a motion to approve Chairman Sell’s authorization pending certification from Principal Bank proving that the Bank will be an eligible custodian per Michigan State Law.

With a motion by Mr. Bradford and a second from Ms. Daugherty, the Board voted unanimously to table the consent letter until such time that certification pertaining to Principal Bank’s eligibility to serve as a custodian in the State of Michigan has been received, reviewed and approved by Michigan CLASS counsel.

**D. Other Items**

None

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

Mr. Waud, Chief Investment Officer at Public Trust, provided a comprehensive overview of the U.S. economy and financial markets during the ongoing pandemic. COVID-19 has led to significant market volatility over recent months, the Federal Open Market Committee (FOMC) has decreased the fed funds target rate 0.00-0.25%. Fund management has the portfolio well-positioned from a liquidity standpoint and balances in the fund have increased year over year.

**8. General Board of Trustee Items**

**A. Review of Governance Policy Protect**

- a. Election Policy**
- b. Board Expense Reimbursement Policy**
- c. Records Management Policy**
- d. FOIA Policies**
- e. Privacy Policy**

Staff discussed an edit to the current version of the Michigan CLASS Privacy Policy, all other policies were reviewed by the Board as part of their annual due diligence, no additional changes were recommended at this time.



Ms. Coffman made a motion that the Board approved the policies as presented, Ms. Corbett seconded the motion and the Board voted unanimously to accept.

**9. Board Monitoring Responsibilities**

**A. Protect Policy – Treatment of Clients**

Staff indicated that the 2020 Participant survey would be focused on the new Michigan CLASS online transactional system which is set for release in September. The Board requested that a draft of the survey be available for review at the next regularly scheduled meeting of the Board.

**10. Discussion/Information Items**

**A. Draft Business Continuity Plan**

Staff presented a draft Business Continuity Plan for the Board to review and comment on over the coming weeks. It was determined that the Trustees would send staff any questions or comments prior to the next regularly scheduled meeting and that a further discussion would be appropriate prior to approval.

**B. Custody Service Provider Updates**

No further updates.

**C. Banking Partnerships**

Mr. DeBow discussed Public Trust's continued national efforts to engage with banking counterparties interested in partnering to provide significant deposit arrangements for the benefit of LGIP Participants. To date, Public Trust has held discussions with more than 100 banks, several of which are now providing active depository relationships for Michigan CLASS.

**D. September 2020 Michigan CLASS Board Meeting**

The regularly scheduled 3rd quarter Michigan CLASS Board meeting will be held in Bay Harbor, MI on Friday, September 18<sup>th</sup>.

**E. Other Items**

None.

**11. Board Committee Updates**

None

**12. Board Advocacy Updates**

None

**13. General Business**

**A. Chairman Report**

Mr. Sell thanked Ms. Corbett for serving as the Chairperson at the March meeting.



**B. Treasurer's Report**

Ms. MacDonald reviewed the Board of Trustees budget and noted that all Trustee, legal, audit and insurance expenses were accounted for. Due to the lack of travel the Trustees budget will likely be lower than expected.

**C. Individual Trustee**

Ms. Moon noted that the Annual MACT Conference had been cancelled due to COVID-19.

**D. Legal Counsel Comments**

No further updates.

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

**A. Marketing Report**

Mr. Garay provided the board with updates pertaining to the ongoing sales and marketing efforts statewide.

**B. Marketing Initiatives**

Staff provided copies of the most recently distributed marketing collateral including but not limited to an updated COVID-19 Webpage, Investor Newsletters, Economic Updates and Michigan CLASS related electronic marketing.

**C. S&P Stress Test Presentation**

Mr. Rizzo, Director of Investment Advisory Services at Public Trust, joined the meeting to present the S&P Stress Test which is received by the Board of Trustees monthly. Mr. Rizzo recently joined Public Trust after spending more than 25 years at S&P Global where he managed the analytical team who handle the ratings for "Principal Stability" funds like Michigan CLASS.

**D. Tasks and Projects**

Staff provided a list of Michigan CLASS related projects.

**E. Public Trust Updates**

Mr. Starr reported that Public Trust staff was still operating 100% remotely and that the firm was operating quite well under their business continuity protocol. Mr. DeBow added that several key hires had been welcomed into the firm over recent months.

**F. Other Items**

None

**15. Executive Session**

None

**16. Adjournment**

Upon a motion by Ms. Omer and a second by Ms. Moon the meeting was officially adjourned at 12:18 p.m.



These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, June 19, 2020.

Signed: \_\_\_\_\_

*Holly Moon*

Date: September 18, 2020

Holly Moon, Secretary



Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr