



RECORD OF PROCEEDINGS
Michigan Cooperative Liquid Assets Securities System
Board of Trustees
September 18, 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, September 18, 2020 at the Inn at Bay Harbor, 3600 Village Harbor Dr., Bay Harbor, MI 49770

Board Members Present:

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

Board Members Absent

- None

Staff Present:

- Ms. Anneliese Williams, Barnes & Thornburg, LLP (phone)
- Ms. Michelle Alexander, CliftonLarsonAllen, LLP (phone)
- Mr. Kevin Berents, Public Trust Advisors, LLC (phone)
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Ms. Molly Brown, Public Trust Advisors, LLC (phone)
- Mr. Richard Garay, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC
- Ms. Christa Kronquist, Public Trust Advisors, LLC (phone)

Others Present:

- None



1. Roll Call of the Members

Chairman Sell called the meeting to order, which was duly posted, at 9:07 a.m. It was determined that a quorum was present.

2. Approval of Agenda

Ms. Moon 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. Presentation of the Michigan CLASS Audited Financial Statements for the period ended June 30, 2020 by CliftonLarsonAllen, LLP

Ms. Alexander presented the 2020 Annual Report for Michigan CLASS. CliftonLarsonAllen provided an unmodified opinion and noted no material weaknesses of deficiencies. Staff and the fund Participants were very responsive, Ms. Alexander noted that 187 confirmations were sent to Participants with 173 received responses. She thanked the Board and Public Trust staff for their cooperation and partnership.

5. Consent Agenda

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

The consent agenda included: the regular minutes of the Board Meeting dated June 19, 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 20-02: Approval of the 2020 Michigan CLASS Annual Report

Upon a motion by Ms. Moon which was seconded by Ms. Coffman the Board of Trustees unanimously approved Resolution 20-02, hereby approving the 2020 Michigan CLASS Annual Report. Staff acknowledged that the report would be both posted to the Michigan CLASS website and delivered electronically to each Participant.

B. Resolution 20-03: Acceptance of Board of Trustee Resignation

The Board of Trustees was presented with a letter of resignation from Mr. Anderson. The letter announced his formal resignation as Finance Director of Delta Charter Township, effective October 8, 2020. Mr. Anderson has accepted a position at Public Trust Advisors, where his focus will be on the continued growth and success of Michigan CLASS. Mr. Anderson's term is set to expire this December and his seat will therefore be filled through the annual election proceedings this fall.



With a motion by Mr. Bradford, and a second by Ms. MacDonald the Board of Trustees unanimously approved Resolution 20-03.

C. Appointment of Board Treasurer

Ms. MacDonald, acting Board Treasurer, submitted her letter of resignation earlier this year as she is set to retire from her position at Howell Public Schools at the end of September. Mr. Sell requested Trustee nominations to fulfill the Treasurer's role on the Michigan CLASS Executive Committee and Mr. Snyder indicated his interest in serving. Upon receiving a motion made by Ms. Coffman, which was seconded by Mr. Anderson, the Board unanimously appointed Mr. Snyder as Board Treasurer until such annual reappointments are made at the regularly scheduled December meeting of the Board.

D. Other Items

None

7. Staff Reports – Economic Overview and Fund Overview

Mr. Palomba provided an overview of the U.S. economy, the financial markets and several economic metrics which have experienced significant volatility during the ongoing pandemic. The Federal Open Market Committee (FOMC) has set the fed funds target rate 0.00-0.25% and there is no indication that a raise in interest rates will occur anytime soon. U.S. GDP experienced its largest decrease on record during the second quarter of 2020, having dropped an annualized 31.7%. Consumer spending, the biggest part of the economy fell 34.1% during that same time frame. The Public Trust portfolio and credit teams continue to manage the fund with the primary objectives of principal safety and daily liquidity, the portfolio is well positioned, and overall fund balances are up year-over-year.

Credit Update

Mr. Berents, Chief Risk Officer at Public Trust, joined the meeting telephonically to discuss the credit landscape as well as the Michigan CLASS approved lists. The credit team has been focused on evaluating the approved asset-backed commercial paper universe. The team believes that these issuers provide for maximum safety while still offering an opportunity for incremental increases in yield.

8. General Board of Trustee Items

A. Annual Review of Investment Advisors Contract

The Board reviewed its contract with Public Trust Advisors, no suggested changes were noted.

B. Annual review of Custodial Contract

Staff provided a copy of the Custody Agreement with Wells Fargo Bank, N.A.

C. Review of Governance Policy – Enable

The Board reviewed its Enable Policy, no recommended changes were made at this time.



9. Board Monitoring Responsibilities

A. Board - Administrator Evaluation

Earlier this year the Board completed an anonymous evaluation of the services provided by Public Trust Advisors. The Board determined that the results of the evaluation would be discussed during executive session.

10. Discussion/Information Items

A. Board of Trustee Election

Staff discussed the upcoming 2020 Board of Trustees Election. The nominations period closed on September 4th, a total of ten (10) candidates submitted a nomination form, there are five (5) positions available. The election period opens on October 9th and will close on November 13th.

B. General Banking Updates

Staff held recent conversations with representatives from Wells Fargo/Principal Bank. The systems conversion is now scheduled to occur over Labor Day weekend in 2021.

C. Michigan CLASS Tax Collections

Staff discussed recent conversations regarding the tax collections for Michigan Townships.

D. Michigan CLASS Participant Survey

With the recent implementation of the new Michigan CLASS online transactional portal the Board requested that staff design a brief survey to engage Participants and obtain feedback directly related to their experiences with the new software. Staff will draft a survey for the Board to review and results of the survey will be made available to the Board prior to the regularly scheduled December meeting.

E. Establish 2021 Board Meeting Dates

The Board of Trustees reviewed its 2021 meeting calendar.

F. December 17th Michigan CLASS Board Meeting

The location of the December meeting is yet to be determined and staff will work to identify several host locations.

G. Other Items

None.

11. Board Committee Updates

Ms. Daugherty, Chairwoman of the Board's Nominating Committee, reported that the Committee had met in early September to discuss the upcoming election, the terms expiring this year and to review Participant communications. The Committee requested that staff provide regular updates on the election process, which opens on Friday, October 9th.



12. Board Advocacy Updates

None

13. General Business

A. Chairman Report

Mr. Sell thanked the Trustees for attending, noting that he felt it was important to have an in-person meeting after such a prolonged period of virtual communication due to Covid-19.

B. Treasurer's Report

Ms. MacDonald reviewed the Board of Trustees budget and provided a recap of the program's Trustee, legal, audit and insurance expenses. Due to the lack of travel, the Trustees budget is projected to remain well under budget for the year.

C. Individual Trustee

Chairman Sell thanked Ms. MacDonald and Ms. Moon for their many years of volunteer service and leadership as members of the Michigan CLASS Board of Trustees. Ms. MacDonald and Ms. Moon were each provided a retirement gift on behalf of the Board and its staff.

D. Legal Counsel Comments

Ms. Williams thanked the Board for their continued partnership.

14. Administrator Updates

Staff Report – General Administration

A. New Transaction Portal Demonstration

Mr. Starr provided a tutorial on the new online transaction portal, which is set to be released to Participants on Monday, September 21st.

B. Marketing Report

Ms. Angel provided the Board with recent sales and marketing efforts being made statewide. Fund balances recently climbed to more than \$3 billion, an all-time high for the program.

C. Marketing Initiatives

Staff provided copies of the most recently distributed marketing collateral, much of which provided details pertinent to the new online portal.

D. Tasks and Projects

Staff provided a list of Michigan CLASS related projects.

E. Public Trust Updates

Mr. Starr reported that Public Trust staff had made significant progress on a new product that would offer longer maturity options to CLASS Participants. Staff will plan to provide a detailed presentation at a future meeting.



F. Other Items

None.

15. Executive Session

The Board entered into executive session at 12:18 p.m. for the purpose of reviewing the Investment Advisor/Administrator survey results. The Board adjourned executive session at 12:28 p.m.

16. Adjournment

Upon a motion by Ms. Moon and a second by Mr. Snyder the meeting was officially adjourned at 12:29 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, September 18, 2020.

Signed: 

Date: December 17, 2020

Holly Moon, Secretary

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr