



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**December 17, 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 Thursday, December 17, 2020 via Microsoft Teams Video Conference

Board Members Present:

- Mr. Edward Bradford
- Mr. Jeff Budd
- Ms. Karen Coffman
- Ms. Kelly Corbett
- Ms. Susan Daugherty
- Mr. Bruce Malinczak
- Ms. Julie Omer
- Mr. Edward Sell
- Mr. Joe Snyder
- Mr. Scott Taylor

Board Members Absent

- Ms. Holly Moon

Staff Present:

- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Tom Jordan, Public Trust Advisors, LLC
- Ms. Raphaele Hunter, Public Trust Advisors, LLC
- Ms. Molly Brown, Public Trust Advisors, LLC
- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Mr. Richard Garay, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC

Others Present:

- Ms. Catherine McClary, Washtenaw County Treasurer
- Ms. Teri Weingarden, West Bloomfield Township



**1. Roll Call of the Members**

Chairman Sell called the meeting to order, which was duly posted, at 9:05 a.m. It was determined that a quorum was present.

**2. Approval of Agenda**

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

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

Chairman Sell welcomed Ms. McClary (Washtenaw County Treasurer) and Ms. Weingarden (West Bloomfield Township Treasurer) to the meeting.

**4. Credit Update**

Ms. Hunter provided an overview of the recent updates to the Michigan CLASS approved lists. The Public Trust credit and portfolios management teams took a conservative approach in early 2020 amidst the economic uncertainty created in large part by the COVID-19 pandemic. Mr. Sell requested a walk through of the approved list process for the benefit of the new members joining the Board.

**5. Consent Agenda**

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

The consent agenda included: the regular minutes of the Board Meeting dated September 18, 2020, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

Mr. Starr provided an overview of the consent agenda items for the benefit of the new members joining the Board.

**6. Board of Trustee Action Items**

**A. Resolution 20-04: Ratification of Election Results**

With respect to the 2020 Trustee Election, ten individuals submitted nominations to run for the Board, and there were five positions available on the ballot.

The election period ran from October 9, 2020 through November 13, 2020 and the results of the election were presented to the Board. With a motion made by Mr. Bradford, seconded by Ms. Corbett the Board unanimously approved the results of the 2020 Trustee Election.

Mr. Joe Snyder, Ms. Karen Coffman, Ms. Julie Omer, Ms. Teri Weingarden and Ms. Catherine McClary will serve new terms effective at this meeting and ending at the last Board meeting of 2023.

**B. Resolution 20-05: Appointment of Board Officers and Committees**

Motion was made by Ms. Omer, second by Ms. Coffman to re-appoint Mr. Sell as Chairperson. Motion from Mr. Budd and a second from Mr. Snyder to re-appoint Ms.



Corbett as Vice-Chairperson. Motion by Ms. Omer seconded by Ms. Corbett to appoint Ms. Coffman as Secretary and; Motion by Ms. Coffman seconded by Mr. Bradford to appoint Mr. Snyder as Treasurer.

Mr. Budd (Chair), Ms. McClary and Ms. Weingarden volunteered to fill the 2021 Elections Committee. Ms. Corbett and Ms. Daugherty will continue to serve on the Committee for the first half of 2021 in order to provide continuity to the ongoing Board discussions related to Board make-up and term length.

Mr. Snyder, Ms. Omer, Mr. Taylor and Ms. McClary volunteered to sit on the 2021 Audit Committee.

Upon a motion made by Ms. Coffman, which was seconded by Ms. McClary the Board unanimously approved the appointment of the 2021 Board Officers and Committees and Resolution 20-05 was unanimously accepted.

#### **C. Resolution 20-06: Appointment of New Trustee**

At its regularly scheduled meeting held on September 18, 2020, Ms. Glenna MacDonald announced her intention to resign from the Board effective September 30, 2020. In the event of a Trustee resignation, the Participation Agreement grants the Board the power to appoint a new Trustee to fill the vacancy for the term's remaining years.

Ms. Daugherty, Chair of the Michigan CLASS Elections Committee reported that the Committee had recently met to review the current makeup of the Board as well as the results of the Trustee Election. Ms. Daugherty noted that it was the recommendation of the Committee that the Board move to appoint Mr. Eric Sabree, Wayne County Treasurer.

Ms. McClary made a motion to accept the appointment, the motion was seconded by Mr. Snyder and the Board voted unanimously in favor of Resolution 20-06. Staff will contact Mr. Sabree in order to confirm the Board's appointment and to provide an orientation prior to the first quarter 2021 meeting of the Board. Mr. Sabree's term will expire at the end of 2022.

#### **D. Resolution 20-07: Approval of Revised Custody Fee Schedule**

Mr. Starr discussed proposed revisions to the Michigan CLASS custody fee schedule which were recently provided to Public Trust by the team at Wells Fargo Bank N.A.

The revised fee schedule has been reviewed by Public Trust and is likely to represent a cost savings to the program over time. Motion was made by Mr. Taylor to approve Resolution 20-07, the motion was seconded by Ms. Coffman and approved unanimously by the Board.

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

None

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

Mr. Palomba provided an overview of the U.S. economy and a snapshot of several economic metrics. The Federal Open Market Committee (FOMC) fed funds target rate



continues to hold at 0.00-0.25% and there is some expectation that the “zero interest rate” environment is likely to remain until vaccinations have been widely distributed and the pandemic has subsided.

The Public Trust portfolio and credit teams continue to manage the fund with the primary objectives of principal safety and daily liquidity, fund balances are up year-over-year, a testament to the safety-first approach of Michigan CLASS.

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

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

Nothing was reported by the Board members at this time. Staff noted that once the environment normalizes it is the Fund Administrator’s intent to incorporate several marketing luncheons or similar events to engage with the Participant’s in the fund.

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

The Participation Agreement was recently amended (2019). While there are no recommended changes at this time the Board may revisit the Agreement in early 2021.

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

Staff reported that the Michigan CLASS Investment Policy is current. There were no further comments from the Trustees.

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

The Board of Trustees reviewed its Market Valuation Policy, the NAV Deviation Policy and the Net Realized Capital Gains and Losses Policy. No changes were deemed necessary at this time.

## **9. Board Monitoring Responsibilities**

### **A. Proposed 2021 Board of Trustees Budget**

Mr. Snyder reported that he had coordinated with Staff to develop the draft 2021 budget. The Board Insurance line item had a modest increase, other than that the budget is equal to that presented in 2020.

## **10. Discussion/Information Items**

### **A. New Product Discussion**

Mr. DeBow and Mr. Starr provided a presentation introducing the Board to a longer-term maturity fund designed to complement the daily liquidity currently offered by Michigan CLASS. The Board of Trustees approved staff’s request to engage counsel, as the newly proposed fund would likely require adjustments to the Participation Agreement. The Trustees had a number of questions about the proposed fund, the products legality in statute and the eventual marketing plan. It was determined that the Board would like to reconvene for an educational session in conjunction with the regularly scheduled March 2021 Board Meeting.



**B. Banking Services Updates**

Staff provided the Board with updates concerning the ongoing development of depository relationships.

**C. New Portal Updates**

Staff discussed recent enhancements made to the new online transactional portal.

**D. Michigan CLASS Participant Survey**

The Michigan CLASS survey was attached to the Board's presentation and will be distributed to each Trustee via email for review prior to Participant distribution in January.

**E. Establish 2021 Board Meeting Dates**

The Board of Trustees reviewed its 2021 meeting calendar and confirmed the following:

- Friday, March 12, 2021 – Grand Rapids
- Friday, June 18, 2021 – Mount Pleasant
- Friday, September 24, 2021 – Traverse City/Petoskey
- Thursday, December 16, 2021 – Ann Arbor

**F. March 2021 Michigan CLASS Board Meeting**

The Board will make a decision regarding the viability of an in-person meeting at a later date.

**G. Other Items**

None.

**11. Board Committee Updates**

None.

**12. Board Advocacy Updates**

None.

**13. General Business**

**A. Chairman Report**

Mr. Sell thanked the new Trustees for their interest in serving on the Board and for their participation in today's meeting.

**B. Treasurer's Report**

Mr. Snyder reviewed the 2020 Board of Trustees budget, which will be well below the proposed budgeted amount due to the decreased travel and lodging expenses this year.

Ms. Omer moved to accept the Budget as presented, Ms. McClary seconded the motion which passed unanimously.

**C. Individual Trustee**

None.



**D. Legal Counsel Comments**

None.

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

**A. Marketing Report**

Mr. Garay provided the Board with recent sales and marketing efforts being made statewide. He also discussed the successful onboarding of Mr. Anderson.

Mr. Anderson commented that he was thrilled with the transition from Participant and Board Member to his new role marketing the program as a Public Trust employee.

**B. Marketing Initiatives**

Staff provided copies of the most recently distributed marketing collateral.

**C. Tasks and Projects**

Staff provided a list of Michigan CLASS related projects.

**D. Public Trust Organizational Chart**

Staff reviewed an organizational chart detailing the 40+ employees committed to Michigan CLASS.

**E. Public Trust Updates**

Mr. Jordan provided a recap of what has been a truly chaotic year. He thanked the Board of Trustees for the longstanding partnership and commended them on their leadership through this tumultuous stretch.

**F. Other Items**

None.

**15. Executive Session**

None.

**16. Adjournment**

Upon a motion by Ms. Omer and a second by Ms. Coffman the meeting was officially adjourned at 12:19 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Thursday, December 17, 2020.

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

Date: March 12, 2021

Karen Coffman, Secretary

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr