



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**March 12, 2021**

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, March 12, 2021 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. Catherine McClary
- Ms. Julie Omer
- Mr. Eric Sabree
- Mr. Edward Sell
- Mr. Joe Snyder
- Mr. Scott Taylor
- Ms. Teri Weingarden

Board Members Absent

- None

Staff Present:

- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC
- Ms. Molly Brown, Public Trust Advisors, LLC
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Sean Fitzgerald, Public Trust Advisors, LLC
- Mr. Richard Garay, Public Trust Advisors, LLC
- Mr. Cory Gebel, Public Trust Advisors, LLC
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC

Others Present:

- None



**1. Roll Call of the Members**

Chairman Sell called the meeting to order, which was duly posted, at 9:03 a.m. It was determined that a quorum was present.

**2. Approval of Agenda**

Ms. McClary moved to approve the agenda as presented, Ms. Weingarden seconded the motion, which passed unanimously.

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

Mr. Sell welcomed Mr. Sabree, (Wayne County) to the Board of Trustees.

**4. 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 December 17, 2020, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

**5. Staff Reports – Credit Update, Economic Overview and Fund Overview**

Mr. Fitzgerald provided a report from the Public Trust Credit Team, including an overview of the recent changes made to the Michigan CLASS approved lists. It was noted that two of the most recently approved issuers had not yet been added to the commercial paper list. A motion was made by Mr. Snyder, that the names be approved pending the Board's receipt of the amended and final list, the motion was seconded by Mr. Bradford and was passed unanimously.

Mr. Palomba reviewed the economic and fund management reports with the Board of Trustees. There continues to be an abundance of liquidity in the market, which has driven U.S. Treasuries to historic lows. The Federal Open Market Committee (FOMC) fed funds target rate continues to hold at 0.00-0.25% and will likely remain at this level until at the least 2023. Michigan CLASS is well positioned and continues to focus on its overall primary objectives of safety, liquidity and then yield.

**6. Board of Trustee Action Items**

**A. Resolution 21-01: Approval of an Amendment to the Program Administrative and Investment Advisor Services Agreement**

Staff reviewed an update to the fee calculation methodology based on recent changes made to the fund accounting software. Ms. Weingarden provided a motion to approve Resolution 21-01 as presented, Ms. Omer seconded, and the motion carried unanimously.

**B. Resolution 21-02: Approval of Updated Michigan CLASS Information Statement**

During its annual review, staff identified several recommended changes to the Information Statement for the Board's consideration.

Ms. Omer requested that language be incorporated within the "safety" section clarifying the Participants ability to utilize ACH. Mr. Sabree moved that the Board of Trustees approve the proposed revisions to the Information Statement including Ms. Omer's update, Ms. McClary seconded the motion and the Board unanimously approved.

**C. Other Items**

None

**7. General Board of Trustee Items****A. Review of the 2021 Board of Trustees Annual Calendar**

Ms. Brown reviewed the 2021 Annual Calendar with the Board.

**B. Review of Signature Authority**

Ms. Weingarden recommended that the Michigan CLASS authorized signatories (Chairperson Sell, Vice Chairperson Corbett and Treasurer Snyder) remain the same for 2021. Ms. Corbett seconded the motion, which carried unanimously.

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

Staff reviewed the By-Laws with the Trustees. Mr. Snyder recommended that language be incorporated identifying the Treasurer as the de-facto Chair of the Audit Committee. The Board agreed with this change and requested that staff prepare an updated copy for the Board's consideration at the next regularly scheduled meeting.

**D. Review of Governance Policy - Direct**

Mr. Sell reviewed the Board's Direct Policy, he recommended changing the word "premier" to "leading" in order to stay consistent with the Board's public facing statement on the website.

**8. Board Monitoring Responsibilities****A. Protect Policy Financial Conditions and Activities/Internal**

Mr. Snyder reported that the 2020 Michigan CLASS Board expenses came in well below budget.

**B. Communication and Support**

Mr. Starr presented a summary of communications provided monthly and quarterly to the Board of Trustees. Staff also provided an updated listing of staff dedicated to Michigan CLASS for succession planning purposes.



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

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

Mr. DeBow and Mr. Starr provided an overview of an enhanced cash fund option designed to complement the daily liquidity currently offered by Michigan CLASS. The Board of Trustees discussed a timeline for the new product launch and determined that a Special Committee of the Board (Members Bradford, Weingarden, Corbett, Daugherty, Budd and Malinczak) would work with staff to facilitate communication on an inter-meeting basis.

### **B. Banking Services Updates**

Staff provided updates on Michigan CLASS custody and depository services.

### **C. Michigan Tax Collections**

Mr. Anderson and Ms. Angel discussed recent conversations with Michigan Townships with respect to tax receipts.

### **D. Michigan CLASS Participant Survey Results**

Staff reviewed the results of the most recent survey. The complete results will be distributed to the Trustees along with a list of recent and upcoming enhancements to the online transactional portal.

### **E. 2021 Board Meeting Dates**

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

- Friday, June 18, 2021 – Grand Rapids
- Friday, September 24, 2021 – Traverse City
- Thursday, December 16, 2021 – Ann Arbor

The Board will next meet in Grand Rapids on Friday, June 18<sup>th</sup>. Staff will coordinate with Ms. Williams (Barnes & Thornburg, LLP) to reserve a meeting location.

### **F. Board Insurance Policy**

A copy of the Board's insurance certificate, which is renewed annually, was attached to the meeting presentation.

### **G. Updated Board Members and Committee List**

Ms. Brown provided updated listings.

Mr. Sabree requested that Board consider his addition to serving on the Audit Committee; Mr. Snyder moved that the Board approve Mr. Sabree being added to the Committee, Ms. Coffman seconded the motion and it passed unanimously.

### **H. Other Items**

None.

## **10. Board Committee Updates**

None.



**11. Board Advocacy Updates**

Mr. Snyder discussed recent discussions amongst several Treasurers regarding the potential expansion of allowable investments under Public Act 20.

**12. General Business**

**A. Chairman Report**

Chairman Sell noted that he had received some questions about Michigan CLASS from the City of Ann Arbor. The Chairman will respond via email early next week.

**B. Treasurer's Report**

Mr. Snyder reviewed the final 2020 Board of Trustees budget, as well as the 2021 Budget as presented.

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

**C. Individual Trustee**

None.

**D. Legal Counsel Comments**

None.

**13. Administrator Updates**

**Staff Report – General Administration**

**A. Marketing Report**

Ms. Angel provided the Board with recent sales and marketing efforts being made statewide. In spite of the current yield environment Michigan CLASS had a terrific 2020, adding a significant number of new accounts statewide.

**B. Marketing Initiatives**

Staff provided copies of the most recently distributed marketing collateral.

**C. Tasks and Projects**

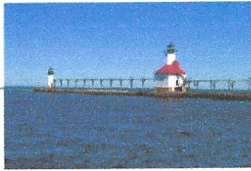
Staff provided a list of Michigan CLASS related projects.

**D. Public Trust Updates**

Mr. Starr thanked Rich Garay for his nearly thirty years of dedicated service to Michigan CLASS and to hundreds of finance officials across the state. Mr. Garay reflected on the many successes of the program and thanked the Board for their unwavering support over the years. He commented that it had been an honor to have built the program up since its inception in the early 1990s and that he was thrilled to have the team in place to continue the growth for many years to come.

**E. Other Items**

None.



**14. Executive Session**

None.

**15. Adjournment**

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

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, March 12, 2021.

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

*Karen Coffman*

Date: June 18, 2021

Karen Coffman, Secretary

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr