



RECORD OF PROCEEDINGS
Michigan Cooperative Liquid Assets Securities System
Board of Trustees
September 24, 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, September 24, 2021 at the Hotel Indigo, Traverse City, MI

Board Members Present:

- Mr. Edward Bradford
- Mr. Jeff Budd
- Ms. Karen Coffman
- Ms. Kelly Corbett
- Ms. Susan Daugherty
- Mr. Bruce Malinczak
- Ms. Catherine McClary (virtual)
- 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. Molly Brown, Public Trust Advisors, LLC
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Patrick Edler, Public Trust Advisors, LLC (virtual)
- Mr. Sean Fitzgerald, Public Trust Advisors, LLC (virtual)
- Mr. Ash Mehta, Public Trust Advisors, LLC (virtual)
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC

Others Present:

- Ms. Michelle Alexander, CliftonLarsonAllen (virtual)
- Mr. Robert Dormanesh, CliftonLarsonAllen (virtual)
- Mr. Martin Kim, CliftonLarsonAllen (virtual)



1. Roll Call of the Members

Chairman Sell called the meeting to order, which was duly posted, at 9:08 a.m. It was determined that a quorum was present.

2. Approval of Agenda

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

3. Comments from the Public or Other Interested Parties

None.

4. Presentation of the Michigan CLASS Financial Statements for the period ended June 30, 2021 by CliftonLarsonAllen LLP

Ms. Alexander thanked the Board and staff for their cooperation during the audit period. She introduced her associates Mr. Kim and Mr. Dormanesh who presented the exit presentation of the 2021 audit for Michigan CLASS. CliftonLarsonAllen issued an unmodified opinion citing no material weaknesses or deficiencies in internal controls. The auditors noted that 179 audit confirmations were sent to Michigan CLASS Participants and that 176 were received.

5. Credit Update

Mr. Edler presented recent changes to the Michigan CLASS Approved Lists.

6. Consent Agenda

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

The consent agenda included: the regular minutes of the Board Meeting dated June 18, 2021, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

7. Presentation of the Michigan CLASS EDGE Operating Documents

Mr. Starr discussed the development and completion of the EDGE Information Statement and Investment Policies. Ms. Williams (Barnes & Thornburg) has reviewed the documents on behalf of the Board of Trustees. The Board of Trustees discussed the registration process, and it was requested that staff perform independent investment policy reviews for each potential EDGE Participant in order to ensure that each participating entity is eligible.

8. Board of Trustee Action Items

A. Resolution 21-05: Approval of the 2021 Michigan CLASS Annual Report

Ms. Weingarden provided a motion to approve Resolution 21-05 as presented, Ms. Corbett seconded, and the motion carried unanimously.

Staff will post the Michigan CLASS Annual Report to the website document center and will deliver the report via email to each Participant.



B. Resolution 21-06: Resolution to Approve the Results of the Participation Agreement Vote and to reapprove the Updated Participation Agreement

Pursuant to Resolution 21-04, the Board approved certain revisions and amendments to the Participation Agreement at its regularly scheduled meeting held on June 18, 2021, thereby authorizing the Investment Advisor to engage in the approval process of Participants as required by Section 10.1(a)(ii) of the Agreement. Subsequent to the Board's initial approval, the necessary majority of Participant votes approving the Updated Participation Agreement was obtained via electronic ballot on September 1, 2021.

Section 10.1 (a)(iii) states that following the approval of the Participants, a two-thirds (2/3) majority vote of the Trustees present at a meeting of the Board, reapproving the amendments, is required prior to the amendment of the Existing Agreement.

Ms. Coffman moved to approve Resolution 21-06 as presented, the motion was seconded by Mr. Sabree and carried unanimously.

Staff will provide the necessary 30-day notification to Participants and the Updated Participation Agreement will be effective November 1, 2021.

C. Resolution 21-07: Approval of Amendment to Exhibit E of the Michigan CLASS Participation Agreement

The Board is considering a new fund offering, in addition to the Prime fund currently offered. It is necessary to revise Exhibit E to reflect the different characteristics of the new investment offering.

Ms. Weingarden moved to approve Resolution 21-07 as presented, Ms. Omer seconded the motion, which passed unanimously.

D. Resolution 21-08: Resolution to Approve the EDGE Product and related materials

The Board of Trustees reviewed the final Information Statement and Investment Policy for the new Michigan CLASS EDGE Product. It was determined that the new product would be introduced to Participants during the 4th quarter of 2021, following the November 1, 2021 effective date of the Updated Participation Agreement.

Mr. Budd moved to approve Resolution 21-08 as presented, Ms. Coffman seconded the motion and the Board passed the resolution with twelve of the thirteen Trustees present approving, Trustee McClary abstained from the vote.

E. Resolution 21-09: Resolution to Forego the 2021 Michigan CLASS Board of Trustee Election

With respect to the 2021 Trustee Election, four Michigan CLASS Participants submitted nominations (Ms. Corbett, Ms. Daugherty, Mr. Sell and Mr. Taylor) and



there are four positions available. As such, the Nominating Committee recommended that the Board of Trustees cancel the 2021 annual vote because it is unnecessary.

With a motion made by Ms. Omer, seconded by Ms. Weingarden, the Board of Trustees unanimously approved Resolution 21-09 hereby electing the four Trustee candidates to new three-year terms effective at the final meeting (December) of 2021.

F. Other Items

Mr. Budd addressed the Board of Trustees and provided a letter of resignation from the Board effective at the end of the meeting. Having served on the Board of Trustees for the past 20 years, including several terms as Chairman, he noted his pride of the accomplishments and continued growth of Michigan CLASS.

With a motion made by Ms. Corbett, which was seconded by Mr. Malinczak, the Board regrettably approved the resignation of Trustee Budd.

Staff presented Mr. Budd with a clock inscribed with his terms of service on the Board of Trustees.

9. Staff Reports –Economic Overview and Fund Overview

Mr. Fitzgerald joined the meeting virtually to provide the Board with an economic overview and to discuss the fund's current portfolio profile. The Federal Open Market Committee (FOMC) continues to maintain the Fed funds target rate at 0.00-0.25% citing the persistent signs of high inflation and continued headwinds caused by the COVID-19 pandemic weighing on overall economic growth. Unemployment continues to be a growing concern, with non-farm payrolls still five million short of pre-pandemic levels. During the Federal Reserve's August Economic Summit Chairman Powell indicated that the U.S. central bank may begin tapering its monthly asset purchases should the economy continue to show signs of improvement.

The Michigan CLASS Portfolio team continues to remain focused on the primary investment objectives of safety, liquidity and then yield.

10. Board Responsibilities

A. Review of Investment Advisor's Contract

Mr. Sell requested that the Board of Trustees discussion with respect to the current Investment Advisor contract be held in Executive Session at the end of the agenda.

B. Review of Custodial Contract

Staff provided a copy of the new custodian agreement with Fifth Third Bank. The August transition of assets was completed without incident and the Participants have adjusted wiring instructions to reflect the change.

C. Review of Governance Policy (Enable)

The Board conducted their annual review of the Enable Policy, there were no recommended changes to the policy at this time.

**11. Monitoring Responsibilities****A. Board/Administrator Evaluation**

As part of its annual review calendar the Board of Trustees conducts an Administrator/Investment Advisor evaluation. Chairman Sell noted that the evaluation had been completed by the Trustees and that the results of the evaluation would be discussed in Executive Session.

12. Discussion/Information Items**A. New Business Opportunities**

Mr. Anderson updated the Board of Trustees with respect to a developing partnership with the Local Community Stabilization Authority (LCSA).

B. Tax Collections

Staff discussed recent conversations focused on tax collection opportunities with the leadership at the MMTA and MGFOA organizations.

C. Proposed 2022 Board Meeting Calendar

The Board reviewed a proposed calendar, and it was determined that the 2022 meeting dates/locations would be as follows:

March 11, 2022 – Lansing
June 17, 2022 – Ann Arbor
September 23, 2022 – Crystal Mountain
December 15, 2022 – TBD (Central Michigan)

The Board then discussed calendar dates for an April 2022 due diligence trip to Public Trust headquarters in Denver, CO. After some discussion it was requested that staff provide several date options via email in the coming weeks.

D. December 16th, 2021 Michigan CLASS Board Meeting

The next Board Meeting will be at the Marriott Detroit Renaissance Center in Detroit, MI on December 16, 2021.

E. Other Items

None

13. Board Committee Updates

Audit Committee – Mr. Snyder reported that the current Michigan CLASS auditor engagement with CliftonLarsonAllen, LLP will be completed upon the issuance of the Michigan CLASS Annual Report.

The Committee requested that CliftonLarsonAllen provide a brief proposal for a new five-year services engagement. Upon receipt the Committee will review and will be



prepared to report its recommendations to the Board at the regularly scheduled December Board meeting.

Nominations Committee – Ms. Daugherty thanked staff for keeping the Committee apprised of the communications delivered to the Participants throughout the recent Nominations period.

14. Board Advocacy Updates

Mr. Anderson thanked the Board for their continued efforts made advocating the program. Recently, Trustee Sabree had assisted in organizing an event in Wayne County. Ms. Daugherty, Ms. Coffman and Ms. Omer were also recognized for their leadership roles with MMTA, MACT and MSBO respectively.

15. General Business

A. Chairman Report

Mr. Sell thanked Mr. Budd for his many years of service to the Michigan CLASS program.

B. Treasurer's Report

Mr. Snyder presented the 2021 Board Budget. Ms. Corbett made a motion to approve the budget as presented, Ms. Coffman seconded the motion which passed unanimously.

C. Individual Trustee

Ms. McClary reported that she had recently been nominated to serve on the Cash & Treasury Committee for the National Government Finance Officers Association.

D. Legal Counsel Comments

None.

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

A. Marketing Report

Mr. Anderson provided the Board with recent sales and marketing efforts being made statewide. He noted that Ms. Angel was currently attending a national event for the Women in Public Finance Association.

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. DeBow provided an update on Public Trust's return to the office. Mr. Starr discussed environmental, social & governance (ESG) initiatives, including an upcoming webinar hosted by Public Trust.

E. Other Items

None.

17. Executive Session

At 11:55 a.m. upon a motion by Ms. Omer, and a second by Mr. Bradford the Michigan CLASS Board of Trustees unanimously consented to entering an executive session of the Board for the purposes of discussing the Administrator/Investment Advisor evaluation and other contractual obligations.

At 12:10 a.m. the executive session was adjourned; staff was welcomed back into the meeting.

18. Adjournment

Upon a motion by Mr. Budd and a second by Ms. Weingarden the meeting was officially adjourned at 12:20 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, September 24, 2021.

Signed: Karen Coffman

Date: December 16, 2021

Karen Coffman, Secretary

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr