



RECORD OF PROCEEDINGS

Michigan Cooperative Liquid Assets Securities System Board of Trustees December 16, 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, December 16, 2021 at the Marriott Renaissance Center, Detroit, MI

Board Members Present:

- Mr. Edward Bradford
- 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. Kevin Berents, Public Trust Advisors, LLC (virtual)
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Neil Waud, 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 9:02 a.m. It was determined that a quorum was present.

2. Approval of Agenda

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

3. Comments from the Public or Other Interested Parties

None.

4. Credit Update

Mr. Berents, Head of Credit Research, joined the meeting telephonically to present the recent changes to the Michigan CLASS Approved Lists. Mr. Berents indicated that two issuers listed as "pending approval", Great Bear Funding and Caterpillar Inc., had been approved by the PTA Credit Committee earlier in the week.

Mr. Bradford made a motion to amend the approved list contained in the packet to approve Great Bear and Caterpillar, Mr. Sabree seconded the motion and was unanimously passed by the Board of Trustees.

5. Consent Agenda

With a motion made by Ms. Corbett 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 24, 2021, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

6. Board of Trustee Action Items

A. Resolution 21-10: Resolution to Ratify the Election of Trustees

With respect to the 2021 Trustee Election, four individuals expressed a desire to run for election to the Board, and there were four positions available. There were no other questions to be submitted to the Participants in the 2021 ballot, so the Board of Trustees cancelled the election pursuant to Resolution 21-09 in September.

As such, the terms of office for the four incumbent candidates, Ms. Corbett, Ms. Daugherty, Mr. Sell and Mr. Taylor, shall be effective as of the date of this meeting for terms ending at the last Board meeting in 2024.

Ms. Weingarden provided a motion to approve Resolution 21-1- as presented, Mr. Sabree seconded, and the motion carried unanimously.

B. Resolution 21-11: Appointment of Board Officers and Committees

Motion was made by Mr. Bradford, second by Mr. Snyder to re-appoint Mr. Sell as Chairperson. Motion from Ms. Weingarden, second by Ms. Coffman to re-appoint Ms. Corbett as Vice-Chairperson. Motion by Ms. Weingarden, second by Ms. Omer to re-



appoint Ms. Coffman as Secretary. Motion by Mr. Sabree, second by Ms. Daugherty to re-appoint Mr. Snyder as Treasurer.

Mr. Sell reviewed the current composition of the Board Committees. It was determined that the following Trustees would serve on the 2022 Committees as follows:

Elections/Nominations Committee: Ms. Corbett, Ms. Daugherty, Ms. McClary and Ms. Weingarden

Audit Committee: Mr. Snyder (Chair), Ms. Omer, Mr. Taylor, Ms. McClary and Mr. Sabree

Special Projects Committee: Mr. Bradford, Ms. Corbett, Ms. Daugherty, Mr. Malinczak and Ms. Weingarden

Upon a motion made by Ms. McClary, which was seconded by Ms. Weingarden, The Board of Trustees unanimously approved Resolution 21-11.

C. Resolution 21-12: Appointment of a New Trustee

Ms. Daugherty reported that the Elections/Nominations Committee had reviewed several strong candidates to fill the vacancy on the Board created by Mr. Budd's recent retirement.

The Committee recommended that the Board of Trustee appoint Ms. Barbara Fandell, City of Ithaca to complete the vacant term which is set to expire at the final meeting of 2022.

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

Staff will reach out to Ms. Fandell to provide introductions and to schedule for Board orientation.

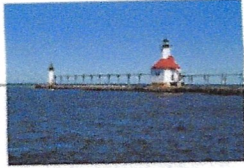
D. Resolution 21-13: Approval of Michigan CLASS Program Administrative and Investment Advisor Services Agreement

Ms. Corbett moved to approve Resolution 21-13 as presented, Ms. Weingarden seconded the motion and the Board of Trustees approved unanimously.

Mr. Starr thanked the Board of Trustees on behalf of Public Trust Advisors, LLC.

E. Resolution 21-14: Acceptance of Proposal for Michigan CLASS Auditing Services

Mr. Snyder presented the proposal for Michigan CLASS Auditing Services from CliftonLarsonAllen, LLP which was recently received and reviewed by the Audit Committee. The proposed engagement encompasses the fiscal years ending June 30, 2021, 2022 and 2023 and includes an option for the Board of Trustees to extend the engagement for two additional 1-year periods.



The Committee recommended that the Board of Trustees vote to approve the new engagement with CliftonLarsonAllen, LLP. Motion was made by Ms. Coffman, seconded by Ms. Omer, and Resolution 21-14 was unanimously approved by the Board of Trustees.

F. Other Items

Mr. Starr presented the current Michigan CLASS EDGE Information Statement. He noted that a minor error had been identified in the "Investment Restrictions" section. Specifically, the fifth bullet states: The portfolio may invest in permitted securities with maximum maturities as outlined in the Michigan CLASS EDGE Investment Policy.

Mr. Starr recommended that the Board of Trustees approve an amendment to remove the words "with maximum maturities" as the reference is not applicable in accordance with state law and the Michigan CLASS Investment Policies.

Motion was provided by Ms. McClary, seconded by Ms. Daugherty, and the Board approved the amendment unanimously.

7. Staff Reports –Economic Overview and Fund Overview

Mr. Waud, Chief Investment Officer at Public Trust provided the Board with a comprehensive economic overview, discussed the upcoming launch of the Michigan CLASS EDGE fund and reviewed the current Michigan CLASS portfolio profile.

The Federal Open Market Committee (FOMC) recently made a "hawkish" pivot with respect to monetary policy, having announced the gradual wind down of its bond buying stimulus. Amidst continued inflationary pressures the Fed conveyed that it would be accelerating the tapering process and potentially increasing the Fed Funds target rate as soon as March 2022.

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

8. Board Responsibilities

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

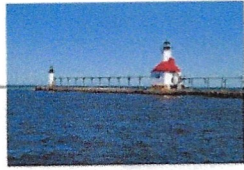
The Board discussed assisting staff's engagement efforts with statewide associations in order to identify educational opportunities in the coming year.

B. Review of Participation Agreement

Staff provided a copy of the recently amended and restated Michigan CLASS Participation Agreement. No changes are necessary at this time.

C. Review of Investment Policies

The Board conducted their annual review of the Michigan CLASS Investment Policies, there were no recommended changes to either the PRIME or the EDGE Policy at this time.



D. Review of Portfolio Management Policies

- **Market Valuation**
- **NAV Deviation**
- **Net Realized Capital Gain/Losses**

The Board conducted their annual review of the portfolio management policies listed above. Ms. Omer made a motion to add a footnote to the NAV Deviation Policy stating that the policy does not apply to Michigan CLASS EDGE. Ms. Weingarden supported the motion which carried unanimously.

9. Monitoring Responsibilities

A. Proposed 2022 Board of Trustees Budget

Staff presented the proposed 2022 budget. Mr. Malinczak moved to approve the budget, second by Mr. Taylor, and the motion was carried unanimously.

10. Discussion/Information Items

A. Michigan CLASS EDGE

Mr. Starr discussed the marketing plan and soft/initial launch of the Michigan CLASS EDGE portfolio. More than a dozen Participants have committed to funding the program, which the Board formally approved in September. Mr. Starr indicated that PTA staff would provide the Board with a formal update post-launch via email.

B. New Business Opportunities

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

C. Administrator Evaluation

Staff provided the Board with several enhancements recently implemented on the Michigan CLASS online transactional portal.

D. Draft Participant Survey

Staff noted that the survey would be emailed to each Trustee individually to allow for a review. The final version of the survey will be distributed to Participants in January 2022.

E. 2022 Board Meeting Calendar

2022 meeting dates/locations are as follows:

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



F. April 7-8 Due Diligence Trip

Several Trustees will be visiting the Public Trust headquarters in Denver in April 2022.

G. Other Items

None

11. Board Committee Updates

Audit Committee – Mr. Snyder thanked the Committee for assisting with the review of the recent auditor proposal/engagement.

12. Board Advocacy Updates

Ms. McClary reported that she had been recently appointed to serve on the Committee on Treasury and Investment Management Committee for the National GFOA.

The National GFOA Conference is scheduled for early June 2022 and will be held in Austin, TX.

13. General Business

A. Chairman Report

Mr. Sell reported that he would be reaching out to Ms. Fandell to congratulate her on her appointment to the Board. He thanked the Trustees and staff for their attendance and coordination.

B. Treasurer's Report

Mr. Snyder presented the 2021 Board Budget. Ms. Daugherty made a motion to approve 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

Ms. Angel and Mr. Anderson provided the Board with recent sales and marketing efforts, including a detailed listing of upcoming conferences and events.

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 the Board for their commitment and longstanding partnership with Public Trust Advisors.

E. Other Items

None

15. Executive Session

None

16. Adjournment

Upon a motion by Mr. Malinczak and a second by Mr. Taylor the meeting was officially adjourned at 12:16 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, December 16, 2021.

Signed: _____

Karen Coffman, Secretary

Date: March 11, 2022

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr