



## **RECORD OF PROCEEDINGS**

### **Michigan Cooperative Liquid Assets Securities System Board of Trustees March 11, 2022**

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 11, 2022 at the Courtyard by Marriott Lansing Downtown, Lansing, MI

#### Board Members Present:

- Mr. Edward Bradford
- Ms. Karen Coffman
- Ms. Kelly Corbett
- Ms. Susan Daugherty
- Ms. Barbara Fandell
- Ms. Catherine McClary
- Ms. Julie Omer
- Mr. Eric Sabree
- Mr. Edward Sell
- Mr. Joe Snyder
- Mr. Scott Taylor
- Ms. Teri Weingarden

#### Board Members Absent

- Mr. Bruce Malinczak

#### Staff Present:

- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Patrick Edler, Public Trust Advisors, LLC (virtual)
- Mr. Corey Gebel, Public Trust Advisors, LLC (virtual)
- 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 9:02 a.m. It was determined that a quorum was present.

**2. Approval of Agenda**

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

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

None.

**4. Credit Update**

Mr. Edler, Credit Research, joined the meeting telephonically to present the recent changes to the Michigan CLASS Approved Lists.

Ms. McClary asked about ties to fossil fuel industry and steps taken to with respect to governance and monitoring exposures. Mr. Edler discussed credits incorporation of ESG related research and noted that the universe of investable corporate issuers was largely comprised of financial institutions.

**5. Consent Agenda**

With a motion made by Mr. Bradford 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 December 16, 2021, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

**6. Staff Reports –Economic Overview and Fund Overview**

Mr. Gebel, Senior Portfolio Manager, provided the Board with a comprehensive economic overview, and also covered the fund characteristics of both the Michigan CLASS Prime and EDGE portfolios.

The Federal Open Market Committee (FOMC) has indicated as many as 10 rate hikes in 2022, as they focus on combating inflationary pressures. As always, the Michigan CLASS Portfolio team continues to remain focused on the primary investment objectives of safety, liquidity and then yield.

Mr. Starr noted that Peter Rizzo, Director of Investment Services, would be joining the Board meeting in June to discuss the EDGE portfolio and to present on the S&P stress testing methodology.

**7. Board of Trustee Action Items**

None.



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

### **A. Review of the 2022 Board of Trustees Annual Calendar**

Mr. Starr presented the Board with a proposed calendar which incorporates the various Board monitoring responsibilities and policies for review during 2022.

Staff also provided and reviewed a final version of the Michigan CLASS Business Continuity Policy (BCP). Following the discussion Ms. Weingarden provided a motion to approve the BCP, the motion was seconded by Mr. Sabree and was unanimously approved by the Board.

### **B. Review of Signature Authority**

The current Board signatories who review and approve the month PTA invoices are Chairperson Sell, Vice-Chairperson Corbett and Treasurer Snyder. Motion was made by Ms. Weingarden to reconfirm the signatories for the upcoming year, the motion was seconded by Ms. Coffman and was unanimously approved.

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

The Board conducted their annual review of the Michigan CLASS By-Laws. Mr. Starr noted that an update would be required to amend the Trustee Terms language to maintain consistency with the recently amended Michigan CLASS Participation Agreement.

Mr. Snyder requested that the By-Laws reflect the process of designating the Board's signatories and suggested that the review of the monthly invoices should remain with the Treasurer.

It was determined that staff would provide an updated version of the By-Laws for the Board to review at the June meeting.

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

The Board conducted their annual review of the Direct Policy. No recommended changes were made at this time.

## **9. Board Monitoring Responsibilities**

### **A. Approval of the Final 2021 Board of Trustees Budget**

Upon a motion made by Ms. Weingarden, which was seconded by Mr. Taylor, the Board of Trustees unanimously approved the 2021 Budget.

### **B. Approval of the 2022 Board of Trustees Budget**

Mr. Snyder discussed minor updates to the budgeted line items for the Michigan CLASS Audit and Insurance expenses. Ms. Coffman moved to approve the 2022 Budget as presented, Ms. Omer seconded the motion which passed unanimously.

### **C. Communication and Support**

As part of the Board's annual governance, Public Trust is required to provide a detailed listing of the various communication and supporting items provided by staff.





Mr. Starr presented the list, and upon their review the Board had no further questions. Motion was made by Weingarden to accept the Communication and Support list for 2022 as presented, the motion was seconded by Ms. Daugherty and unanimously approved by the Board.

#### **D. Key Individuals Review**

Mr. Starr presented the Board with a list of key individuals servicing the Michigan CLASS Board and their Participants each day. Mr. DeBow discussed recent Public Trust hires, including the addition of the firm's new Chief Information Officer, Brian Sugrue.

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

#### **A. Michigan CLASS EDGE**

Staff provided the Board with updates regarding the recent successful launch of Michigan CLASS EDGE. Staff remains diligent in its sales approach, ensuring that interested parties have a complete understanding of the differences between EDGE and Prime.

#### **B. Proposed PA 20 Amendments**

The Board discussed proposed amendments to PA 20, most notably the proposal would allow for public entities to invest in banks outside of the State of Michigan.

#### **C. LCSA Partnership Updates**

Ms. Angel and Mr. Anderson provided updates regarding the ongoing partnership with LCSA. Public Trust is excited to be offering the service, which allows public agencies to have their LCSA payments deposited directly into Michigan CLASS.

#### **D. Participant Survey**

Staff presented the results of the 2022 Michigan CLASS Participant Survey.

#### **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)

In addition, several Trustees will be conducting a Due Diligence trip to Public Trust's headquarters in April.

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

Staff provided the Board with the insurance certificate containing the provisions of the Board's Directors and Officers (D&O) Policy as is required per the Michigan CLASS – Public Trust Advisors Agreement.

#### **G. Other Items**

None



**11. Board Committee Updates**

**Audit Committee** – Mr. Snyder thanked staff for communicating the necessary changes to the 2022 Board of Trustees budget.

**12. Board Advocacy Updates**

Ms. McClary discussed the National GFOA Conference scheduled for early June, Public Trust will be hosting an event at the conference which is taking place in Austin, TX.

**13. General Business**

**A. Chairman Report**

No report.

**B. Treasurer's Report**

No report.

**C. Individual Trustee**

No reports.

**D. Legal Counsel Comments**

No report.

**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. Staff also discussed a recent presentation on "rising interest rates and LGIPs".

**C. Tasks and Projects**

Staff provided a list of Michigan CLASS related projects.

**D. Public Trust Updates**

Staff noted that the Denver office was looking forward to hosting the Michigan CLASS Board of Trustees in April.

**E. Other Items**

None

**15. Executive Session**

None



**16. Adjournment**

Upon a motion by Mr. Bradford and a second by Ms. Coffman the meeting was officially adjourned at 12:08 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, March 11, 2022.

Signed:   
Karen Coffman, Secretary

Date: June 17, 2022

Minutes taken by: Matthew Starr  
Minutes prepared by: Matthew Starr