



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**September 23, 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, September 23, 2022 at the Crystal Mountain Resort, Thompsonville, MI

Board Members Present:

- Mr. Edward Bradford
- Ms. Karen Coffman
- Ms. Kelly Corbett
- Ms. Susan Daugherty
- Ms. Barbara Fandell (phone)
- Mr. Bruce Malinczak
- Ms. Catherine McClary
- Ms. Julie Omer
- Mr. Eric Sabree
- Mr. Edward Sell
- Mr. Joe Snyder (phone)
- Mr. Scott Taylor

Board Members Absent

- Ms. Teri Weingarden

Staff Present:

- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Neil Waud, Public Trust Advisors, LLC (phone)
- Mr. Patrick Edler, Public Trust Advisors, LLC (phone)

Others Present:

- Mr. Robert Dormanesh, CliftonLarsonAllen (phone)
- Mr. Johnny Minassian, CliftonLarsonAllen (phone)



**1. Roll Call of the Members**

Chairman Sell called the meeting to order, which was duly posted, at 9:00 a.m. It was determined that a quorum was present.

**2. Approval of Agenda**

Ms. Daugherty 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. Presentation of the Michigan CLASS Audited Financial Statements for the period ended June 30, 2022 by CliftonLarsonAllen, LLP**

Mr. Minassian and Mr. Dormanesh (CliftonLarsonAllen, LLP) provided the Board with an exit presentation, marking the completion of the Michigan CLASS Audited Financials for the period ended June 30, 2022.

**5. Credit Update**

Mr. Edler, Credit Research, joined the meeting telephonically to present the recent changes to the Michigan CLASS Approved Lists. Mr. Edler discussed the credit teams diligence and highlighted the recent decision to remove Credit Suisse ahead of any ratings downgrades, amidst significant headwinds related to changes in management following recent scandals and significant financial losses.

**6. Consent Agenda**

Ms. Corbett moved to approve the consent agenda as presented, Ms. McClary seconded the motion, which was unanimously approved by the Board.

The consent agenda included: the regular minutes of the Board Meeting dated June 17, 2022, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

**7. Board of Trustee Action Items**

**A. Resolution 22-01: Approval of the 2022 Michigan CLASS Annual Report**

Motion was made by Mr. Bradford to approve the 2022 Michigan CLASS Annual Report as presented, the motion was seconded by Mr. Sabree and was unanimously approved.

Mr. Starr thanked the Board and indicated that the Annual Report would be posted to the Michigan CLASS Website and that copies of the report would be distributed to the Participants electronically prior to the end of September.

**B. Approval of Amended Michigan CLASS Election Policy**

Staff presented amendments to the Election Policy. The proposed amendments ensure that future candidates will receive the appropriate term lengths based on the voting results of future elections. Ms. Corbett moved to approve the amended policy as presented, Ms. McClary seconded the motion which carried unanimously.





**C. Approval of the 2023 Michigan CLASS Board of Trustee Election Ballot**

Staff presented the Board with the final ballot for the upcoming Board of Trustee election. This year there are seven candidates running for four available positions. The Michigan CLASS Board election opens on October 7, 2022 and will remain open until the end of business on November 10, 2022.

Ms. McClary made the motion to approve the ballot as presented, Ms. Omer seconded the motion, which was unanimously approved by the Board of Trustees.

**D. Other Items**

None.

**8. Board Responsibilities**

**A. Review of Investment Advisor's Agreement (Public Trust Advisors, LLC)**

**B. Review of Custody Agreement (Fifth Third Bank, N.A.)**

**C. Review of Governance Policy - Enable**

The Board of Trustees performed its annual review of the items listed above. Chairman Sell noted that both the Investment Advisory Agreement and the Custody Agreement were executed within the calendar year.

Mr. Starr recommended that the Board of Trustees invite representatives from Fifth Third Bank to present to the Board at the regularly scheduled Board meeting this December.

**9. Monitoring Responsibilities**

**A. Board Administrator Evaluation**

At the Board's request, it was determined that Staff would provide an evaluation to the Trustees via BoardEffect for completion prior to the December Board meeting.

**10. Discussion/Information Items**

**A. Public Funds Management Seminar**

Ms. Angel and Mr. Anderson provided comments regarding the first Michigan CLASS Public Funds Seminar. The seminar was held virtually on September 7<sup>th</sup>, was very well attended and offered Participants the opportunity to earn up to 3 CPE credits.

**B. LCSA Updates**

Staff reported that early indications suggest that the partnership has been mutually beneficial for Michigan CLASS and the staff at the LCSA.

**C. GASB/FASB Discussion**

Mr. Starr and Mr. DeBow discussed GASB 79 "Certain External Investment Pools and Pool Participants.

**D. New Business Opportunities**

Ms. Angel and Mr. Anderson discussed several opportunities, including recent developments with transit authorities and libraries statewide.



**E. Establish 2023 Board of Trustee Meeting Dates**

The Board confirmed the following meeting dates for 2023:

- Thursday, March 23, 2022 – Detroit, MI
- Friday, June 16, 2022 – Midland, MI
- Friday, September 22, 2022 – Traverse City, MI
- Thursday, December 14, 2022 – Grand Rapids, MI

**F. December 15, 2022 - Michigan CLASS Board Meeting**

Staff reviewed the December Board meeting day sheet. The meeting will be hosted in Rochester Hills, MI.

**G. Other Items**

None

**11. Board Committee Updates**

None

**12. Board Advocacy Updates**

None

**13. General Business**

**A. Chairman Report**

No report.

**B. Treasurer's Report**

Treasurer Snyder presented the 2022 year to date budget. Upon a motion made by Ms. Coffman, which was seconded by Ms. Daugherty, the Board approved the current budget as was presented.

**C. Individual Trustee**

No reports.

**D. Legal Counsel Comments**

No report.

**14. Staff Reports – Fund Management**

Mr. Waud, Chief Investment Officer, joined the meeting telephonically to provide an economic update to the Board of Trustees. Core inflation (CPI) has continued to accelerate, rising to a greater-than expected 0.10% for the month. With Inflation at levels not seen over the past 40 years, Chairman Powell has reinforced the central bank's commitment to bring down inflation. As such, the FOMC initiated another "jumbo-sized" rate hike of 75 basis points during its September 21st meeting.

Mr. Waud noted that the Michigan CLASS portfolios were both well positioned, and that Participants should continue to enjoy considerably higher interest earnings on



their fund positions over the coming weeks and months. That said, the fund management team at Public Trust Advisors will continue to focus on its primary objectives of safety and liquidity.

**15. 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. DeBow discussed several recent hires at Public Trust, including Ms. Jen Welsh who joined the firm in August as in-house legal counsel. Mr. DeBow also discussed Public Trust's continued exploration of building additional banking relationships in Michigan.

**E. Other Items**

None

**16. Executive Session**

None

**17. Adjournment**

Upon a motion by Ms. McClary and a second by Mr. Taylor the meeting was officially adjourned at 11:56 a.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, September 23, 2022.

Signed:   
Karen Coffman, Secretary

Date: December 15, 2022

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