



RECORD OF PROCEEDINGS
Michigan Cooperative Liquid Assets Securities System
Board of Trustees
March 23, 2023

A Regular Meeting of the Board of Trustees ("Board") of the Michigan Cooperative Liquid Assets Securities System ("Michigan CLASS") was held at 2:00 p.m. on Thursday, March 23, 2023 at Little Caesars Arena, Detroit, MI

Board Members Present:

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

Board Members Absent

- Mr. Joe Snyder

Staff Present:

- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Ms. Molly Brown, 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. Sean Fitzgerald, Public Trust Advisors, LLC
- Mr. Patrick Edler, Public Trust Advisors, LLC (phone)

Others Present:

- Mr. David Hart, Fifth Third Bank
- Ms. Stacey Paige, City of Romulus
- Karl Kramer - Genesee Co Drain Commission Office
- Mr. Robert Wittenberg, Oakland County Treasurer



1. Roll Call of the Members

Chairman Sell called the meeting to order, which was duly posted, at 2:01 p.m. It was determined that a quorum was present.

Mr. Sell thanked several guest Participants for joining the meeting, Ms. Paige, Mr. Wittenberg and Mr. Kramer. All attendees introduced themselves.

2. Approval of Agenda

Mr. Starr introduced Mr. David Hart, representative of the Michigan CLASS Custodian Bank, Fifth Third. He requested that the Board amend the agenda to include a brief presentation from Mr. Hart as item 3A.

Ms. Corbett moved to approve the agenda as amended, Ms. Omer seconded the motion, which passed unanimously.

3. Comments from the Public or Other Interested Parties

Chairman Sell thanked the Board and Public Trust staff for arranging the meeting and Participant event at the arena.

3A. Custody Presentation, Mr. David Hart, Fifth Third Bank, N.A.

Mr. Hart provided the Board with an overview of Fifth Third's Institutional Trust & Custody business, the bank's assets under management, financial profile and breadth of business in the State of Michigan.

3B. Credit Update

Mr. Budrow, Sr. Credit Analyst, joined the meeting telephonically to present the recent changes to the Michigan CLASS Approved Lists.

Mr. Budrow left the meeting at 2:45 pm.

4. Consent Agenda

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

The consent agenda included: the regular minutes of the Board Meeting dated December 15, 2022, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

5. Staff Reports – Fund Management

Mr. Fitzgerald, Portfolio Manager, provided the Board with a detailed economic review. February data inferred that inflation is persisting, core inflation remains high, largely driven by increasing housing costs. The continued inflationary concerns have been overshadowed by recent market turbulence created by the financial risks in the banking sector. Following the collapses of Silicon Valley Bank and Signature Bank, the UBS announced a deal to absorb Credit Suisse.



As for current interest rates, it is widely anticipated that the current target rate of 4.50-4.75% will be increasing another 25 basis points following the regularly scheduled FOMC meeting next week. Of course, the increased interest income has been a welcome benefit to the Participants of Michigan CLASS and Michigan CLASS EDGE.

Mr. Fitzgerald went on to briefly describe the Public Trust team's current portfolio strategies for Michigan CLASS. As always, the safety of the public's funds will always be the primary objective. The Portfolios are well-diversified, have significant liquidity and are invested in accordance with state law and the Michigan CLASS Investment Policies.

6. Board of Trustee Action Items

A. Resolution 23-01: Approval of Auditors Engagement

Mr. Starr provided the Board with an overview of the recent request for proposal process seeking a new auditing firm partner for Michigan CLASS. Mr. Snyder, Board Treasurer and Chair of the Michigan CLASS Audit Committee, participated in the interview of two finalist candidate firms.

A motion was made by Ms. McClary to approve the new Michigan CLASS Auditor Engagement with Cohen & Co., Mr. Taylor seconded the motion, which was unanimously approved.

B. Approval of Amended Michigan CLASS Information Statements

Staff presented proposed revisions to the Michigan CLASS and Michigan CLASS EDGE Information Statements. The revisions included additional risk disclosures consistent with industry standards, updates to language relating to transaction processes designed to improve overall Participant security, and updates reflecting the new auditing firm.

Ms. Corbett made the motion to approve the amended Information Statements for Michigan CLASS and Michigan CLASS EDGE as presented. Ms. Omer seconded the motion; the Board of Trustees approved the amendments by a vote of 11-1 (McClary).

Ms. McClary expressed some concern related to the updates to transactional processes, wanting to ensure that all current Participants can access their accounts conveniently. It was determined that staff should add an agenda item to the regularly scheduled Board meeting in June to continue the discussion related to Participant account and cyber security.

C. Other Items

None.



7. General Board of Trustee Items

A. Review of 2023 Board of Trustees Annual Calendar

Ms. Brown reviewed the annual calendar with the Board, the calendar provides an outline of annual Board monitoring responsibilities on a quarterly basis.

B. Review of Signature Authority

The Board re-confirmed that the Chairperson, Vice-Chairperson and Treasurer shall remain the authorized signatories on behalf of the Board of Trustees.

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

The Board conducted its annual review of the Michigan CLASS By-Laws. The By-Laws were most recently amended as of June 17th, 2022. There were no recommended revisions to the By-Laws at this time. `

D. Review of Governance Policy – Direct

The Board conducted the annual review of its Direct Policy. There were no recommended changes to the policy at this time.

8. Board Monitoring Responsibilities

A. Financial Conditions and Activities

The Board of Trustees reviewed the Final 2022 Board Budget as well as the proposed 2023 Budget.

Mr. Starr noted that Public Trust's proposed increase in Trustee expenses is reflective of inflation, as the general costs associated with hosting the quarterly meetings were on the rise. The 2023 Budget also reflects an increase in auditor fees commensurate with the new auditor engagement with Cohen & Co.

Upon a motion made by Ms. Weingarden, which was seconded by Mr. Sabree, the Board of Trustees unanimously approved both the final 2022 Board Budget as well as the proposed 2023 Budget.

B. Communication and Support

In conjunction with the Board's ongoing due diligence, Public Trust provided a detailed listing of the various communications and supporting documentation provided to support the Board's comprehensive understanding of the program.

C. Key Individuals Review

Staff provided an updated contact listing of the Public Trust management team fully dedicated to the ongoing success of Michigan CLASS.



9. Discussion/Information Items

A. Participant Survey Results

Staff provided an update on the annual Participant survey, which was recently distributed. Results of the survey are still being tabulated. It was determined that the results would be provided to the Board leading up to the regularly scheduled June 2023 meeting for review and discussion.

B. June 2023 Board Meeting

The next regularly scheduled meeting of the Board is scheduled to be held in St. Joseph on Friday, June 16, 2023.

C. 2023 Board Meeting Calendar

Ms. Brown shared an updated 2023 meeting schedule with the Board of Trustees.

D. Board Insurance

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

E. Security Enhancements / Trade Processing

Mr. Starr provided the Board with updates related to technology updates designed to improve operational efficiency and security. Updates include a new implementation which automates daily trade processing as well as a new daily account audit email which will enhance Participant/authorized signer transparency.

Mr. Starr offered that the June meeting might provide a good opportunity for the Board of Trustees to be introduced to Brian Sugrue, Chief Information Officer at Public Trust to further discuss the firm's commitment to protect Michigan CLASS and its Participants. Chairman Sell agreed that it would be a helpful introduction and requested that staff make the necessary arrangements.

F. Other Items

None

10. Board Committee Updates

None

11. Board Advocacy Updates

None

12. General Business

A. Chairman Report

Chairman Sell thanked the Participant's for attending the meeting.

B. Treasurer's Report

No report.



C. Individual Trustee

No reports.

D. Legal Counsel Comments

No report.

13. Staff Reports – 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

Nothing further.

E. Other Items

None

14. Executive Session

Upon a motion made by Ms. Omer which was seconded by Ms. Corbett, the Board entered an Executive Session at 4:15 p.m. for the purpose of reviewing the results of the Annual Michigan CLASS Administrator evaluation.

The Board exited Executive Session at 4:31 p.m.

15. Adjournment

Upon a motion by Ms. Coffman and a second by Ms. Omer the meeting was officially adjourned at 4:37 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Thursday, March 23, 2023.

Signed: _____

Karen Coffman, Secretary

Date: June 16, 2023

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr