



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**December 15, 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 Thursday, December 15, 2022 at the Park Royal Hotel, Rochester, 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
- Ms. Teri Weingarden

Board Members Absent

- None

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. Neil Waud, Public Trust Advisors, LLC
- Mr. Peter Rizzo, Public Trust Advisors, LLC
- Mr. Kevin Berents, Public Trust Advisors, LLC (phone)

Others Present:

- Mr. Joe Ferrari, Oxford Township



**1. Roll Call of the Members**

Chairman Sell called the meeting to order, which was duly posted, at 9:01 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**

Chairman Sell introduced Mr. Ferrari, Treasurer, Oxford Township. Treasurer Ferrari thanked the Board and staff for the opportunity to join the Board meeting.

**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 left the meeting at 9:11am.

**5. Consent Agenda**

Mr. Bradford moved to approve the consent agenda as presented, Ms. Omer seconded the motion, which was unanimously approved by the Board.

The consent agenda included: the regular minutes of the Board Meeting dated September 23, 2022, approved lists, Public Trust invoices, approval of portfolio composition, and an acknowledgement of custody statement receipt.

**6. Board of Trustee Action Items**

**A. Resolution 22-02: Resolution to Ratify Election of Trustees**

With respect to the 2022 Trustee election, seven individuals ran for the four available positions. The four incumbent candidates, Ms. Fandell, Mr. Bradford, Mr. Sabree and Mr. Malinczak, received the four highest number of votes and were therefore re-elected to new terms on the Michigan CLASS Board of Trustees.

Ms. Starr noted that the other three candidates, Mr. Kevin Moran (Ada Township), Ms. Tricia Bazy (Hamburg Township) and Ms. Stacy Paige (City of Romulus) had each been notified of the results of the election.

A motion was made by Ms. McClary to approve the 2022 Michigan CLASS Election Results as presented; the motion was seconded by Ms. Weingarden and was unanimously approved.

**B. Appointment of Board Officers and Committees**

Motion was made by Mr. Snyder, seconded by Ms. Corbett to re-appoint Ed Sell and Michigan CLASS Chairman. Motion from Ms. Omer, seconded by Mr. Sell to re-appoint Kelly Corbett as Vice-Chair. A motion was made by Ms. Weingarden, seconded by Ms. Daugherty to re-appoint Karen Coffman as Secretary. Motion by Ms. Weingarden and seconded by Mr. Taylor to re-appoint Joe Snyder as Treasurer.



Chairman Sell reviewed the current composition of the Board Committees, following some discussion the following Committee appointments were determined:

Election/Nominations Committee: Ms. Daugherty (chair), Ms. Corbett, Ms. Fandell and Mr. Malinczak

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

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

Upon a motion made by Mr. Taylor, and a second made by Mr. Sabree, the Board of Trustees voted unanimously to approve Resolution 22-03.

### **C. Other Items**

None.

## **7. Staff Reports – Fund Management**

Mr. Waud, Chief Investment Officer, provided the Board with a comprehensive economic review. Inflation remains the focus of the economy, the most recent CPI number came in at 7.7%, down slightly from October. The Federal Open Market Committees (FOMC) has kept its foot on the gas with respect to tightening monetary policy, and it is widely anticipated that the fed will increase the target rate another 50 basis points later today.

The current target rate of 3.75-4.00% has provided increased interest income to Participants of Michigan CLASS and Michigan CLASS EDGE, however there is uncertainty for the U.S. economy as many economists anticipate a recession in our near future.

Mr. Waud provided the Board with an overview of the current portfolio management strategies being implemented for Michigan CLASS and Michigan CLASS EDGE. The Portfolios are well-diversified, have significant liquidity and are invested in accordance with state law and the Michigan CLASS Investment Policies.

## **8. Board Responsibilities**

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

Mr. Ferrari commended the Michigan CLASS Board and staff for their collective efforts in providing continued education to the Townships and other entities statewide.

### **B. Review of Participation Agreement**

There are no recommended changes to the Michigan CLASS Participation currently.



### **C. Review of Investment Policies**

Mr. Waud confirmed that the portfolio team had recently reviewed the current version of the Michigan CLASS and Michigan CLASS EDGE Investment Policies, there are no changes necessary at this time.

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.

### **D. Review of Portfolio Management Policies**

The Board conducted its annual review of the Market Valuation Policy, NAV Deviation Policy and Net Realized Gains and Losses Policy. No changes were made, and the policies were reapproved as presented.

## **9. Monitoring Responsibilities**

### **A. Proposed 2023 Michigan CLASS Board Budget**

Mr. Snyder presented the proposed 2023 budget, noting that a modest increase in audit fees was to be expected. Ms. Weingarden moved to accept the budget as presented, Ms. Coffman seconded, and the motion was carried unanimously.

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

### **A. Michigan CLASS Audit Engagement**

Mr. Starr reported that CliftonLarsonAllen, the current Michigan CLASS auditor, had recently informed staff that, effective June 30, 2023, the firm would no longer be seeking certification from the PCAOB (Public Company Accounting Oversight Board). As an SEC registered investment advisor, Public Trust and thereby Michigan CLASS, must have third party independent audits performed by PCABO certified firms.

As such, Mr. Snyder and the members of the Audit Committee requested that Public Trust Advisors include Michigan CLASS in an upcoming Request for Proposal (RFP) seeking qualified auditing firms to engage with multiple LGIP funds nationally.

Mr. Starr noted that the RFP was scheduled to be released on December 18<sup>th</sup>, responses would be due by January 24, 2023, and that finalist interviews would be scheduled in early February. Mr. Snyder volunteered to participate in the finalist interview process, along with other representatives from Public Trust's LGIP partners nationwide.

Staff will keep the Audit Committee apprised of any developments during the RFP process.

### **B. Draft Participant Survey**

Staff provided a draft Participant survey for the Board's review and comment. The survey will be scheduled for electronic distribution to Participant's in early 2023.



**C. 2023 Board Meeting Calendar**

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

**D. March 23, 2023 Board Meeting**

The next regularly scheduled meeting of the Board is scheduled to be held in Detroit on Thursday, March 23, 2023. Staff is working to organize a Participant meet and greet in conjunction with the meeting.

**E. Other Items**

None

**11. Board Committee Updates**

None

**12. Board Advocacy Updates**

None

**13. General Business**

**A. Chairman Report**

Chairman Sell reminded the Trustees to complete the annual Administrator evaluation in the coming weeks. Staff will notify the Chairman once the results are available so that the Board can review prior to the regularly schedule March 2023 meeting.

**B. Treasurer's Report**

Treasurer Snyder presented the final 2022 budget. Upon a motion made by Mr. Bradford, which was seconded by Ms. Weingarden, the Board approved the budget as presented.

**C. Individual Trustee**

No reports.

**D. Legal Counsel Comments**

No report.

**14. Staff Reports – General Administration**

**A. Marketing Report**

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.



Mr. Starr discussed new marketing software implementation which he anticipates being launched in late 2023. The new software will provide access to new data and analytics which will allow for improved transparency in future board reporting.

**C. Tasks and Projects**

Staff provided a list of Michigan CLASS related projects.

**D. Public Trust Updates**

Mr. DeBow discussed recent LGIP Participant and asset growth nationally, as of the date of this meeting Public Trust's assets under management exceed \$60 billion.

**E. Other Items**

None

**15. Executive Session**

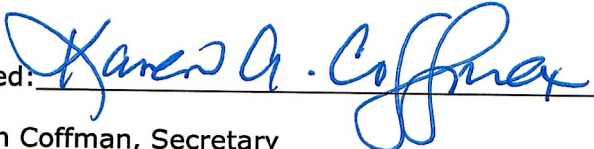
None

**16. Adjournment**

Upon a motion by Mr. Snyder and a second by Ms. Coffman the meeting was officially adjourned at 11:33 a.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Thursday, December 15, 2022.

Signed: \_\_\_\_\_

  
Karen Coffman, Secretary

Date: March 23, 2023

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr