



**RECORD OF PROCEEDINGS**  
**Michigan Cooperative Liquid Assets Securities System**  
**Board of Trustees**  
**September 22, 2023**

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 22, 2023, at Hotel Indigo, Traverse City, MI

Board Members Present:

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

Board Members Absent

- Ms. Catherine McClary

Staff Present:

- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC
- Mr. Taylor Budrow, Public Trust Advisors, LLC (phone)
- Mr. Chris DeBow, Public Trust Advisors, LLC
- Mr. Sean Fitzgerald, Public Trust Advisors, LLC (phone)
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Richard Starkey, Barnes & Thornburg, LLP

Others Present:

- Mr. Matt Boughton, Cohen & Co (phone)
- Ms. Lori Novak, Cohen & Co (phone)



**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, Mr. Sabree seconded the motion, which passed unanimously.

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

None.

**4. Presentation of the Michigan CLASS Financial Statements for the period ended June 30, 2023, by Cohen & Co.**

Ms. Novak and Mr. Boughton joined telephonically to provide an exit presentation to the Board with respect to the June 30, 2023, Michigan CLASS audited financial statements. The representatives from Cohen thanked the Board and management for their cooperation during the audit and noted that a clean unmodified opinion had been issued.

**5. Credit Update**

Mr. Budrow, Senior Credit Analyst, joined the meeting telephonically to provide the Board with an overview of the Michigan CLASS approved list, the color-coding detailing the status of corporate issuers on the list(s) and the recent changes proposed.

**6. Consent Agenda**

Ms. Corbett 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 June 16, 2023, approved lists, Public Trust invoices, and approval of portfolio composition.

**7. Staff Reports – Fund Management**

Mr. Fitzgerald, Public Trust Advisors Portfolio Manager, joined the meeting telephonically and provided the Board with a detailed economic review. The Federal Open Market Committee met on September 20 and announced that the current target rate would be held at 5.25-5.50%. The Fed indicated that it may still look to raise rates at future committee meetings, however, at this time Chairman Powell has emphasized that a longer pause in interest rate policy seems prudent in order to further gauge its success in combating inflation.

Mr. Fitzgerald then discussed the Public Trust team's current portfolio strategies for Michigan CLASS. The safety of the public's funds will always be the primary objective, followed by liquidity and then the offering of a competitive yield. The



CLASS portfolios are invested in accordance with state law and the Michigan CLASS Investment Policies.

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

### **A. Resolution 23-02: Approval of the 2023 Michigan CLASS Annual Report**

A motion was made by Ms. Coffman to approve the 2023 Michigan CLASS Annual Report as presented. Ms. Daugherty seconded the motion, which was unanimously approved.

Staff will post the Annual Report to the Michigan CLASS Web Site and distribute electronically to all Participants.

### **B. 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 nine candidates running for five available positions. The Michigan CLASS Board Election opens on October 6<sup>th</sup> and will remain open until the end of business on November 9<sup>th</sup>.

Mr. Bradford made the motion to approve the ballot as presented, Mr. Sabree seconded the motion, which was unanimously approved by the Board of Trustees.

### **C. Approval of Amended Michigan CLASS FOIA Policies**

Mr. Starkey, General Counsel, provided an overview of several recommended changes to the current Michigan CLASS FOIA Policies.

Following the Board's review of the recommended amendments, Ms. Weingarden motioned that the Board accept the amended policies as presented, Ms. Omer seconded the motion, and it was approved unanimously.

### **D. Other Items**

None.

## **9. Board Responsibilities**

### **A. Review of Investment Advisor's Contract**

### **B. Review of Custodial Contract**

### **C. Review of Governance Policy – Enable**

### **D. Review of Governance Policy – Protect**

The Board of Trustees conducted its annual review of the four items listed above. There were no recommendations for amendments at this time.

## **10. Monitoring Responsibilities**

### **A. Board Administrator Evaluation**



Chairman Sell requested that staff provide the Board of Trustees with a link within BoardEffect so that each Trustee may access the annual Administrator Evaluation.

It was determined that the Board will review the results of the evaluation at its regularly scheduled December meeting.

## **11. Discussion/Information Items**

### **A. Security Enhancements**

Mr. Starr discussed several key enhancements being implemented within the Michigan CLASS Online Transactional Portal in the coming months. Participant communications focused on cyber-security have been well received and will be an ongoing focus for the remainder of the year.

### **B. LCSA Updates**

Mr. Anderson and Ms. Angel provided updates with respect to the LCSA partnership.

### **C. Establish 2024 Board Meeting Dates**

The Board reviewed the proposed calendar for 2024 and established their meeting dates and locations.

March 22, 2024 – Grand Rapids

June 21, 2024 – Manistee

September 13/27, 2024 - Traverse City

December 12, 2024 - TBD

### **D. December 14, 2023 Michigan CLASS Board Meeting**

Staff reviewed the day sheet for the next Michigan CLASS Board meeting scheduled to be held in Midland, Michigan on the morning of Thursday December 14<sup>th</sup>.

### **E. Other Items**

None.

## **12. Board Committee Updates**

- Audit Committee - None
- Nominations Committee – Election opens October 6<sup>th</sup>
- Special Projects Committee - None

## **13. Board Advocacy Responsibilities**

None.

## **14. General Business**

**Chair Report** – No report.

**Treasurer Report** - Mr. Snyder reviewed the year-to-date Trustee budget and noted the expenses are in good standing. A motion was made by Ms. Coffman to approve the budget as presented, upon a second by Ms. Omer, the Board unanimously approved the current Trustee budget.



**Individual Trustees** – Mr. Bradford thanked Mr. Anderson for recently presenting in Manistee.

**Legal Counsel Comments** – Nothing further.

## **15. Staff Reports – General Administration**

### **A. Cyber Security Presentation**

Mr. Sugrue provided members with a detailed overview of Public Trust's cyber security initiatives drawing on lessons learned from a recent cyber security executive leadership trip to Israel.

### **B. 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. Ms. Angel reported that the combined assets under management of Michigan CLASS were up over 1 billion dollars year-over-year.

### **C. Marketing Initiatives**

Staff provided copies of the most recently distributed marketing collateral.

### **D. Tasks and Projects**

Staff provided a list of Michigan CLASS related projects.

### **E. Public Trust Updates**

Mr. Starr provided the Board with a presentation highlighting the growth in participation within Michigan CLASS and the total addressable market in the state.

### **F. Other Items**

None

## **16. Executive Session**

A motion was made by Ms. Corbett to enter into an executive session for the purpose of discussing matters pertaining to the Program Administrator and Investment Advisor. Ms. Daugherty seconded the motion, which passed unanimously.

The Board entered into an executive session at 11:35 a.m.

Upon a motion made by Ms. Omer, which was seconded by Mr. Sabree, the Board exited executive session at 11:50 a.m.


## **17. Adjournment**

Upon a motion by Ms. Omer and a second by Ms. Coffman the meeting was officially adjourned at 11:52 a.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Friday, September 22, 2023.



Michigan Cooperative Liquid Asset Securities System

Signed: DocuSigned by:  
  
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Date: December 14, 2023

Karen Coffman, Secretary

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr