



RECORD OF PROCEEDINGS
Michigan Cooperative Liquid Assets Securities System
Board of Trustees
December 14, 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 Thursday, December 14, 2023, at The H Hotel, 111W. Main St., Midland, MI

Board Members Present:

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

Board Members Absent

- None

Staff Present:

- Mr. Jeff Anderson, Public Trust Advisors, LLC
- Ms. Kristin Angel, Public Trust Advisors, LLC
- Mr. Dylan Matthes, Public Trust Advisors, LLC (phone)
- Mr. Randy Palomba, Public Trust Advisors, LLC
- Mr. Matthew Starr, Public Trust Advisors, LLC
- Mr. Neil Waud, Public Trust Advisors, LLC
- Ms. Molly Wohl, 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 9:00 a.m. It was determined that a quorum was present.

2. Approval of Agenda

Ms. McClary moved to approve the agenda, Ms. Daugherty seconded the motion, which passed unanimously.

3. Comments from the Public or Other Interested Parties

None.

4. Credit Update

Mr. Matthes, Credit Analyst, joined the meeting telephonically to provide the Board with an overview of the Michigan CLASS approved lists. Mr. Matthes highlighted recent corporate issuers; Eli Lilly, Desjardins, Kenvue and LVMH. He went on to discuss increasing consumer credit, a plateau in housing due in part to significantly higher cost of borrowing.

5. Consent Agenda

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

The consent agenda included: the regular minutes of the Board Meeting dated September 22, 2023, approved lists, Public Trust invoices, the Board's acknowledgement that they are receiving access to the Michigan CLASS custody statements and the approval of portfolio composition.

6. Staff Reports – Fund Management

Mr. Waud, Chief Investment Officer, provided an economic update to the Board of Trustees. Over the past several months, there have been positive developments with respect to inflation cooling. The lower CPI readings suggest that the Federal Reserve's significant tightening of monetary policy over the past 18 months has been effective. During its November meeting, the Federal Open Market Committee (FOMC) elected to maintain the target rate at the current 5.25-5.50% range. There are varying opinions as to whether the Fed has done enough to decrease inflation to the 2.00% target, but market futures are calling for the effective fed funds rate to begin decreasing in early 2024.

Mr. Waud went on to provide the Board with an overview of the current portfolio strategy and highlighted the composition of both the Michigan CLASS and Michigan CLASS EDGE portfolios.



7. Board of Trustee Action Items

A. Resolution 23-03: Resolution to Ratify the Election of Michigan CLASS Trustees

With respect to the 2023 Trustee election, nine individuals ran for five available positions. The five incumbent candidates; Ms. Coffman, Ms. McClary, Ms. Omer, Mr. Snyder and Ms. Weingarden received the five highest number of votes and were therefore re-elected to new terms on the Michigan CLASS Board of Trustees.

Mr. Starr noted, that at the request of the Nominations Committee, he had communicated with the other four candidates to notify them of the election results: Mr. Kevin Moran (Ada Township), Ms. Stacy Paige (City of Romulus), Mr. Robert Wittenberg (Oakland County) and Ms. Cathy Lunsford (Midland County).

A motion was made by Ms. Fandell to ratify the 2023 Michigan CLASS Board election results as presented, Mr. Sabree seconded the motion, which was unanimously approved by the Board.

Chairman Sell congratulated the incumbent candidates and thanked the members of the Nominations Committee and staff for their efforts in assisting with the election.

B. Resolution 23-04: Acceptance of Board Member Resignations

Trustees Corbett and Daugherty submitted their written resignations from the Michigan CLASS Board of Trustees. The resignations shall be effective upon the conclusion of this regularly scheduled December 14, 2023, meeting of the Board.

Chairman Sell thanked both members for their tireless contributions to the Michigan CLASS program for many years and wished them both well in retirement.

Ms. Coffman made the motion to approve Resolution 23-04, with regrets, Mr. Bradford seconded the motion, which was unanimously approved by the Board of Trustees.

C. Resolution 23-05: Appointment of Board Officers and Committees

A motion was made by Ms. Corbett, seconded by Ms. Fandell to re-appoint Ed Sell as the Michigan CLASS Chairman. Motion from Ms. McClary, seconded by Mr. Sabree to appoint Karen Coffman as Vice-Chair. A motion was made by Ms. Coffman, seconded by Ms. Corbett to appoint Ed Bradford as Secretary. Motion by Ms. McClary and seconded by Ms. Daugherty to re-appoint Joe Snyder as Treasurer.

Chairman Sell went on to review the current composition of the Board's Committees, following a brief discussion, the following Committee appointments were determined:

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

Nominations Committee: Ms. Coffman (chair), Mr. Sabree, Ms. Fandell, Ms. Omer and Ms. Weingarden



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

Ms. Omer made the motion to approve Resolution 23-05 as presented, Mr. Snyder seconded the motion which was unanimously approved.

D. Other Items

None.

8. Board Responsibilities

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

Staff discussed the possibility of hosting two public funds investment seminars during calendar year 2024, the first of which in late spring//early summer and the second in the fall.

The Board recommended that the seminars be offered both in-person and virtually if possible. Ms. Angel and Mr. Anderson noted that they would begin working with the Public Trust marketing team to identify possible dates and confirm virtual capabilities.

B. Review of Participation Agreement

The Board conducted its annual review of the Michigan CLASS Participation Agreement, which was most recently amended in November 2021. Mr. Starr confirmed that upon Public Trust's review no necessary changes were deemed necessary from staff's perspectives.

C. Review of Michigan CLASS Investment Policies

Mr. Waud confirmed that the Investment Policies for Michigan CLASS and Michigan CLASS EDGE were both in full compliance with Michigan public investment statutes.

D. Review of Portfolio Management Policies

- Market Valuation
- NAV Deviation
- Net Realized Capital Gains and Losses

The Board review the three portfolio management policies listed above and determined that no changes were necessary at this meeting.

Ms. Corbett made a motion to re-approve the Market Valuation, NAV Deviation and Net realized Capital Gains and Losses Policies as currently written. Mr. Snyder seconded the motion, and it was unanimously approved.



9. Monitoring Responsibilities

A. Proposed 2024 Budget

Mr. Starr reviewed the proposed 2024 Michigan CLASS Board of Trustee budget, citing that a minor increase in the budget had been made to account for reasonable inflation driven cost increases.

Ms. Coffman moved to approve the budget as presented, Ms. McClary seconded the motion which carried unanimously.

10. Discussion/Information Items

A. Board Vacancies

With the recent resignations of Ms. Corbett and Ms. Daugherty the Board now has 2 vacant seats.

Chairman Sell recommended that the Board consider appointing Mr. Kevin Moran (Ada Township) to fill the vacancy created by Ms. Daugherty's departure. Mr. Moran has expressed an interest in serving on the Board, having submitted his nomination form during the two most recent Board elections. Ms. Daugherty indicated that she was supportive of that decision and noted that Mr. Moran is very well respected amongst the Michigan Municipal Township Association.

Ms. Coffman made a motion to appoint Mr. Moran, effective immediately, for a term of service running until the 2024 election. Ms. Daugherty seconded, and the motion was unanimously approved by the Board of Trustees.

B. Security Enhancements

Mr. Starr updated the Trustees with respect to several recent enhancements which had been implemented within the Michigan CLASS Online Transactional Portal. Cybersecurity continues to be an ongoing focus for the administrative team at Public Trust.

C. Draft Participant Survey

Ms. Wohl provided the Board with a brief overview of the most recent Participant survey draft, which focuses on cybersecurity. An electronic version will be distributed to the Trustees so that they have the opportunity to review and provide feedback prior to it being disseminated to Participants in January.

D. 2024 Board Meeting Dates

Ms. Wohl presented the 2024 meeting calendar complete with dates and locations:

March 22, 2024 – Grand Rapids
June 21, 2024 – Manistee
September 13, 2024 - Petoskey
December 13, 2024 – Greater Detroit area



E. March 22, 2024, Michigan CLASS Board Meeting

Ms. Wohl provided a day sheet for the next Board meeting which will be held at the JW Marriott in Grand Rapids on Friday, March 22, 2024.

F. Other Items

None.

11. Board Committee Updates

- Audit Committee - None
- Nominations Committee – None
- Special Projects Committee - None

12. Board Advocacy Responsibilities

None to report.

13. 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. McClary to approve the budget as presented, upon a second by Ms. Daugherty, the Board unanimously approved the Treasurer report.

Individual Trustees – Ms. McClary thanked Ms. Angel and Public Trust for their ongoing commitments to the Women in Public Finance (WPF) associations both nationally and locally.

Legal Counsel Comments – Nothing further.

14. 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

Mr. Starr provided the Board with an updated organizational chart, the firm continues to grow significantly, to date there are more than 90 full-time employees.

E. Other Items

None



15. 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. Mr. Bradford seconded the motion, which passed unanimously.

The Board entered into an executive session at 12:00 p.m.

Upon a motion made by Mr. Sabree, which was seconded by Ms. Omer, the Board exited executive session at 12:10 p.m.

Chairman Sell discussed the results of the annual Program Administrator evaluation with Public Trust staff.

16. Adjournment

Upon a motion by Ms. Corbett and a second by Ms. Daugherty the meeting was officially adjourned at 12:15 p.m.

These are the official Minutes of the Michigan CLASS Board of Trustees meeting Thursday, December 14, 2023.

Signed: Edward Bradford

Date: March 22, 2024

Ed Bradford, Secretary

Minutes taken by: Matthew Starr

Minutes prepared by: Matthew Starr