



California CLASS

Board of Trustees Meeting



Friday, January 13, 2023
Remote Meeting



AGENDA
Regular Meeting of the
California Cooperative Liquid Assets Securities System
Board of Trustees

Friday, January 13, 2023
9:00 a.m.

Via Teleconference (see below)

Pursuant to AB 361, the California Cooperative Liquid Assets Securities System ("California CLASS") will be held as a "remote" meeting with the option to attend electronically, by teleconference or video conference.

How to Participate via Teleconference:

Join Zoom Meeting

<https://zoom.us/j/97322038762?pwd=RmZDVVJ5TXNPWGptUHBCWWFqaktzUT09>

Meeting ID: 973 2203 8762

Passcode: 787521

Dial by your location

+1 719 359 4580 US

+1 669 444 9171 US

Live Comments: The public may address the Board concerning any matter on the agenda and on any other matter within the subject matter jurisdiction of the Board during the public comment period. Members of the public may make live remote public comments via Zoom video conferencing. To access the Zoom platform, download the Zoom computer or mobile app from the Apple Appstore or Google Play. Zoom also allows you to join the meeting by phone. When the Board Chair opens the public comment period on the item you wish to comment, please use the "raise hand" feature (or press *9 if connecting by telephone), which will alert staff that you have a comment to raise.

Written Comments: Public comments may also be submitted in advance of the meeting by emailing the comment to: molly.brown@publictrustadvisors.com For regular or special meetings, if you are commenting on a particular item on the agenda, please identify the agenda item and letter. For regular meetings, if you are commenting on an item not listed on the agenda, please identify your comment as a General Public Comment.

How to Obtain Public Records: Public records that relate to any item on the open session agenda for a meeting are available for public inspection. Those records that are distributed after the agenda posting deadline for the meeting are available for public inspection at the same time they are distributed to all or a majority of the members of the Board. The Board has designated California CLASS's website located at <https://californiaclass.com> as the place for making these public records available for inspection. The documents may also be obtained by contacting the Administrator, at (844) 689-2994 or at molly.brown@publictrustadvisors.com.



AGENDA
Friday, January 13, 2023

1. Call to Order

2. Roll Call

3. Public Comment

This is a 15-minute Public Comment Period for items that are not on the agenda. Each speaker will be limited to approximately three minutes. Members of the public are invited to share comments with the Board on matters within the jurisdiction of California CLASS but not on the agenda. The public may also present comments on agenda items when the matter is called. The Brown Act prohibits action or discussion on items not appearing on the agenda. However, Trustees and staff are allowed to briefly respond to statements made or questions asked during this portion of the agenda. Trustees and staff may also ask questions for clarification in response to a public comment. Please see "How to Submit Public Comments" above.

4. Board of Trustees Consent Agenda

Members of the Board may approve with one motion – any item on consent agenda may be discussed and any Board member may take an item off the consent agenda to be voted on separately.

A. Considering - Adoption of Resolution No. 23-01, declaring the ability of the Board of Trustees to continue to meet remotely, pursuant to AB 361
Recommended by General Counsel. This would adopt findings to support meetings via teleconference to address health and safety issues posed by Covid-19.

B. Considering – Approval of minutes of the Special Meeting of the California CLASS Board of Trustees held October 28, 2022
Recommended by Administrator. This would confirm the minutes from the prior meeting are accurate.

C. Considering - Acknowledgement of Custody Statement Receipt
Recommended by Administrator. California CLASS Custody Statements are sent to Board Members monthly by post, and this item is an acknowledgement that members received the statements.

5. Comments from Endorsing Partners

A. Report from Endorsing Partner, California Special Districts Association (CSDA)

Presenters: Neil McCormick, Chief Executive Officer and Rick Wood, Finance & Administration Director

B. Report from Endorsing Partner, League of California Cities (Cal Cities)

Presenter: Carolyn Coleman, Executive Director & CEO



6. Board of Trustee Action Items

A. Consider Ad Hoc Committee's Recommendation and Vote to Appoint Candidate Parker Hunt to the Board of Trustees

Presenter: Ad Hoc Committee Members Mr. Harris and Ms. Moggia

Ad Hoc Committee to update the Board on their November 17th meeting recommendation to appoint a new member to the Board of Trustees.

B. Oath of Office

*Presenters: Alexandra Barnhill, General Counsel
Administer Oath of Office to New Trustee Parker Hunt*

7. Agency Business - Fund Management Reports

Credit Research Team

Presenter: Kevin Berents, Public Trust Advisors Head of Credit

Fund Management Team

Presenter: Neil Waud, Public Trust Advisors Chief Investment Officer

Enhanced Cash Investment Update

Presenter: Tom Tight, Public Trust Advisors Managing Partner

8. Agency Business – Fund Administration Reports

A. Sales and Distribution Update

Presenter: Bob Schull, Public Trust Investment Services in Sales

Report on sales and distribution initiatives as well as a review of California CLASS Participants.

B. Administrative Items

Presenters: Molly Brown, Public Trust Advisors Client Relations Coordinator and Brent Turner, Public Trust Advisors Regional Director of Strategy and Operations

Report on California CLASS Board documents, management fees, California CLASS Trademark, 2023 Board Meeting Calendar, Board Meeting Day Sheet for April 21, 2023, Due Diligence Visit to Public Trust Denver, CO Headquarters

9. Discussion/Information Items

A. Audit Firm Search

Christa Kronquist, Public Trust Advisors Director of Operations in Client Services, to update members on the RFP process and next steps for bringing forth recommended auditing candidates to the Board.

Members to identify a Special Meeting date for potential action on Audit firm services.



B. California CLASS Conference Calendar

Brent Turner, Public Trust Advisors Regional Director of Strategy and Operations and Bob Schull, Public Trust Investment Services in Sales, to review upcoming conference schedule and Trustee attendance.

C. Board of Trustee Budget

Molly Brown, Public Trust Advisors Client Relations Coordinator, to review 2023 Board budget and anticipated expenses.

10. Trustee Reports

Trustees may make brief announcements or reports on their own activities, pose questions for clarification, and/or request that items be placed on a future agenda. Except as otherwise authorized by law, no other discussions or action may be taken.

A. Chair Report

B. Individual Trustees

C. Committee Updates

11. Adjournment

The next Board of Trustees meeting is currently scheduled for April 21, 2023 at 9 a.m. via zoom teleconference.

Americans with Disabilities Act: In accordance with the Americans with Disabilities Act, if you need special assistance or a disability-related modification or accommodation (including auxiliary aids or services) to observe and/or participate in this meeting, please contact Molly Brown at (844) 689-2994 or at molly.brown@publictrustadvisors.com. Please provide your request as early as possible, and preferably at least two full business day before the start of the meeting. Advance notification with this guideline will enable the California CLASS to make reasonable arrangements to ensure accessibility.

RESOLUTION NO. 23-01

RESOLUTION DECLARING THE ABILITY OF THE BOARD OF TRUSTEES TO CONTINUE TO MEET REMOTELY, PURSUANT TO AB 361

WHEREAS, the California Cooperative Liquid Assets Securities System (“California CLASS”) is committed in preserving and nurturing public access and participation in meetings of the Board of Trustees; and

WHEREAS, commencing in March 2020, amid rising concerns surrounding the spread of the COVID-19 virus through communities in the state, the State of California Governor Gavin Newsome issued a Proclamation of State of Emergency due to COVID-19. Such proclamation remains and is in effect as of the date of this Resolution, as are the facts, circumstances, and emergency under which it was issued; and

WHEREAS, the Health Officer of the County of Monterey has issued various health orders and updates designed to slow the spread of COVID-19 (including variants thereof) such as vaccinations, quarantines, face covering requirements, and social distancing recommendations designed to protect public health, which included a Recommendation Regarding Social Distancing including Remote Meetings of Legislative Bodies, issued by the Health Officer on September 22, 2021; and

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 allowing local legislative bodies to hold remote meetings via teleconference and to make such meetings accessible electronically without violating the open meeting laws found in the Ralph M. Brown Act Ralph M. Brown Act (California Government Code Sections 54950 et seq., the “Brown Act”); and

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which placed an end date of September 30, 2021, on such authority; and

WHEREAS, the California state legislature adopted AB 361 as an urgency measure that was signed by the Governor on September 16, 2021, effective immediately. AB 361 amends the Brown Act to allow local legislative bodies to continue meeting remotely using teleconferencing and virtual meeting technology as long as there is a “state of emergency” proclaimed by the Governor pursuant to Government Code Section 54953(e)(4) and upon the local legislative body making certain findings including that state or local officials have imposed or recommended measures to promote social distancing or that meeting in person would present imminent risks to the health or safety of Attendees; and

WHEREAS, since the issuance of Executive Order N-08-21, Delta and Omicron variants emerged, causing spikes in COVID-19 cases throughout the state; and

WHEREAS, due to the global surge in COVID-19 as well as flu and RSV cases after holiday travel and gatherings and the hospitals (particularly children’s hospitals) being at capacity in some areas, the California CLASS continues to be deeply concerned about protecting the health and safety of attendees, particularly given that even fully vaccinated people have contracted the most recent variants, people may have and transmit the virus before knowing they are infected and/or if they are asymptomatic; public officials have experienced COVID-19 outbreaks and/or exposures; meetings of

legislative bodies often last several hours, and meeting facilities are limited in space with seats are close together, with restricted airflow; and

WHEREAS, the Board of Trustees previously adopted Resolution No. 22-04 on October 28, 2022, finding that the requisite conditions exist for the legislative bodies of the California CLASS to conduct remote teleconference meetings from October 28, 2022 through November 28, 2022, without compliance with Government Code Section 54953(b)(3); and

WHEREAS, California CLASS desires to continue holding public meetings of the Board of Trustees remotely using teleconferencing and virtual meeting technology in order to avoid the imminent risk to the health and safety of attendees; and

WHEREAS, the California CLASS, after giving all public notices required by State Law, held a duly noticed public meeting on January 13, 2023; and

NOW, THEREFORE, THE BOARD OF TRUSTEES DOES RESOLVE AS FOLLOWS:

Section 1. Recitals. The Board of Trustees hereby finds and determines that the foregoing recitals are true and correct; the recitals are hereby incorporated by reference into each of the findings as though fully set forth therein.

Section 2. AB 361 Findings. The Board of Trustees, on behalf of itself and its legislative bodies, hereby finds the following:

- a. A state of emergency remains active due to the coronavirus pandemic, which continues to directly impact the ability of attendees to meet safely in person.
- b. Federal, state or local officials have imposed or recommended measures to promote social distancing.
- c. The Board of Trustees has reconsidered the circumstances of the state of emergency.
- d. The following circumstances exist:
 - (i) The state of emergency continues to directly impact the ability of attendees to meet safely in person.
 - (ii) State or local officials continue to impose or recommend measures to promote social distancing.

Section 3. As of January 13, 2023, meetings of California CLASS may continue to be conducted remotely using teleconferencing and virtual meeting technology for the next 30 days in compliance with AB 361. The Board of Trustees will revisit the remotely conducted meetings of California CLASS within 30 days after the adoption of this Resolution.

Section 4. This resolution shall become effective immediately upon its passage and adoption.

PASSED AND ADOPTED by the Board of Trustees for California CLASS on January 13, 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST By:

(Signature)

(Name)

(Title)

(Date)



California Cooperative Liquid Assets Securities System
Special Meeting of the Board of Trustees Meeting Minutes
October 28, 2022

Record of Proceedings

Meeting Minutes
California Cooperative Liquid Assets Securities System
Special Meeting of the Board of Trustees
October 28, 2022

A Special Meeting of the Board of Trustees ("Board") of the California Cooperative Liquid Assets Securities System ("California CLASS") was held at 9:00 a.m. (PDT) on Friday, October 28, 2022. The meeting was held in the Hovden Room, Intercontinental Hotel/The Clement Monterey, 750 Cannery Row, Monterey, CA 93940, and as a Teleconference Meeting on Zoom pursuant to Government Code § 54953(e).

Board Members Present:

Mr. Ryan Clausnitzer, General Manager, Alameda County Mosquito Abatement District
Mr. George Harris, Director of Finance, City of Lancaster
Ms. Margaret Moggia, Executive Manager of Finance, West Basin Municipal Water District
Ms. Christina Turner, City Manager, City of Morgan Hill

Board Members Absent:

None

Staff Present:

Ms. Alexandra Barnhill, General Counsel, Jarvis Fay
Mr. Taylor Budrow, Public Trust Advisors, LLC
Ms. Molly Brown, Public Trust Advisors, LLC
Ms. Carolyn Coleman, Cal Cities
Mr. Norman Coppinger, Cal Cities
Ms. Laura Glenn, Public Trust Advisors, LLC (virtual)
Mr. Neil McCormick, CSDA
Mr. Robert Shull, Public Trust Advisors, LLC
Mr. Thomas Tight, Public Trust Advisors, LLC
Mr. Brent Turner, Public Trust Advisors, LLC
Mr. Neil Waud, Public Trust Advisors, LLC
Mr. Rick Wood, CSDA



1. Call to Order

Chair Turner called the meeting to order, which was duly posted at 9:00 a.m.

2. Roll Call

Chair Turner led introductions; it was determined that a quorum of the Board was present.

3. Public Comment

There were no comments from the public. No members of the public were in attendance either in person or via Zoom for the duration of the meeting. For this reason, these minutes will not reflect any public comments on the individual agenda items.

4. Oath of Office

Ms. Barnhill administered, and all Trustees declared the Oath of Office.

5. Consent Agenda

Upon motion duly made by Mr. Harris and seconded by Ms. Moggia, and by unanimous vote (4-0), the Board approved the Consent Agenda, which approved the following items:

- A. Adoption of Resolution No. 22-04, declaring the ability of the Board of Trustees to continue to meet remotely, pursuant to AB 361
- B. Approval of minutes of the Special Meeting of the California CLASS Board of Trustees held August 11, 2022
- C. Adoption of the Approved Lists proposed by the Investment Advisor
- D. Approve of Portfolio Composition as of September 30, 2022
- E. Acknowledgement of Custody Statement Receipt

6. Comments from Endorsing Partners

A. Report from Endorsing Partner, California Special Districts Association (CSDA)

Mr. McCormick and Mr. Wood spoke to recent initiatives the association has been involved with to introduce California CLASS to their members, including conferences, publications, marketing outreach, investment policy reviews, and educational meetings.

B. Report from Endorsing Partner, League of California Cities (Cal Cities)

Ms. Coleman and Mr. Coppinger discussed the strategic approach they have taken to introduce California CLASS to their members.

7. Board of Trustee Action Items

A. Election of Officers

Upon a motion made by Ms. Moggia, the Board unanimously approved (4-0) the following officers of the Board of Trustees:



Name

Ms. Turner
Mr. Clausnitzer
Mr. Harris
Ms. Moggia

Position

Chair
Vice Chair
Treasurer
Secretary

B. Adoption of Resolution No. 22-05 authorizing the approval of amended Bylaws

Ms. Barnhill reviewed Jarvis Fay's suggestions and revisions to the Bylaws. The revisions were largely aimed to ensure the Bylaws maintain consistency with legal requirements and pragmatic procedures.

Upon motion duly made by Mr. Clausnitzer and seconded by Mr. Harris, and by unanimous vote (4-0), the Board approved Resolution No. 22-05 authorizing approval of the amended Bylaws.

C. Adoption of Resolution No. 22-06 authorizing agreement with CliftonLarsonAllen, LLP to provide audit services for fiscal years 2022-2028

Mr. Tight updated the Board on CliftonLarsonAllen's business decision to forego annual PCAOB reviews. As a result, California CLASS is unable to engage CliftonLarsonAllen's audit services. Staff opened the discussion for members to suggest accounting firms to engage. Public Trust Advisors will seek proposals for auditing services and report findings to the Board.

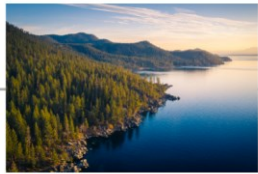
No action was taken at this time.

D. Adoption of Resolution No. 22-07 approving regular meeting schedule for Board of Trustees in 2023

Ms. Barnhill presented the proposed regular meeting calendar dates for 2023. Upon a discussion from members, revisions were made to the suggested dates.

Upon a motion duly made by Ms. Moggia and seconded by Mr. Clausnitzer, the Board unanimously approved (4-0) the following 2023 regular meeting schedule:

<u>DATE</u>	<u>TIME</u>	<u>LOCATION</u>
January 13, 2023	9 a.m.	Teleconference via Zoom
April 21, 2023	9 a.m.	Teleconference via Zoom
July 14, 2023	9 a.m.	Teleconference via Zoom
October 20, 2023	9 a.m.	Teleconference via Zoom



E. Adoption of Resolution No. 22-08 restricting funds to be held by Treasurer and waiving quarterly reporting obligations

Ms. Barnhill discussed Resolution No. 22-08 and the restriction of funds held by the Treasurer. Mr. Harris requested that the Resolution be amended to state that the amount of funds to be held by the Treasurer is changed from \$500 to \$0.

Upon a motion made by Mr. Harris, the Board unanimously adopted (4-0) Resolution No. 22-08 with the inclusion of Mr. Harris' amendment.

F. Adoption of Resolution No. 22-09 establishing an expense reimbursement policy pursuant to Government Code Sections 53232.2 and 53232.3

Ms. Barnhill presented Resolution No. 22-09 on the proposed expense reimbursement policy and process. Upon motion duly made by Mr. Harris and seconded by Mr. Clausnitzer, and by unanimous vote (4-0), the Board approved Resolution No. 22-09.

8. Agency Business – Fund Management Reports

A. Credit Research

Mr. Budrow discussed with the Board the current credit process and some of the more recent credit analysis that have been conducted by PTA, including additions and deletions to the approved lists.

B. Economic Update

Mr. Waud gave the Board an overview of the current economy including a discussion of the Federal Reserve's current policies. Mr. Waud discussed the rising interest rate yield environment, current trends in the economy and current thinking with respect to inflation and the Federal Reserve's plan of action.

C. Fund Management

Mr. Waud discussed the portfolio management team's primary focus on safety and liquidity, with yield being of secondary importance. Additionally, Mr. Waud spoke to the Pool's asset allocation and investment considerations, including interest rate increases, the current absence of reverse repurchase agreements in the Prime fund due to the extensive and lengthy negotiations with banks that such agreements require, and the short weighted average maturity the team is maintaining in the face of the Fed's aggressive tightening.

D. Enhanced Cash

Staff presented an update on the California CLASS Enhanced Cash fund product. The new fund will have a target weighted average maturity of six months, which will provide a complementary investment option to the stable \$1.00 NAV fund. Staff will work with the endorsing partners to engage seed investors for the launch of the new product. The Enhanced Cash product will be managed to maintain a AAAf/S1 rating by Fitch Ratings. Members of the Board discussed interest in the product and the



impending need for staff to proactively communicate the merits of the Enhanced Cash fund to prospective Participants.

9. Agency Business – Fund Administration Reports

A. Directors & Operators Insurance Policy

Staff discussed the D&O insurance policy. California CLASS is endorsed in the D&O policy to afford Board members an additional layer of protection from personal liability to that already provided for in the Joint Exercise of Powers Agreement.

B. Marketing Initiatives

Staff presented an overview of the marketing projects that have been completed since the last meeting, including collateral materials, the 2022 conference calendar, recent communications, and the PowerPoint presentation from the September 28th webinar.

Mr. Harris suggested that materials be updated to include historical data of the fund's performance and to host quarterly economic updates for California CLASS Participants to personalize the experience of members.

C. Administrative Items

Staff provided an overview of the BoardEffect platform and features.

Staff discussed that the management fees are being waived given that the fund remains in a nascent form.

10. Discussion/Information Items

A. Vacant Board Seat

Staff noted that the role of the Ad Hoc Committee, which was formed at the August 11th Special Meeting, is to review candidates who may eventually be appointed by the full Board to the fifth Board seat. The Committee determined they will meet by teleconference on Thursday, November 17th at 10 a.m. PDT. The Committee will have the option of bringing forward a recommended nomination for the full Board's consideration at the next regular meeting.

B. Board of Trustee Budgets

Staff reviewed the 2022 Board expenses and 2023 Board budget. The audit cost may change as new accounting firms are considered for engagement. Any changes to the 2023 Board budget will be presented at the January meeting.

C. Governmental Accounting Standards Board ("GASB") Statement No. 79

Ms. Glenn discussed a recent publication that explored the differences between amortized cost and fair value measurement and reporting. She explained why Public Trust believes that the most transparent accounting methodology for local government investment pools is to measure and report the fair market value of a fund's securities rather than electing to measure and report the amortized cost of the fund's securities.



11. Trustee Reports

A. Chair Report

No report.

B. Individual Trustees

Mr. Clausnitzer commented that he would like to learn more about the S&P report that is distributed weekly. Additionally, Mr. Clausnitzer requested to meet with staff to discuss investment advisory approaches and strategies.

Mr. Harris discussed the upcoming Municipal Finance Institute conference he is attending and collaborative efforts he may leverage to support California CLASS.

Ms. Moggia commented that it would be beneficial for members of the Board to receive a report on marketing figures and growth of the fund.

C. Committee Updates

No report.

12. Adjournment

The next Board of Trustees meeting is scheduled for January 13, 2023 at 9 a.m. via Zoom teleconference.

The Special Meeting of the California CLASS Board of Trustees was adjourned at 11:45 a.m.

These are the official Minutes of the Special Meeting of the California CLASS Board of Trustees meeting dated October 28, 2022.

Signed: _____ Date: January 13, 2023

Ms. Margaret Moggia, Secretary
California CLASS Board of Trustees

Minutes taken by: Molly Brown

Minutes prepared by: Molly Brown

Parker R. Hunt is the elected Treasurer/Tax Collector for Tehama County, CA. Mr. Hunt was appointed to the position in 2021 and then later elected by the people of Tehama County. Mr. Hunt has been in county leadership positions for 9 years. He started his government career as the head of the Internal Audit division for Glenn County, then later served as the Glenn County Assistant Director of Finance, overseeing county property tax collection, treasury, investment, and financial reporting. Prior to working with local governments, Mr. Hunt started his career with a regional CPA firm. He then joined a local CPA firm as a manager, before starting an accounting consulting business.

Mr. Hunt has been involved in the California Association of County Treasurers and Tax Collectors (CACTTC) for over 7 years, serving as a voting member of both the legislation and curriculum committees. He is also running for the CACTTC northern area Chair.

Mr. Hunt holds a bachelor's degree in Business Administration from California State University, Chico and has previously been on the ad-hoc curriculum advisory board to the Chico State Dean of Accounting. While on the advisory board, Parker championed expanding Chico State's accounting course offerings to include a course on governmental accounting and auditing.

OATH

For the Office of _____

I, _____, do solemnly swear or affirm that I will support and defend the Constitution of the United States and the Constitution of the State of California against all enemies, foreign and domestic; that I will bear true faith and allegiance to the Constitution of the United States and the State of California; that I take this obligation freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

Signature: _____

Term of Office: _____
Beginning Ending

Subscribed and sworn before me, _____
Month, Day, Year

Official Signature Title