



Douglas La Follette, *Secretary of State*  
Dawn Marie Sass, *State Treasurer*  
J.B. Van Hollen, *Attorney General*  
Tia Nelson, *Executive Secretary*

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**Managing Wisconsin's trust assets for public education.**

## AGENDA

February 16, 2010

2:00 P.M.

Board of Commissioners of Public Lands  
125 S. Webster Street, Room 200  
Madison, Wisconsin

1. Call to Order
2. Approve Minutes – February 2, 2010
3. Approve Loans
4. Proposed Loan Limit Increase
5. Executive Secretary's Report
6. Adjourn

**BOARD MEETING  
FEBRUARY 16, 2010**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the February 2, 2010, board meeting.

Board Meeting Minutes  
February 2, 2010

**ITEM 1. CALL TO ORDER**

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:00 p.m.

Present were:

- |                                 |  |
|---------------------------------|--|
| Doug La Follette, Board Chair   | Secretary of State                     |
| Dawn Marie Sass, Commissioner   | State Treasurer                        |
| J.B. Van Hollen, Commissioner   | Attorney General                       |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary    | Board of Commissioners of Public Lands |
| Scott Eastwood, Loan Analyst    | Board of Commissioners of Public Lands |

**ITEM 2. APPROVE MINUTES – January 19, 2010**

**MOTION:** Commissioner Van Hollen moved to approve the minutes; Commissioner Sass seconded the motion. The motion passed, 3-0.

**ITEM 3. APPROVE LOANS**

Deputy Secretary German said that the loans had received legal review.

Municipality	Municipal Type	Loan Amount
1. Conover County of Vilas Application #: 02010133 Purpose: Finance public works project	Town Rate: 3.50 Filed: January 22, 2010	\$300,000.00
2. Fall Creek County of Eau Claire Application #: 02010138 Purpose: Finance public works project	Village Rate: 5.50 Filed: January 25, 2010	\$135,000.00
3. Fall Creek County of Eau Claire Application #: 02010139 Purpose: Finance public works project	Village Rate: 5.50 Filed: January 25, 2010	\$180,000.00
4. Glenbeulah County of Sheboygan Application #: 02010137 Purpose: Refinance other outstanding debt	Village Rate: 5.50 Filed: January 25, 2010	\$365,620.00
5. Jackson County of Burnett Application #: 02010132 Purpose: Finance the purchase of capital equipment and vehicles	Town Rate: 3.50 Filed: January 22, 2010	\$52,000.00

6.	Lancaster Community County of Grant Application #: 02010140 Purpose: Refinance prior service pension liability	School Rate: 5.25 Filed: January 26, 2010	\$470,000.00
7.	Spring Valley Counties of Pierce and St. Croix Application #: 02010135 Purpose: Finance economic development project	Village Rate: 5.50 Filed: January 22, 2010	\$100,000.00
8.	Watertown Counties of Dodge and Jefferson Application #: 02010134 Purpose: Finance economic development project	City Rate: 5.50 Filed: January 22, 2010	\$1,000,000.00
9.	Whitefish Bay County of Milwaukee Application #: 02010136 Purpose: Finance facility improvements	School Rate: 5.50 Filed: January 25, 2010	\$1,000,000.00
<b>TOTAL</b>			<b>\$3,602,620.00</b>

**MOTION:** Commissioner Sass moved to approve the loans; Commissioner Van Hollen seconded the motion. The motion passed, 3-0.

#### **ITEM 4. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary Nelson reported that the agency had received an open records request from the Lakeland Times and was in the process of responding to it.

#### **ITEM 5. ADJOURN**

**MOTION:** Commissioner Van Hollen moved to adjourn the meeting; Commissioner Sass seconded the motion. The motion passed, 3-0.



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Tia Nelson, Executive Secretary

These minutes have been prepared from a tape recording of the meeting. The summaries have not been transcribed verbatim. Anyone wishing to listen to the tape may do so at the Board of Commissioners of Public Lands, 125 S. Webster Street, Suite 200, Madison, Wisconsin.

**BOARD MEETING  
FEBRUARY 16, 2010**

**AGENDA ITEM 3  
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Belleville Counties of Dane and Green Application #: 02010143 Purpose: Refinance prior service pension liability	School Rate: 5.25 Filed: February 5, 2010	\$500,000.00
2. Prescott County of Pierce Application #: 02010142 Purpose: Finance public works project	City Rate: 5.50 Filed: February 5, 2010	\$965,000.00
3. Webster Counties of Burnett and Douglas Application #: 02010141 Purpose: Refinance prior service pension liability	School Rate: 5.25 Filed: February 5, 2010	\$560,000.00
	<b>TOTAL</b>	<hr/> <b>\$2,025,000.00</b>

**BOARD MEETING  
FEBRUARY 16, 2010**

**AGENDA ITEM 4  
PROPOSED LOAN LIMIT INCREASE**

BCPL staff requests that the Board approve raising the annual loan limit for any State Trust Fund Loan Program borrower in a calendar year from \$1 million to \$5 million.

Since January 1, 2010, we have received a substantial amount of loan “prepayments” that increased our Trust Fund cash balance. In addition, monthly loan demand has decreased significantly since October of last year, averaging only \$4.6 million over the last three months, in comparison to \$24 million per month for the previous six months. We believe our lower (\$1 million) annual loan limit reduced demand for the State Trust Fund Loan program, as we anticipated.

As of today, we have \$35.2 million available to lend and we expect to have almost \$75 million available after annual loan payments are received in March.

Our agency did an excellent job last year in managing its available cash position over the second half of 2009 as our available fund balance decreased. It’s important to act timely with respect to our future anticipated increases in available funds. As our cash position grows, it becomes more important to put that money back to work earning a higher rate of return. The reason for this is that our average loan rate is 5.06% while our cash is earning a maximum return of .5%. The more money we loan out, the better our Trust Fund earnings will be.

The loan limit increase should greatly increase our volume both in terms of number of applications and loan dollar amount. This will in turn have a positive long term impact on earnings. When BCPL reduced its loan limit to \$1 million last year, we stopped financing many of the larger Build America Bond-designated projects; many of which were long term loans earning a high rate of return. Since we now have more funds available to lend again, with a loan limit increase, we will once again be able to finance many of these larger projects.

For the above reasons, BCPL staff asks for board approval for raising the annual loan limit for any customer in a calendar year from \$1 million to \$5 million.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves raising the annual loan limit for any customer in a calendar year from \$1 million to \$5 million. The Executive Secretary is authorized and directed to take any actions reasonably necessary to implement this decision.