

Board Meeting Minutes
September 15, 2015

Present were:

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| Doug La Follette, Commissioner | Secretary of State |
| Matt Adamczyk, Commissioner | State Treasurer |
| Brad Schimel, Board Chair | Attorney General |
| Tom German, Acting Executive Secretary | Board of Commissioners of Public Lands |
| Vicki Halverson, Office Manager | Board of Commissioners of Public Lands |
| Randy Bixby, Land Records Archivist | Board of Commissioners of Public Lands |

ITEM 1. CALL TO ORDER

Board Chair Schimel called the meeting to order at 2:000 p.m.

ITEM 2. APPROVE MINUTES – SEPTEMBER 1, 2015

MOTION: Commissioner La Follette moved to approve the minutes; Board Chair Schimel seconded the motion.

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

Board Chair Schimel asked if the loans had been reviewed for public purpose. Acting Executive Secretary German confirmed they had.

	<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1.	Altoona Eau Claire County Application #: 02016067 Purpose: Finance TID #3 infrastructure projects	City Rate: 4.50% Term: 14 years	TID Revenue	\$8,541,307.00
2.	Clayton Winnebago County Application #: 02016069 Purpose: Purchase land and building	Town Rate: 3.00% Term: 3 years	General Obligation	\$170,000.00
3.	Eagle Waukesha County Application #: 02016060 Purpose: Finance road reconstruction	Town Rate: 3.00% Term: 5 years	General Obligation	\$200,000.00
4.	Ellington Outagamie County Application #: 02016063 Purpose: Purchase garbage and recycling carts	Town Rate: 2.50% Term: 2 years	General Obligation	\$100,000.00

5.	Marathon City Marathon County Application #: 02016068 Purpose: Finance TID #1 projects and development	Village Rate: 3.25% Term: 10 years	General Obligation	\$500,000.00
6.	Menasha Calumet and Winnebago Counties Application #: 02016064 Purpose: Refinance BCPL loan #2013010	City Rate: 3.75% Term: 12 years	General Obligation	\$11,180,853.03
7.	Menasha Calumet and Winnebago Counties Application #: 02016065 Purpose: Refinance BCPL loan #2014032	City Rate: 3.75% Term: 18 years	General Obligation	\$768,633.79
8.	Onalaska La Crosse County Application #: 02016062 Purpose: Finance road culvert replacement	Town Rate: 3.25% Term: 10 years	General Obligation	\$519,821.30
9.	River Falls Pierce and St Croix Counties Application #: 02016066 Purpose: Finance property purchase	City Rate: 3.25% Term: 10 years	General Obligation	\$300,000.00
10.	Springvale Fond Du Lac County Application #: 02016061 Purpose: Purchase plow/truck	Town Rate: 2.50% Term: 2 years	General Obligation	\$60,000.00
		TOTAL		\$22,340,615.12

MOTION: Commissioner La Follette moved to approve the loans; Board Chair Schimel seconded the motion.

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 4. DISCUSS REPORT ON COMMON SCHOOL FUND REVENUE AND UNCLAIMED PROPERTY

Acting Executive Secretary Tom German reported that he had contacted individuals at the Department of Revenue and the Office of the Commissioner of Insurance regarding the decline in revenue to the Common School Fund. He said that Deputy Dan Schwartz at the Insurance Commissioner's Office explained the drop in revenue was due to better compliance and fewer citizen complaints; Jon Reneau at the Department of Revenue said one-time data processing charges to integrate the Unclaimed Property system with the DOR's WinPass system resulted in approximately \$300,000 in additional administration expenses.

Commissioner Adamczyk said the new program compares unclaimed property information against tax records. If an Unclaimed Property owner is matched and their claim is \$2,000 or less, a refund check is sent directly to the individual. He said that the program started in June and over \$10 million has been returned on almost 100,000 claims.

Commissioner La Follette said he still had concerns regarding the State Treasurer's office expenses. He requested that staff prepare a report detailing how the funds were spent and how they relate to the promotion of the Unclaimed Property program. He also asked that the request for an audit remain on the table.

ITEM 5. DISCUSS CANDIDATE(S) FOR EXECUTIVE SECRETARY POSITION

Board Chair Schimel said he had received two applications for the Board's vacant Executive Secretary position. Commissioner Adamczyk said he had also received an application, which he would have forwarded to the other Commissioners. The Board agreed that they could not speak to the identity of the candidates during the open session meeting but would include the topic as a closed session agenda item for the next board meeting so they could discuss hiring criteria and the candidates' applications.

ITEM 6. DISCUSS AND VOTE ON AMERICAN DEPOSIT MANAGEMENT PROPOSAL

Commissioner Adamczyk said he would like to conduct more research on the proposal and did not have a problem leaving the funds in SIF (the State Investment Fund), even though he understood that the proposed investment option would earn slightly more money as he preferred that SWIB (the State of Wisconsin Investment Board) manage more of the Board's Trust Funds.

Commissioner La Follette saw no downsides to the proposal but inquired about potential fees. Mr. German said that ADM expected to earn more than .25 percent on the BCPL funds and ADM would retain those earnings in excess of .25 percent. ADM will not bill BCPL for additional management fees.

Board Chair Schimel asked Commissioner Adamczyk if he wanted to gather more information and asked Mr. German for his recommendation. Commissioner Adamczyk replied not necessarily; Mr. German recommended that the Board transfer the \$40 million to ADM.

MOTION: Commissioner La Follette moved to authorize staff to transfer \$40 million to ADM; Board Chair Schimel seconded the motion.

VOTE: The motion passed 3-0.

WHEREAS, the WISCONSIN BOARD OF COMMISSIONERS OF PUBLIC LANDS may deposit funds in one or more banks as outlined by Wisconsin State Statutes; and

WHEREAS, the WISCONSIN BOARD OF COMMISSIONERS OF PUBLIC LANDS desires to designate the AMERICAN DEPOSIT MANAGEMENT COMPANY-DELAFIELD, WI as AUTHORIZED DEPOSITORY FOR STATE FUNDS; and

WHEREAS, the AMERICAN DEPOSIT MANAGEMENT CO. is a QUALIFIED DEPOSITORY FOR THE PURPOSES OF THE DEPOSIT OF PUBLIC FUNDS;

NOW THEREFORE, BE IT RESOLVED that the Commissioners for and on behalf of the WISCONSIN BOARD OF COMMISSIONERS OF PUBLIC LANDS authorizes the deposit of up to FORTY MILLION DOLLARS (\$40,000,000.00) and withdrawal of monies with the AMERICAN DEPOSIT MANAGEMENT CO. in accounts insured by the FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

and/or NATIONAL CREDIT UNION ASSOCIATION (NCUA) in compliance with applicable state law and regulations;

BE IT FURTHER RESOLVED that the following BCPL staff members or their successors are authorized to order the deposit and/or withdrawal of monies with the AMERICAN DEPOSIT MANAGEMENT CO. until this Authority is revoked by action of the WISCONSIN BOARD OF COMMISSIONERS OF PUBLIC LANDS and written notice of such action is received by the AMERICAN DEPOSIT MANAGEMENT CO.

Thomas P. German
Richard Sneider
Denise Nechvatal

ITEM 7. DISCUSS LEGALITY OF TIMBER REVENUE SHARING WITH COUNTIES

Board Chair Schimel said a memo from former Assistant Attorney General Maria L. Lazar indicated that Trust Fund monies could be used for agency expenses but not revenue sharing, per constitutional mandate.

ITEM 8. FUTURE AGENDA ITEMS

None at this time.

ITEM 9. ACTING EXECUTIVE SECRETARY'S REPORT

Acting Executive Secretary German reported on a potential sale of Trust Lands to Iron County, his presentation to the Council on Library and Network Development, and that loan demand remains high.

ITEM 10. ADJOURN

MOTION:

The meeting adjourned at approximately 2:20 p.m.



Thomas P. German, Acting Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim.
Link to audio recording: ftp://doafpt1380.wi.gov/doadocs/BCPL/2015-09-15_BCPL-BoardMtgRecording.mp3