

Minutes amended per motion made at the May 3, 2016, board meeting.

**State of Wisconsin**

**Board of Commissioners of Public Lands**

Board Meeting Minutes  
April 20, 2016

Present via teleconference were:

Doug La Follette, Commissioner

Matt Adamczyk, Commissioner

Brad Schimel, Board Chair

Jonathan Barry, Executive Secretary

Tom German, Deputy Secretary

Richard Sneider, Loan Analyst

Secretary of State

State Treasurer

Attorney General

Board of Commissioners of Public Lands

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**ITEM 1. CALL TO ORDER**

Board Chair Schimel called the meeting to order at 2:01 p.m.

**ITEM 2. APPROVE MINUTES – APRIL 5, 2016**

**MOTION:** Commissioner La Follette moved to approve the minutes; Commissioner Adamczyk seconded the motion.

**DISCUSSION:** None.

**VOTE:** The motion passed 3-0.

**ITEM 3. APPROVE LOANS**

Executive Secretary Barry reported that the loans had been reviewed for public purpose.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Brooklyn Dane and Green Counties Application #: 02016154 Purpose: Refinance fire/EMS building loan	Village Rate: 3.50% Term: 19 years	General Obligation	\$399,000.00
2. Cadott Chippewa County Application #: 02016155 Purpose: Finance street projects	Village Rate: 3.50% Term: 20 years	General Obligation	\$295,000.00
3. Cadott Chippewa County Application #: 02016156 Purpose: Refinance BCPL loan #2014165	Village Rate: 3.50% Term: 18 years	General Obligation	\$308,375.67
4. Mondovi Buffalo County Application #: 02016152 Purpose: Purchase vehicles and equipment	City Rate: 2.50% Term: 5 years	General Obligation	\$52,300.00

5.	Two Rivers Manitowoc County Application #: 02016146 Purpose: Finance 2016 capital projects	City Rate: 3.00% Term: 10 years	General Obligation	\$1,420,000.00
6.	Two Rivers Manitowoc County Application #: 02016147 Purpose: Refinance BCPL loan #2015115	City Rate: 2.50% Term: 3 years	General Obligation	\$765,000.00
7.	Two Rivers Manitowoc County Application #: 02016148 Purpose: Refinance BCPL loan #2015116	City Rate: 3.00% Term: 9 years	General Obligation	\$367,000.00
8.	Two Rivers Manitowoc County Application #: 02016149 Purpose: Refinance BCPL loan #2015117	City Rate: 3.00% Term: 8 years	General Obligation	\$1,941,374.00
9.	Vandenbroek Outagamie County Application #: 02016153 Purpose: Purchase rescue truck	Town Rate: 2.50% Term: 5 years	General Obligation	\$55,000.00
10.	West Milwaukee Milwaukee County Application #: 02016151 Purpose: Finance TID #2 development incentive	Village Rate: 2.50% Term: 4 years	General Obligation	\$1,010,000.00
<b>TOTAL</b>				<b>\$6,613,049.67</b>

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

**DISCUSSION:** No discussion.

**VOTE:** The motion passed 2-1. Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted no.

**ITEM 4. AGENCY EXPENSES OVER \$5,000 APPROVED BY BOARD CHAIR**

Board Chair Schimel said he had approved an agency expense totaling \$7,325 for timber appraisal services. Deputy Secretary German added that a potential land exchange with the U.S. Forest Service was in the early stages. The timber appraisal was necessary in order to determine the value of the timber on the Forest Service parcels that BCPL would receive in the exchange.

Deputy Secretary German explained that the exchange would result in BCPL acquiring Forest Service parcels that block well with School Trust Lands and improve access to other School Trust Lands. In addition, BCPL would dispose of landlocked parcels within the National Forest. Basically, improved access, larger land blocks and, as a result, great value for those Trust Lands.

Executive Secretary Barry said another large, unproductive tract of School Trust Lands called Boot Jack Bog should also be considered for exchange or sale to the U.S. Forest Service. The tract is approximately 4,000 acres and is adjacent to the Chequamegon-Nicolet National Forest.

#### **ITEM 5. DISCUSS AND VOTE ON WSLCA SUMMER CONFERENCE ATTENDANCE**

Board Chair Schimel asked staff to lead the discussion. Deputy Secretary German explained that the conference is being hosted by the Idaho Department of Lands, and they have developed a sophisticated method of valuing timberland. Staff attending the conference would have an opportunity to learn about their program and apply that knowledge to BCPL land transactions. The Western States Land Commissioners have also been involved in developing standards for best practices in terms of asset allocation as trust managers so this information will also be useful to staff. Four staff members have been identified to attend the conference.

**MOTION:** Board Chair Schimel moved to authorize a team of staff to attend the conference; Commissioner La Follette seconded the motion.

**DISCUSSION:** Commissioner Adamczyk expressed concern about the cost of the conference and questioned the need to send more than one or two staff members. Commissioner La Follette said that he would like to attend as a representative of the Board, which he has done in the past. Board Chair Schimel replied that there was a rational reason why specific staff had been chosen to attend and believed an opportunity for them to interact with and learn from their counterparts was beneficial. He also felt there was more value in sending staff that are responsible for the day-to-day management of the trust assets rather than a Commissioner.

**MOTION TO AMEND:** Commissioner Adamczyk moved to amend the original motion to limit the number of people traveling for the conference from four to three. Board Chair Schimel seconded the motion.

**DISCUSSION:** Commissioner La Follette said that Executive Secretary Barry should also attend because it would be beneficial for him to meet and learn from his counterparts.

**VOTE:** The motion failed 1-2. Board Chair Schimel voted aye; Commissioners La Follette and Adamczyk voted no.

**MOTION TO AMEND:** Board Chair Schimel moved to amend the original motion to read ‘authorize Jonathan Barry, Tom German, John Schwarzmann and Richard Sneider to attend the conference.’ Commissioner La Follette seconded the motion.

**VOTE:** The motion passed 2-1. Board Chair Schimel and Commissioner La Follette voted aye; Commissioner Adamczyk voted no.

#### **ITEM 6. FUTURE AGENDA ITEMS**

Commissioner Adamczyk was pleased to see that details of an upcoming timber sale had been posted to the agency’s website. He asked if a list of School Trust Lands that are available for sale could also be added to the website.

## ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Barry reported that:

- Discussions with the Oneida County Forestry Commission about a potential land exchange were in the early stages;
- The agency's real estate specialist would be resigning effective April 29; and
- A draft of the Board's investment policy would likely be ready for discussion the middle or end of May.

Richard Sneider reported that the demand for State Trust Fund Loans had increased. The increased demand may be due to lower interest rates approved by the Board in February and seasonal, spring projects. Applications totaling \$32 million had been processed in March and April; the highest level in five years.

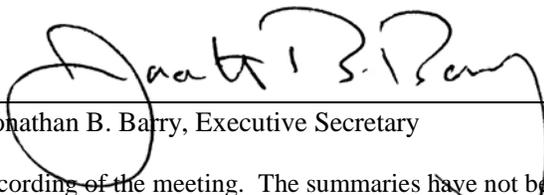
Executive Secretary Barry added that municipalities with WRS (WI Retirement System) pension liabilities can save a considerable sum of money by refinancing that liability with a State Trust Fund Loan. An effort is underway to inform those municipalities of the potential savings.

Board Chair Schimel asked that the next agenda include a discussion about hiring a real estate specialist.

## ITEM 8. ADJOURN

**MOTION:** Commissioner Adamczyk moved to adjourn the meeting; Board Chair Schimel seconded the motion.

The meeting adjourned at approximately 2:30 p.m.



Jonathan B. Barry, 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/2016-04-20\\_BCPL-BoardMtgRecording.mp3](ftp://doafpt1380.wi.gov/doadocs/BCPL/2016-04-20_BCPL-BoardMtgRecording.mp3)