

Board Meeting Minutes
May 18, 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
Vicki Halverson, Office Manager

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 2:04 p.m.

ITEM 2. APPROVE MINUTES – MAY 3, 2016

MOTION: Commissioner Adamczyk 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 proper public purpose. Executive Secretary Barry confirmed they had.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Goodman Sanitary District #1 Marinette County Application #: 02016172 Purpose: Finance operations and maintenance	Sanitary District Rate: 2.50% Term: 5 years	General Obligation	\$50,000.00
2. Hobart Brown County Application #: 02016170 Purpose: Finance TID infrastructure projects	Village Rate: 2.50% Term: 1 years	General Obligation	\$1,800,000.00
3. Lamartine Fond Du Lac County Application #: 02016171 Purpose: Purchase fire truck	Town Rate: 3.00% Term: 10 years	General Obligation	\$260,000.00
4. Mellen Ashland County Application #: 02016174 Purpose: Finance energy efficiency projects	School Rate: 3.00% Term: 10 years	General Obligation	\$700,000.00

5.	Nicolet UHS Milwaukee and Ozaukee Counties Application #: 02016169 Purpose: Replace pool dehumidification unit	School Rate: 2.50% Term: 5 years	General Obligation	\$1,000,000.00
6.	Northern Ozaukee Ozaukee County Application #: 02016173 Purpose: Finance boiler installation	School Rate: 2.50% Term: 5 years	General Obligation	\$571,000.00
TOTAL				\$4,381,000.00

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

DISCUSSION: None.

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

ITEM 4. DISCUSS AND VOTE ON PROPOSED LAND BANK SALE – PIGEON LAKE FIELD STATION (\$1601)

MOTION: Commissioner Adamczyk moved to approve the sale; Board Chair Schimel seconded the motion.

VOTE: The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the sale of the Property pursuant to a sealed bid process. The minimum acceptable bid for the Property shall be the appraised value for the Property determined by the independent appraiser as set forth above. Such sale shall be conducted in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete the transaction.

ITEM 5. CONVENE IN CLOSED SESSION UNDER WIS. STATS. § 19.85(1)(E) TO DISCUSS INVESTING PUBLIC FUNDS IN THE MILWAUKEE CENTER DISTRICT AND MILWAUKEE BUCKS ARENA

MOTION: Board Chair Schimel moved to convene in closed session under Wis. Stats. § 19.85(1)(e) to discuss investing public funds in the Milwaukee Center District and the Milwaukee Bucks Arena; Commissioner Adamczyk seconded the motion.

VOTE: The motion passed 3-0.

[The Board convened in closed session for approximately 18 minutes; no vote was taken during the closed session.]

ITEM 6. RECONVENE IN OPEN SESSION FOR POSSIBLE VOTE TO INVEST PUBLIC FUNDS IN THE MILWAUKEE CENTER DISTRICT AND MILWAUKEE BUCKS ARENA

[All Commissioners were present via teleconference when the meeting reconvened in open session.]

MOTION: Commissioner La Follette moved that **the Board of Commissioners of Public Lands authorize the purchase of up to \$50 million of Wisconsin Center District bonds in accordance with Chapter 24 of Wisconsin Statutes. Such bonds shall conform to the terms and conditions set forth in the attached schedule and such other terms and conditions as determined to be reasonable and necessary by the Executive Secretary in consultation with the Board Chairman. The Executive Secretary is authorized to direct and execute any documents reasonably necessary to complete such a transaction;** Board Chair Schimel seconded the motion.

DISCUSSION: None.

MOTION TO AMEND: Commissioner La Follette moved to amend the original motion to include **“By December 15 of each year starting in 2018, the Debt Service Reserve Fund must contain an amount equal to or greater than the next calendar year’s total net debt service payments;”** Board Chair Schimel seconded the motion to amend.

DISCUSSION: None.

VOTE ON MOTION TO AMEND: The motion passed 3-0.

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

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorize the purchase of up to \$50 million of Wisconsin Center District bonds in accordance with Chapter 24 of Wisconsin Statutes. Such bonds shall conform to the terms and conditions set forth in the attached schedule and such other terms and conditions as determined to be reasonable and necessary by the Executive Secretary in consultation with the Board Chairman. The Executive Secretary is authorized to direct and execute any documents reasonably necessary to complete such a transaction.

RESOLVED, that by December 15 of each year starting in 2018, the Debt Service Reserve Fund must contain an amount equal to or greater than the next calendar year’s total net debt service payments.

ITEM 7. FUTURE AGENDA ITEMS

None.

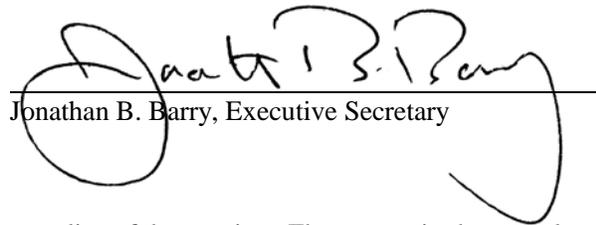
ITEM 8. EXECUTIVE SECRETARY’S REPORT

Board Chair Schimel commended the staff on their work in negotiating the terms of the Wisconsin Center District bond proposal and raising the profile of the BCPL.

ITEM 9. ADJOURN

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

The meeting adjourned at approximately 2:35 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/2016-05-18_BCPL-BoardMtgRecording.mp3

Term Sheet
 Wisconsin Center District
 Subordinate Revenue Bonds, Series 2016 (Taxable)

ISSUER	Wisconsin Center District (“WCD”)																
OBLIGOR	WCD																
PAR	\$45,000,000																
ISSUE	Subordinate Revenue Bonds, Series 2016 (Taxable) (the “Subordinate Bonds”)																
PURCHASER	Wisconsin Board of Commissioners of Public Lands																
CLOSING DATE	June 23, 2016																
USE OF PROCEEDS	Proceeds of the Subordinate Bonds will fund: a) New Milwaukee Bucks Arena; b) Capitalized Interest on the Subordinate Bonds; and c) Costs of Issuance for the Subordinate Bonds.																
SOURCES AND USES OF FUNDS*	<table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2">Sources</td> </tr> <tr> <td style="padding-left: 20px;">Bond Proceeds</td> <td style="text-align: right;">\$45,000,000</td> </tr> <tr> <td style="padding-left: 40px;">Total Sources</td> <td style="text-align: right; border-top: 1px solid black;">\$45,000,000</td> </tr> <tr> <td colspan="2">Uses</td> </tr> <tr> <td style="padding-left: 20px;">Project Funds</td> <td style="text-align: right;">\$36,798,556</td> </tr> <tr> <td style="padding-left: 20px;">Capitalized Interest</td> <td style="text-align: right;">7,751,444</td> </tr> <tr> <td style="padding-left: 20px;">Costs of Issuance</td> <td style="text-align: right;">450,000</td> </tr> <tr> <td style="padding-left: 40px;">Total Uses</td> <td style="text-align: right; border-top: 1px solid black;">\$45,000,000</td> </tr> </table>	Sources		Bond Proceeds	\$45,000,000	Total Sources	\$45,000,000	Uses		Project Funds	\$36,798,556	Capitalized Interest	7,751,444	Costs of Issuance	450,000	Total Uses	\$45,000,000
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Project Funds	\$36,798,556																
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Costs of Issuance	450,000																
Total Uses	\$45,000,000																
COUPON	6.250%																
PRICE	Par																
PRINCIPAL PAYMENT DATES	Annually on December 15, beginning December 15, 2020																
INTEREST PAYMENT DATES	Semiannually on June 15 and December 15, beginning December 15, 2016																
CAPITALIZED INTEREST	36 months																
DEBT SERVICE RESERVE FUND (DSRF)	By December 15 of each year starting in 2018, the Debt Service Reserve Fund must contain an amount equal to or greater than the next calendar year’s total net debt service payments.																
OPTIONAL REDEMPTION	Annually on December 15, with 90 days notice.																
RATING	None																
THE ACT	Section 66.0615 and subchapters VIII and IX of Chapter 77 of the Wisconsin Statutes																

Term Sheet
 Wisconsin Center District
 Subordinate Revenue Bonds, Series 2016 (Taxable)

UNRESTRICTED TAX REVENUE	Proceeds of the room tax imposed by the District pursuant to Section 66.75(1m)(c)2 of the Wisconsin Statutes, also known as the Additional Room Tax.
TICKET SURCHARGE	Wisconsin 2015 Act 60 included a provision requiring that the Wisconsin Center District impose a \$2 surcharge on each ticket to be sold for an event at the new Milwaukee Bucks Arena.
SECURITY	<ul style="list-style-type: none"> a) Capitalized Interest for the first 36 months; b) Debt Service Reserve Fund; c) Unrestricted Tax Revenue after satisfaction of the flow funds specified under the Act; d) Ticket Surcharge; e) Gross receipts of any lease entered into with the Milwaukee Bucks; and f) Proceeds of any settlement from the relocation agreement.
ADDITIONAL BONDS TEST	The District agrees that no Additional Bonds will be issued if as a result thereof, the projected Unrestricted Tax Revenue that would be available in any year to pay debt service on the hereunder is decreased to below 1.10x the projected annual debt service on the Subordinate Bonds (and any refunding bonds issued hereunder and secured by the Unrestricted Tax Revenues).

Term Sheet
 Wisconsin Center District
 Subordinate Revenue Bonds, Series 2016 (Taxable)

DEBT SERVICE	Bond Year	Principal	Interest	Total Debt
	Ending			
	12/15/2016		\$1,343,750	\$1,343,750
	12/15/2017		2,812,500	2,812,500
	12/15/2018		2,812,500	2,812,500
	12/15/2019		2,812,500	2,812,500
	12/15/2020	\$415,000	2,812,500	3,227,500
	12/15/2021	415,000	2,786,563	3,201,563
	12/15/2022	420,000	2,760,625	3,180,625
	12/15/2023	460,000	2,734,375	3,194,375
	12/15/2024	505,000	2,705,625	3,210,625
	12/15/2025	550,000	2,674,063	3,224,063
	12/15/2026	345,000	2,639,688	2,984,688
	12/15/2027	385,000	2,618,125	3,003,125
	12/15/2028	425,000	2,594,063	3,019,063
	12/15/2029	465,000	2,567,500	3,032,500
	12/15/2030	510,000	2,538,438	3,048,438
	12/15/2031	560,000	2,506,563	3,066,563
	12/15/2032	2,370,000	2,471,563	4,841,563
	12/15/2033	2,515,000	2,323,438	4,838,438
	12/15/2034	2,675,000	2,166,250	4,841,250
	12/15/2035	2,840,000	1,999,063	4,839,063
	12/15/2036	3,020,000	1,821,563	4,841,563
	12/15/2037	3,205,000	1,632,813	4,837,813
	12/15/2038	3,405,000	1,432,500	4,837,500
	12/15/2039	3,620,000	1,219,688	4,839,688
	12/15/2040	3,845,000	993,438	4,838,438
	12/15/2041	4,085,000	753,125	4,838,125
	12/15/2042	1,365,000	497,813	1,862,813
	12/15/2043	1,475,000	412,500	1,887,500
	12/15/2044	1,585,000	320,313	1,905,313
	12/15/2045	1,705,000	221,250	1,926,250
	12/15/2046	1,835,000	114,688	1,949,688
		<u>\$45,000,000</u>		