

Board Meeting Minutes
August 2, 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 and
Chief Investment Officer

Vicki Halverson, Office Manager

Secretary of State

State Treasurer

Attorney General

Board of Commissioners of Public Lands

ITEM 1. CALL TO ORDER

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

ITEM 2. APPROVE MINUTES – JULY 25, 2016

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

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

Municipality	Municipal Type	Loan Type	Loan Amount
1. Ledgeview Brown County Application #: 02017013 Purpose: Finance road projects	Town Rate: 3.00% Term: 10 years	General Obligation	\$500,000.00
2. Mishicot Manitowoc County Application #: 02017014 Purpose: Finance ambulance service pass-through loan	Village Rate: 2.50% Term: 5 years	General Obligation	\$150,000.00
3. Polar Langlade County Application #: 02017015 Purpose: Purchase truck	Town Rate: 2.50% Term: 5 years	General Obligation	\$42,167.00
4. Princeton Green Lake and Marquette Counties Application #: 02017010 Purpose: Refinance WRS prior service pension liability	School Rate: 3.00% Term: 10 years	General Obligation	\$400,000.00

5.	Twin Lakes Kenosha County Application #: 02017011 Purpose: Purchase ambulance	Village Rate: 3.00% Term: 10 years	General Obligation	\$199,115.00
6.	Wild Rose Waushara County Application #: 02017012 Purpose: Purchase dam reconstruction property	Village Rate: 2.50% Term: 5 years	General Obligation	\$100,000.00
TOTAL				\$1,391,282.00

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

DISCUSSION: Commissioner Adamczyk said that in order to ascertain if the rates for State Trust Fund Loans were competitive he had contacted the borrowers to determine if other financing options were available to them. He discovered that BCPL loan rates are “either the same or cheaper” than other lending options.

Board Chair Schimel said that this contact caused one municipal clerk some concern and she questioned whether there had been policy changes to the Loan Program. Commissioner La Follette suggested that the Board direct staff to conduct such due diligence in the future. Commissioner Adamczyk replied that he had obtained “all the intel” he needed and it was unlikely he would continue to call borrowers in the future.

Executive Secretary Barry noted that staff constantly monitor rates and adjust them accordingly. While every borrower could finance their projects with another lending institution, they find the flexibility of a State Trust Fund Loan to be convenient. He also pointed out that approximately \$400 million of the Board’s portfolio is invested in loans, which are earning 2.5 points above the benchmark, and offers the best rate of return given the Board’s current investment options.

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

ITEM 4. DISCUSS POSSIBILITY OF BCPL OWNING STATE FACILITIES

Commissioner Adamczyk explained that the materials he submitted were included in the packet because this is the only avenue in which he can share information with the other Board members. He gave a brief explanation of each of the attachments and said the concept of BCPL owning state facilities could be discussed at a future meeting.

Board Chair Schimel asked if staff could research how land commissioners in other states invest in real estate and then present those findings at a future meeting. Executive Secretary Barry replied that a report might help focus the discussion.

ITEM 5. DISCUSS ISSUES REGARDING BCPL STATE TRUST FUND LOANS

Board Chair Schimel noted that the topic had been discussed under agenda item number three. Commissioner Adamczyk added that the Board does have a fiduciary duty to the beneficiaries and felt the interest rates for loans were too low.

ITEM 6. FUTURE AGENDA ITEMS

None.

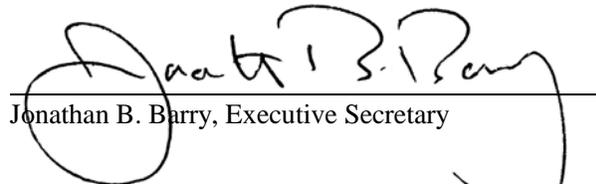
ITEM 7. EXECUTIVE SECRETARY'S REPORT

None.

ITEM 8. ADJOURN

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

The meeting adjourned at approximately 2:15 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/2016-08-02_BCPL-BoardMtgRecording.mp3

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