



Douglas La Follette, *Secretary of State*  
Matt Adamczyk, *State Treasurer*  
Brad D. Schimel, *Attorney General*

101 E. Wilson Street  
2nd Floor  
PO Box 8943  
Madison, WI 53708-8943

608 266-1370 INFORMATION  
608 266-0034 LOANS  
608 267-2787 FAX  
bcpl.wisconsin.gov

Jonathan Barry, *Executive Secretary*

## AGENDA

April 4, 2017

2:00 P.M.

Board of Commissioners of Public Lands  
101 E. Wilson Street, 2<sup>nd</sup> Floor  
Madison, Wisconsin

### Routine Business:

- 1) Call to Order
- 2) Approve Minutes – March 22, 2017 (Attachment)
- 3) Approve Loans (Attachment)

### Old Business:

None

### New Business:

None

### Routine Business:

- 4) Future Agenda Items
- 5) Executive Secretary's Report
  - Investment Transaction Report (Attachment)
- 6) Adjourn

### AUDIO ACCESS INFORMATION

-----  
Toll Free Number: **(888) 291-0079**  
Passcode: **6363690#**

**BOARD MEETING  
APRIL 4, 2017**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the March 22, 2017, board meeting.

Board Meeting Minutes  
March 22, 2017

Present via teleconference were:

Doug La Follette, Commissioner	Secretary of State
Matt Adamczyk, Commissioner	State Treasurer
Brad Schimel, Board Chair	Attorney General
Jonathan Barry, Executive Secretary	Board of Commissioners of Public Lands
Tom German, Deputy Secretary	Board of Commissioners of Public Lands
Richard Sneider, Loan Analyst and Chief Investment Officer	Board of Commissioners of Public Lands
Vicki Halverson, Office Manager	Board of Commissioners of Public Lands

**ITEM 1. CALL TO ORDER**

Commissioner La Follette called the meeting to order at 2:16 pm.

**ITEM 2. APPROVE MINUTES – MARCH 8, 2017**

**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.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Onalaska La Crosse County Application #: 02017156 Purpose: Improve buildings and purchase police cars and aerial photography	City Rate: 3.00% Term: 5 years	General Obligation	\$242,355.00
2. Slinger Washington County Application #: 02017160 Purpose: Purchase municipal vehicles	Village Rate: 3.00% Term: 5 years	General Obligation	\$300,000.00
3. St. Croix St. Croix County Application #: 02017159 Purpose: Finance capital improvements	County Rate: 3.00% Term: 5 years	General Obligation	\$4,900,000.00
4. Winneconne Winnebago County Application #: 02017157 Purpose: Refinance BCPL loan #2014116	Village Rate: 4.00% Term: 16 years	General Obligation	\$472,834.28

5.	Winneconne	Village	General Obligation	\$507,500.00
	Winnebago County	Rate: 3.50%		
	Application #: 02017158	Term: 10 years		
	Purpose: Finance land acquisition			
		<b>TOTAL</b>		<b>\$6,422,689.28</b>

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

**DISCUSSION:** Commissioner La Follette asked Commissioner Adamczyk why he always voted no on motions approving loans to local communities. Commissioner Adamczyk replied that he would like to see the funds invested in other investment options.

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

**ITEM 4. FUTURE AGENDA ITEMS**

None.

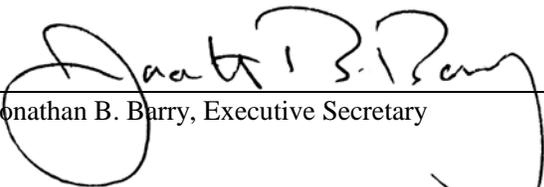
**ITEM 5. EXECUTIVE SECRETARY’S REPORT**

Executive Secretary Barry reported that staff continues to identify and purchase bonds that enhance the portfolio. He also noted that approximately \$3 million had been added to the smoothing fund since the beginning of the year.

**ITEM 6. ADJOURN**

**MOTION:** Commissioner La Follette moved to adjourn the meeting; Commissioner Adamczyk seconded the motion.

The meeting adjourned at approximately 2:24 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://doaftp1380.wi.gov/doadocs/BCPL/2017-03-22\\_BCPL-BoardMtgRecording.mp3](ftp://doaftp1380.wi.gov/doadocs/BCPL/2017-03-22_BCPL-BoardMtgRecording.mp3)

**BOARD MEETING  
APRIL 4, 2017**

**AGENDA ITEM 3  
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Leon Waushara County Application #: 02017161 Purpose: Finance dam repair	Town Rate: 3.50% Term: 7 years	General Obligation	\$300,000.00
2. Pleasant Springs Dane County Application #: 02017162 Purpose: Finance road repairs	Town Rate: 3.00% Term: 1 year	General Obligation	\$200,000.00
<b>TOTAL</b>			<b>\$500,000.00</b>

**BOARD MEETING  
APRIL 4, 2017**

**AGENDA ITEM 5  
EXECUTIVE SECRETARY'S REPORT**

Attached for review is the following report:

- Investment Transaction Report – March 30, 2017

101 E. Wilson Street  
2nd Floor  
PO Box 8943  
Madison, WI 53708-8943

608 266-1370 INFORMATION  
608 266-0034 LOANS  
608 267-2787 FAX  
bcpl.wisconsin.gov

Jonathan Barry, *Executive Secretary*

### Investment Transaction Report March 30, 2017

#### Bond Purchases

Issuer	Credit Rating	Trade Date	Par Value	Price Paid	Coupon	Call Date	Yield to Call	Maturity Date	Yield to Maturity
FFCB	Aaa	03/17	\$5,000,000	\$5,000,000	3.54%	06/27/17	3.54%	06/27/29	3.54%
Howards Grv SD	Aa3	03/20	\$440,000	\$437,369	3.70%	04/01/26	3.78%	04/01/33	3.75%
Howards Grv SD	Aa3	03/20	\$455,000	\$455,000	3.75%	04/01/26	3.75%	04/01/34	3.75%
Howards Grv SD	Aa3	03/20	\$475,000	\$475,000	3.80%	04/01/26	3.80%	04/01/35	3.80%
Howards Grv SD	Aa3	03/20	\$490,000	\$490,000	3.85%	04/01/26	3.85%	04/01/36	3.75%
FFCB	Aaa	03/29	<u>\$10,000,000</u>	\$9,999,000	3.60%	06/30/17	3.64%	03/30/32	3.60%
			\$16,860,000						

Since the election in November 2016, BCPL has purchased \$215 million in bonds. Some of the purchased bonds were callable and have been since been redeemed, and some were purchased as short-term and higher-yielding substitutes for the State Investment Fund. However, the majority of these investments were made for long-term income generation as interest rates have increased significantly since reaching record lows in July 2016.

#### Bond Sales

Since the last report, staff has sold bonds with total par value of \$23.99 million and realized long-term capital gains of \$2.24 million from these sales. The profit on these transactions increased the average annual return earned during the investment holding period to 6.55%.

To date in 2017, BCPL has earned \$4.425 million in long-term capital gains from the sale of \$49.33 million (par value) in bonds. Because reinvestment opportunities have improved through channels including the loan program, bond purchases and equity ETFs, staff is increasingly able to take advantage of market opportunities to realize capital gains without introducing excessive pressure on future earnings.

As provided in the IPS, 25% of total gains will be distributed to Trust Fund beneficiaries with 75% retained in the CSF smoothing fund.

#### Current Holdings

##### Combined Trust Fund Bond Portfolios Current Holdings as of March 30, 2017

Investment Type		
State of Wisconsin Bonds		\$177,385,994
Wisconsin Municipal Bonds		\$225,805,398
Agency Bonds		<u>\$126,172,977</u>
Total Bond Investments	(at cost)	\$529,364,369
	(at market value)	<u>\$540,210,666</u>
Unrealized Gains		\$10,813,496