



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

May 2, 2017

2:00 P.M.

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

Routine Business:

- 1) Call to Order
- 2) Approve Minutes – April 18, 2017 (Attachment)
- 3) Approve Loans (Attachment)

Old Business:

- 4) Discuss Real Estate Investment Option and Commissioner Adamczyk's Proposal
- 5) Discuss and Vote on Staff Attendance at WSLCA Summer Conference

New Business:

- 6) Proposed Land Bank Sale – St. Croix 40, Burnett County (S1115) (Attachment)
- 7) Proposed Land Bank Sale – Thunder Lake Road, Oneida County (S1602) (Attachment)

Routine Business:

- 8) Future Agenda Items
- 9) Executive Secretary's Report (Attachment)
 - Investment Transaction Report – April 26, 2017
- 10) Adjourn

**BOARD MEETING
MAY 2, 2017**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the April 18, 2017, board meeting.

Board Meeting Minutes
April 18, 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

Board Chair Schimel called the meeting to order at 2:00 pm.

ITEM 2. APPROVE MINUTES – APRIL 4, 2017

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 proper public purpose.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Beaver Dam Dodge County Application #: 02017173 Purpose: Finance TID development incentive	City Rate: 3.50% Term: 10 years	General Obligation	\$1,000,000.00
2. Bloomfield Walworth County Application #: 02017165 Purpose: Refinance BCPL loan #2015068.02	Village Rate: 3.50% Term: 10 years	General Obligation	\$68,493.30
3. Bloomfield Walworth County Application #: 02017166 Purpose: Refinance BCPL loan #2016113.01	Village Rate: 3.50% Term: 10 years	General Obligation	\$38,769.27
4. Bloomfield Walworth County Application #: 02017167 Purpose: Refinance BCPL loan #2017074.01	Village Rate: 3.50% Term: 10 years	General Obligation	\$540,000.00

5.	Bloomfield Walworth County Application #: 02017168 Purpose: Refinance BCPL loan #2017102.01	Village Rate: 3.50% Term: 10 years	General Obligation	\$200,000.00
6.	Bloomfield Walworth County Application #: 02017169 Purpose: Finance 2017 budget shortfall	Village Rate: 3.50% Term: 10 years	General Obligation	\$635,000.00
7.	Bloomfield Walworth County Application #: 02017170 Purpose: Finance 2017 capital budget	Village Rate: 3.00% Term: 10 years	General Obligation	\$260,000.00
8.	Dunkirk Dane County Application #: 02017177 Purpose: Purchase patrol truck, road equipment and finance road repairs	Town Rate: 3.00% Term: 2 years	General Obligation	\$200,000.00
9.	Kenosha Unified Kenosha County Application #: 02017174 Purpose: Finance energy efficiency projects	School Rate: 3.50% Term: 10 years	General Obligation	\$16,355,000.00
10.	Longwood Clark County Application #: 02017171 Purpose: Purchase road grader	Town Rate: 3.00% Term: 5 years	General Obligation	\$152,000.00
11.	Martell Pierce County Application #: 02017163 Purpose: Construct municipal shop building	Town Rate: 4.00% Term: 15 years	General Obligation	\$450,000.00
12.	Onalaska La Crosse County Application #: 02017176 Purpose: Purchase refuse and recycle carts	Town Rate: 3.50% Term: 10 years	General Obligation	\$220,000.00
13.	Owen Clark County Application #: 02017172 Purpose: Finance TID #4 projects	City Rate: 3.00% Term: 5 years	General Obligation	\$680,000.00
14.	Plum Lake Vilas County Application #: 02017175 Purpose: Purchase ambulance	Town Rate: 3.00% Term: 5 years	General Obligation	\$150,000.00

15. Racine Racine County Application #: 02017164 Purpose: Purchase and remodel building	School Rate: 3.50% Term: 10 years	General Obligation	\$6,750,000.00
TOTAL			\$27,699,262.57

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.

OLD BUSINESS

Commissioner La Follette asked that the board convene in person for the May 2 meeting to discuss investing in real estate, which Commissioner Adamczyk has proposed in the past. He stated that he recently received a memo regarding proposed legislation on the subject. Board Chair Schimel and Commissioner Adamczyk agreed to an in-person meeting.

ITEM 4. DISCUSS AND VOTE ON STAFF ATTENDANCE AT WSLCA SUMMER CONFERENCE

Board Chair Schimel said staff is requesting approval to send two delegates from BCPL to the conference, which will be held in Alaska. He noted that staff have been attending only the summer conference and no longer attend the winter conference. He asked staff to share what has been gained by attending. Deputy Secretary German said attending the conference allows staff to network and learn from other Trust Land and asset managers from other states. Attendance at the WSLCA conferences has affected a cultural shift within BCPL on how Trust Lands are managed. For example, staff manages Trust Lands as a source of revenue in an ecologically responsible manner, whereas a decade or more ago they were managed for conservation. Conference workshops and technical sessions also provide guidance on resolving omitted land issues, learning valuable ‘best practices’ in asset management, and other topics that are relevant to the management of trust assets.

Commissioner La Follette requested that he be allowed to attend and represent the Board. Board Chair Schimel said while he would sanction his attendance, whether or not the agency funds those expenses was the issue. The benefit of sending staff includes networking opportunities, leaning best practices, and building relationships. Executive Secretary Barry noted that John Schwarzmann, Forestry Supervisor, attended a timber sale workshop at a prior conference and the knowledge gained was a factor in over \$2 million in timber sales booked over the past two years.

MOTION: Board Chair Schimel moved to approve that Jonathan Barry and Tom German attend the WSLCA conference in Alaska.

AMENDMENT TO MOTION: Commissioner La Follette moved to amend the motion to include his attendance, also. The motion failed for lack of a second.

MOTION: Commissioner La Follette moved that he be allowed to attend. Board Chair Schimel seconded the motion for discussion purposes.

DISCUSSION: Commissioner La Follette reiterated that he felt it was important for a Commissioner to attend and represent the state. Board Chair Schimel replied that the Executive Secretary and Deputy Secretary could fulfill that role and from a business standpoint, sending staff who work on the Board’s day-to-day business matters would be the best alternative, in his opinion.

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

ITEM 5. FUTURE AGENDA ITEMS

Board Chair Schimel requested that the topic of sending staff to the WSLCA conference be added to the May 2 agenda to allow others to reconsider and possibly provide a second to the motion.

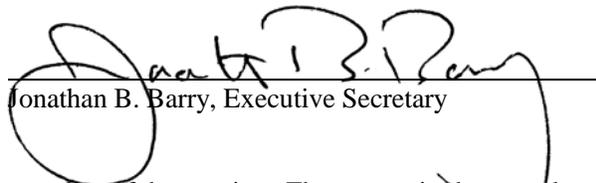
ITEM 6. EXECUTIVE SECRETARY’S REPORT

Executive Secretary Barry reported that the bond portfolio is yielding 3.65% and the loan portfolio is yielding 3.68%. The overall yield of the trust portfolio is 3.30% because the funds remaining in the State Investment Fund yield considerably less. The recent sale of some bonds resulted in long-term capital gains of \$950,000 and increased the annual return for this investment during the holding period to 6.0%. To date in 2017, \$5.4 million in long-term capital gains from the sale of \$60.7 million in bonds has been realized. The Board’s Prudent Investment Authority and approved policy has allowed staff to investment in these bond markets and increase earnings for the beneficiaries.

He also reported that staff purchased WHEDA (Wisconsin Housing and Economic Development Authority) bonds on the secondary market and anticipates purchasing more bonds.

ITEM 7. ADJOURN

The meeting adjourned at approximately 2:20 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/2017-04-18_BCPL-BoardMtgRecording.mp3

**BOARD MEETING
MAY 2, 2017**

**AGENDA ITEM 3
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Athelstane Marinette County Application #: 02017179 Purpose: Purchase municipal vehicle	Town Rate: 3.00% Term: 5 years	General Obligation	\$75,000.00
2. La Crosse La Crosse County Application #: 02017180 Purpose: Finance economic development projects	City Rate: 3.50% Term: 10 years	General Obligation	\$825,000.00
3. Mosinee Marathon County Application #: 02017181 Purpose: Finance water main replacement	City Rate: 4.00% Term: 20 years	General Obligation	\$120,000.00
4. Oshkosh Winnebago County Application #: 02017178 Purpose: Finance convention center improvements	City Rate: 4.50% Term: 10 years	Tax Revenue	\$1,500,000.00
TOTAL			\$2,520,000.00

**BOARD MEETING
MAY 2, 2017**

**AGENDA ITEM 6
PROPOSED LAND BANK SALE – ST. CROIX 40, BURNETT COUNTY (S1115)**

The St. Croix Chippewa Indians of Wisconsin (“Tribe”) has determined that 40 acres of BCPL land in Burnett County would be beneficial for Tribal use.

BCPL staff recommends the sale of the property to the Tribe for the following reasons:

- The property is an isolated parcel outside of the Consolidation Zone that is located adjacent to the federally recognized boundaries of existing land holdings of the Tribe.
- Sale of the property would provide BCPL with funds to purchase other lands that would provide better access to its existing lands, produce timber revenue, improve management efficiency, reduce forest fragmentation, or all of the above.
- Sale of the property to the Tribe would allow the Tribe to connect two blocks of the Tribe’s land and thereby improve efficient management of said land.

Attachments:

Resolution w/Exhibits

Exhibit A - BCPL Sale Criteria

Exhibit B - Appraisal Certification

BCPL Project Map

BOARD MEETING

MAY 2, 2017

AGENDA ITEM 6

PROPOSED LAND BANK SALE – ST. CROIX 40, BURNETT COUNTY (S1115)

RECITALS

- A. The St. Croix Chippewa Indians of Wisconsin (“Tribe”) has determined that certain property currently owned by the Board of Commissioners of Public Lands (“BCPL”), totaling 40.00 acres would be beneficial for the Tribe’s use. The land is more particularly described as:
 - 1. The Northwest ¼ of the Northwest ¼ (NWNW) of Section Eleven (11), Township Thirty-eight (38) North, Range Ten (15) West, La Follette Township, Burnett County Wisconsin, (the “Property”).
- B. The Property is located adjacent to federally recognized boundaries of tribal lands.
- C. The Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Property has been determined by BCPL staff to be appropriate for sale according to such criteria. A copy of the sale analysis is attached to this resolution as Exhibit A.
- D. The Property has been independently appraised by Steigerwaldt Land Services at a value of Thirty-Eight Thousand Dollars (\$38,000). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- E. The Tribe has offered to pay the sum of Thirty-Eight Thousand Dollars (\$38,000) to acquire the Property. The offered price is equal to the appraised value.
- F. BCPL staff recommends that the Board authorize the sale of the Property to the Tribe at the appraised value of \$38,000.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Property to the St. Croix Chippewa Indians of Wisconsin at the price of Thirty-Eight Thousand Dollars (\$38,000) 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 such transaction.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale
Transaction ID#: S 1115

Common Name for Land Parcel St Croix 40

County Burnett Township La Follette

Legal Description NWNW of Section 11, T38N, R15W

GLO Acres 40

Sale Criteria

1. Title

- Ownership verified with Register of Deeds
- Title appears merchantable

2. Timber Management

- Parcel is located outside of Consolidation Zone
- Parcel is an isolated or unproductive parcel within the Consolidation Zone
- Parcel is a deferred natural area

3. Access

- Parcel does not provide the only reasonable access to other BCPL parcels that will be retained.
- If parcel does provide the only reasonable access to other BCPL parcels to be retained, a public access easement across the parcel has been reserved.
- Parcel has no current access

4. Parcel Required By Other Government Entity

- The parcel is located within a project boundary of another government agency or adjacent to a parcel of land owned by another unit of government.
- Parcel is otherwise required by another unit of government.

I recommend that BCPL sell the above property on terms and conditions acceptable to BCPL:

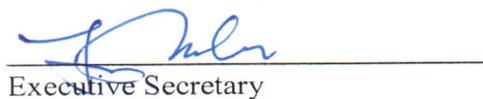
- Yes
- No


Signature of Forest Land Supervisor

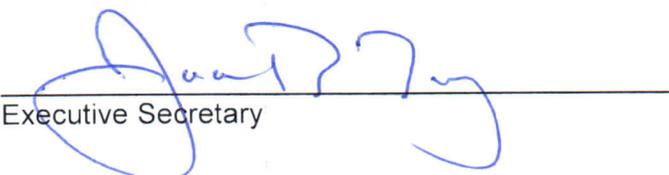
9/1/2010
Date

I accept the recommendation of the Trust Lands Forestry Supervisor and direct the staff to proceed accordingly.

- Yes
- No


Executive Secretary

9/20/2010
Date

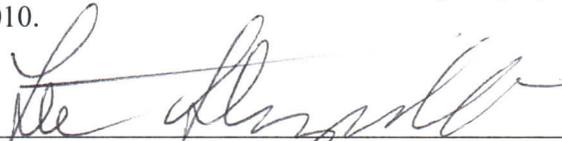

Executive Secretary

4-25-17
Date

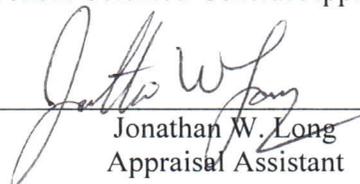
CERTIFICATION

I certify that, to the best of my knowledge and belief:

- a. The statements of fact contained in this report are true and correct and no important facts have been withheld.
- b. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
- c. I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- d. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
- e. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the "Uniform Standards of Professional Appraisal Practice."
- f. Jonathan W. Long conducted a personal inspection of the appraised property on November 8, 2010. Lee A. Steigerwaldt did not inspect the subject property. All of the comparable sales were inspected within the last two years by the appraiser or other qualified staff of Steigerwaldt Land Services, Inc.
- g. Lee A. Steigerwaldt and Jonathan W. Long prepared this report. No one provided significant professional assistance to the appraiser signing this certification.
- h. The appraiser did not discuss the subject property's value with the owners or the owners' representatives. I am not aware that the property is listed for sale.
- i. Within the prior three years, the appraiser has not performed any other services with regard to the subject property, and no services except this appraisal assignment are currently in progress.
- j. It is my opinion that the market value of the subject property is \$38,000.00, as of November 8, 2010.

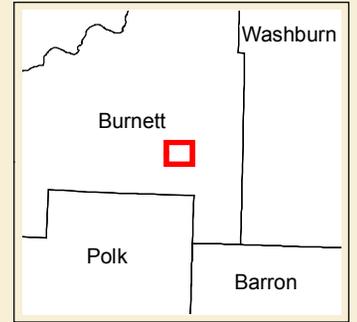


Lee A. Steigerwaldt, ACF
Wisconsin Certified General Appraiser #1516



Jonathan W. Long
Appraisal Assistant
STEIGERWALDT LAND SERVICES, INC.

BURNETT ST. CROIX 40



BCPL Project #:
S1115

County: Burnett

Town: La Follette

Common Name:
St. Croix 40

Acres - 40.00

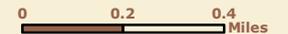
Fund 745



Parcels being Sold



Chippewa Land



INTERNAL USE ONLY

**BOARD MEETING
MAY 2, 2017**

**AGENDA ITEM 7
PROPOSED LAND BANK SALE – THUNDER LAKE ROAD,
ONEIDA COUNTY (S1602)**

The Town of Sugar Camp (“Town”) has determined that 1.15 acres of BCPL Trust Lands in Oneida County are required for Town use.

BCPL staff recommends the sale of the Property to the Town for the following reasons:

- The Town has requested that BCPL sell the Property to them to allow the Town to build a remotely located rescue squad building;
- The Property does not provide access to other BCPL lands; and
- Sale of the Property would provide BCPL with funds to purchase other lands that would provide better access to existing BCPL lands, produce timber revenue, improve management efficiency, reduce forest fragmentation, or all of the above.

Attachments:

Resolution w/Exhibits

Exhibit A - BCPL Sale Criteria

Exhibit B - Appraisal Certification

BCPL Project Map

BOARD MEETING

MAY 2, 2017

AGENDA ITEM 7

**PROPOSED LAND BANK SALE – THUNDER LAKE ROAD,
ONEIDA COUNTY (S1602)**

RECITALS

- A. The Town of Sugar Camp (“Town”) has determined that certain property currently owned by the Board of Commissioners of Public Lands (“BCPL”), totaling approximately 1.15 acres in size are required for Town use in the construction of a rescue squad building. These lands are more particularly described as:
 - a. Lot 1 of Certified Survey Map No. 4524 being part of the Northeast ¼ of the Southwest ¼ (NESW) and part of the Northwest ¼ of the Southwest ¼ (NWSW) of Section Sixteen (16) all located in Township Thirty-eight (38) North, Range Ten (10) East, Town of Sugar Camp, Oneida County Wisconsin, (the “Property”)
- B. The Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Property has been determined by BCPL staff to be appropriate for sale according to such criteria. A copy of the sale analysis is attached to this resolution as Exhibit A.
- C. The Property has been independently appraised by Compass Land Consultants, Inc. at a value of Fourteen Thousand Five Hundred Dollars (\$14,500). A copy of the Certification of the Appraisal has been attached to this resolution as Exhibit B.
- D. The Town has offered to pay the sum of Fourteen Thousand Five Hundred Dollars (\$14,500) to acquire the Property. The offered price is equal to the appraised value.
- E. BCPL staff recommends that the Board authorize the sale of the Property to the Town at the appraised value of \$14,500.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Property to the Town of Sugar Camp at the price of Fourteen Thousand Five Hundred Dollars (\$14,500) 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 such transaction.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale
Transaction ID#: S 1602

Common Name for Land Parcel: Thunder Lake Road

County: Oneida Township: Sugar Camp

Legal Description: TBD (Part of the NESW of Section 16, Township 38N, Range 10E)

GLO Acres: 1.25

Sale Criteria

1. Title

- Ownership verified with Register of Deeds.
- Title appears merchantable.

2. Timber Management

- Parcel is located outside of Consolidation Zone.
- Parcel is an isolated or unproductive parcel within the Consolidation Zone.

3. Access

- Parcel does not provide the only reasonable access to other BCPL parcels that will be retained.
- If parcel does provide the only reasonable access to other BCPL parcels to be retained, a public access easement across the parcel has been reserved.
- Parcel has no current access.

4. Parcel Required By Other Government Entity

- The parcel is located within a project boundary of another government agency or adjacent to a parcel of land owned by another unit of government.
- Parcel is otherwise required by another unit of government.

I recommend that BCPL sell the above property on terms and conditions acceptable to BCPL:

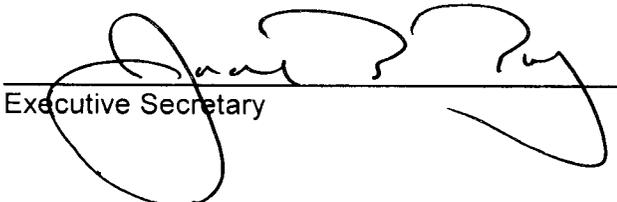
- Yes
- No


Trust Lands Forestry Supervisor

4-21-16
Date

I accept the recommendation of the Trust Lands Forestry Supervisor and direct the staff to proceed accordingly.

- Yes
- No


Executive Secretary

5-2-16
Date

REAL ESTATE APPRAISAL – RESTRICTED REPORT

CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias or personal interest with respect to the property and parties involved in the assignment.
- I have had no previous appraisal experience on the subject property within three years of the effective date of value.
- My engagement in this assignment is not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the "Uniform Standards of Professional Appraisal Practice."
- I personally inspected the subject property on April 29, 2016. The comparable sales were inspected by Daniel T. Schummer on May 2, 2016.
- It is my opinion that the subject property has a value of \$14,500 as of April 29, 2016.

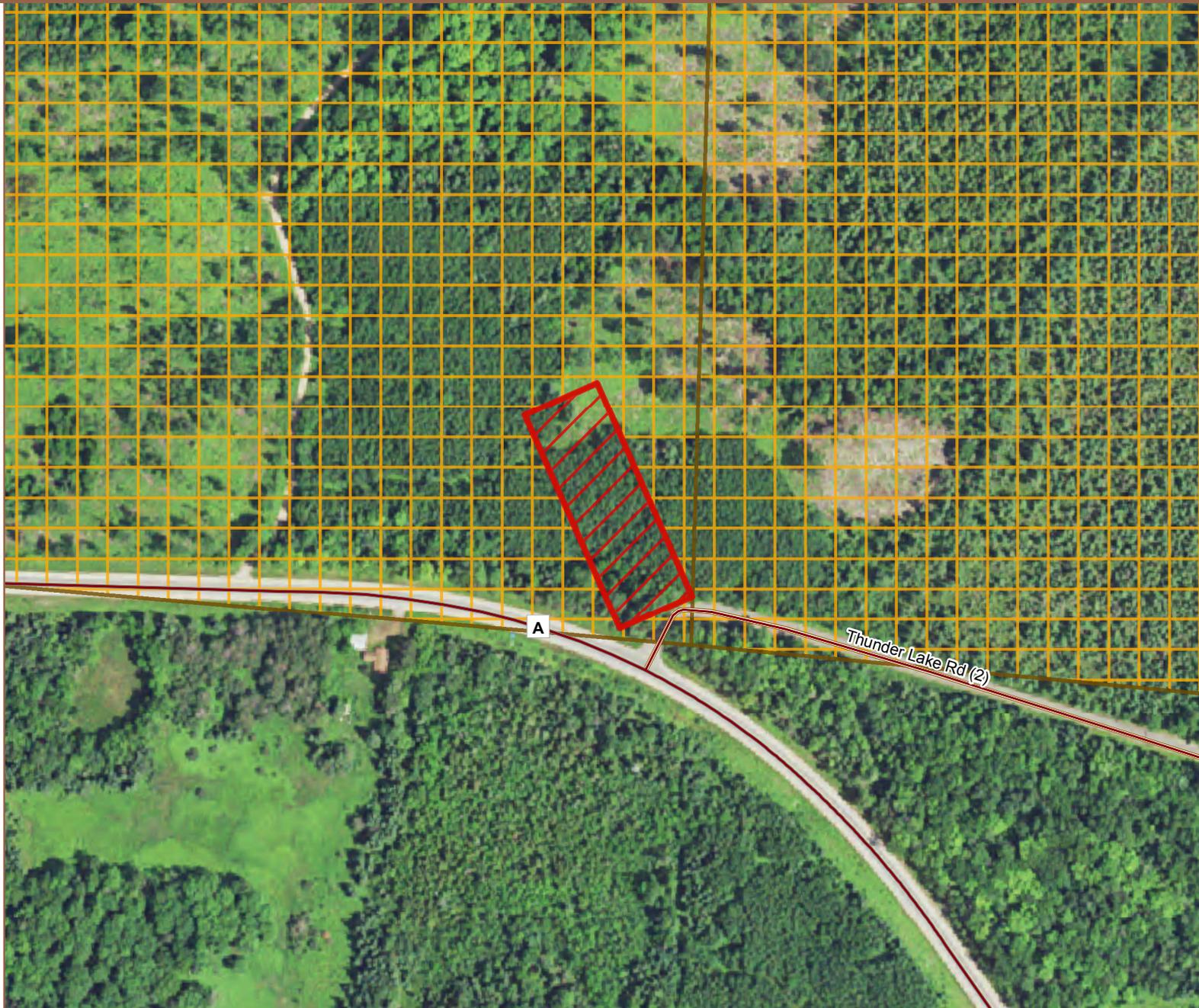


William M. Steigerwald
Real Estate Specialist
WI CGA #394-10
(Expires 12/14/2017)



Daniel T. Schummer
Real Estate Specialist
WI CGA #2145-10
(Expires 12/14/2017)

SUGAR CAMP THUNDER LAKE ROAD SALE



BCPL Project #:
S1602

County: **Oneida**

Town: **Sugar Camp**

Common Name:
Thunder Lake Road

Acres - **1.25**

Fund **745**



 **Parcels being Sold**

 **BCPL Land**



INTERNAL USE ONLY

**BOARD MEETING
MAY 2, 2017**

**AGENDA ITEM 9
EXECUTIVE SECRETARY'S REPORT**

Attached for review is the following report:

- Investment Transaction Report – April 26, 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 April 26, 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	04/20	\$7,675,000	\$7,675,000	3.69%	04/20/18	3.69%	04/20/37	3.69%
FFCB	Aaa	04/21	\$3,500,000	\$3,500,000	3.69%	04/20/18	3.69%	04/20/37	3.69%
FFCB	Aaa	04/25	<u>\$6,700,000</u>	\$6,699,866	3.60%	06/20/17	3.62%	03/30/32	3.60%
			\$17,875,000						

Bond Sales

Since the last report, staff sold bonds with total par value of \$5 million and realized capital gains of about \$130,000 from the sale. These bonds were held for only 5 weeks, and gains from the sale are therefore considered short-term gains that are included in distributable income to Trust Fund beneficiaries. The average annual return during the holding period for this investment was 33.2%.

To date in 2017, BCPL has earned \$5.4 million in long-term capital gains from the sale of \$60.7 million (par value) in bonds. 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

Investment Type	4/26/17	4/13/17
State of Wisconsin Bonds	\$170,991,930	\$171,036,062
Wisconsin Municipal Bonds	\$201,406,187	\$201,530,122
Agency Bonds	<u>\$125,758,910</u>	<u>\$128,859,910</u>
Total Bond Investments (at cost)	\$498,157,027	\$501,426,094
(at market value)	<u>\$508,599,317</u>	<u>\$514,894,064</u>
Unrealized Gains	\$10,442,290	\$13,467,970