

Board Meeting Minutes
April 18, 2017

Present via teleconference were:

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| 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.

Municipality	Municipal Type	Loan Type	Loan Amount
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.

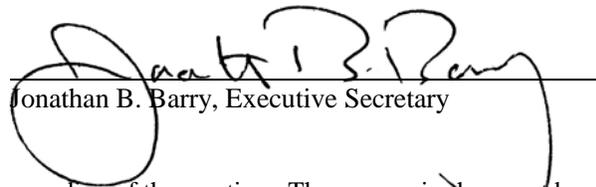
ITEM 6. EXECUTIVE SECRETARY'S REPORT

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