

Board Meeting Minutes  
March 8, 2017

Present via teleconference were:

Doug La Follette, Commissioner	Secretary of State
Matt Adamczyk, Commissioner	State Treasurer
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 2:07 pm. He noted that Board Chair Schimel was not present for the roll call.

**ITEM 2. APPROVE MINUTES – FEBRUARY 21, 2017**

**MOTION:** Commissioner Adamczyk moved to approve the minutes; Commissioner La Follette seconded the motion.

**DISCUSSION:** None.

**VOTE:** The motion passed 2-0.

*Board Chair Schimel joined the meeting.*

**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. Kimberly Area Calumet and Outagamie Counties Application #: 02017152 Purpose: Finance indoor athletic facility	School Rate: 3.50% Term: 10 years	General Obligation	\$1,000,000.00
2. Lake Marinette County Application #: 02017154 Purpose: Construct public works building	Town Rate: 3.50% Term: 10 years	General Obligation	\$350,000.00
3. Pelican Oneida County Application #: 02017153 Purpose: Construct town shop building	Town Rate: 3.00% Term: 4 years	General Obligation	\$200,000.00

4.	Saukville Ozaukee County Application #: 02017155 Purpose: Purchase municipal vehicles and equipment	Village Rate: 3.00% Term: 10 years	General Obligation	\$119,370.00
5.	Shelby Sanitary District #2 La Crosse County Application #: 02017149 Purpose: Finance water line extension	Sanitary District Rate: 4.00% Term: 20 years	General Obligation	\$400,000.00
6.	Shelby Sanitary District #2 La Crosse County Application #: 02017150 Purpose: Finance water line extension	Sanitary District Rate: 3.50% Term: 10 years	General Obligation	\$250,000.00
7.	Shelby Sanitary District #2 La Crosse County Application #: 02017151 Purpose: Finance water line extension	Sanitary District Rate: 4.00% Term: 15 years	General Obligation	\$150,000.00
		<b>TOTAL</b>		<b>\$2,469,370.00</b>

**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 BCPL'S BIENNIAL BUDGET AS IT APPEARS IN GOVERNOR WALKER'S EXECUTIVE BUDGET**

**MOTION:** Board Chair Schimel moved to approve the Governor's budget submission for purposes of allowing BCPL staff to answer legislators' questions and testifying before Joint Finance; Commissioner La Follette seconded the motion.

**DISCUSSION:** Executive Secretary Barry said that the agency's budget includes only standard adjustments. If amendments are introduced that would affect the BCPL's budget, staff will bring them to the Board for discussion and action, if needed.

Board Chair Schimel said he had talked to the Secretary and Deputy in the Department of Administration (DOA) regarding the shared services proposal that would transfer information technology staff to DOA from other agencies. They have realized that it is vital for BCPL to retain its information technology position due to the unique nature of BCPL's needs. In addition, the land records archivist position at BCPL conducts important research to ensure that title to the School Trust Lands is clear.

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

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands endorses the Governor's budget request as it relates to BCPL and authorizes the Executive Secretary and staff to respond to legislators and provide information in support of the agency's budget.

**ITEM 5. DISCUSS POSSIBILITY OF BCPL OWNING / CONSTRUCTING STATE OFFICE BUILDINGS**

Commissioner Adamczyk said that if BCPL were able to finance the construction and/or leasing of state office buildings, the state could forego the cost of bonding and the School Trust Funds would earn additional income. He gave an example of the state leasing a building over the past 13 year and then purchasing it. Commissioner La Follette asked if staff should begin researching and identifying buildings that could be purchased. Commissioner Adamczyk replied that he was not recommending that "necessarily today" because the agency would need legislative authority to invest in real estate.

Deputy Secretary German said that under the current statutes, the Board is not authorized to invest in land unless it's in the Board's previously identified consolidation zone and improves access to Trust Lands or blocks with other Trust Lands.

Commissioner La Follette asked if staff should develop draft language that would allow BCPL the authority to purchase real estate or buildings. Commissioner Adamczyk said he would forward Executive Secretary Barry preliminary language he had drafted. Commissioner La Follette said that the Board needs staff advice and in-depth research before he would move forward.

Board Chair Schimel asked if the Board could lend money for state building projects rather than purchasing buildings. Commissioner Adamczyk said owning buildings and leasing them would generate more revenue than loaning money for such projects. He added that facilities would be managed by the Department of Administration and make lease payments to the BCPL.

Executive Secretary Barry said that staff would conduct research and present an analysis of the possibility of BCPL owning buildings. The decision whether to move forward would be the Board's to make.

**ITEM 6. FUTURE AGENDA ITEMS**

None.


**ITEM 7. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary Barry reported that staff had sold some bonds and realized significant capital gains on those sales. A percentage of those gains will be added to the smoothing fund as outlined in the Board's Investment Policy Statement.

**ITEM 8. ADJOURN**

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

The meeting adjourned at approximately 2:25 p.m.

  
Jonathan B. Barry, Executive Secretary