

Board Meeting Minutes
January 15, 2019

Present were:

Doug La Follette, Commissioner	Secretary of State
Sarah Godlewski, Board Chair	State Treasurer
Jonathan Barry, Executive Secretary	Board of Commissioners of Public Lands
Tom German, Deputy Secretary	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Vicki Halverson, Office Manager	Board of Commissioners of Public Lands

Present vis teleconference:

Josh Kaul, Commissioner	Attorney General
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ITEM 1. CALL TO ORDER

Commissioner La Follette called the meeting to order at 2:10 p.m.

ITEM 2. ELECT A BOARD CHAIR

Commissioner La Follette noted that, historically, past Attorneys General have not been board chair due to extremely busy schedules. He asked State Treasurer Godlewski if she were interested in the position. She replied that she was interested and felt that, as State Treasurer, she could take an active role in providing guidance with the Board’s investments.

MOTION: Commissioner La Follette moved to nominate State Treasurer Godlewski as Board Chair; Commissioner Kaul seconded the motion.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE MINUTES – DECEMBER 18, 2018

Commissioner La Follette said the minutes reflected the proceedings of the board meeting.

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

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 4. 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. Brandon Fond Du Lac County Application #: 02019093 Purpose: Purchase dump truck	Village Rate: 4.25% Term: 5 years	General Obligation	\$20,000.00

2.	Chilton Calumet County Application #: 02019096 Purpose: Finance pass-through development loans	City Rate: 4.75% Term: 12 years	General Obligation	\$788,000.00
3.	Christiana Vernon County Application #: 02019089 Purpose: Purchase dump truck	Town Rate: 4.50% Term: 10 years	General Obligation	\$175,000.00
4.	Elm Grove Waukesha County Application #: 02019090 Purpose: Finance village hall HVAC system	Village Rate: 4.50% Term: 10 years	General Obligation	\$1,000,000.00
5.	Fredonia Ozaukee County Application #: 02019095 Purpose: Purchase fire truck	Town Rate: 4.75% Term: 12 years	General Obligation	\$658,312.00
6.	Hartford Washington County Application #: 02019085 Purpose: Purchase lake patrol boat	Town Rate: 4.25% Term: 4 years	General Obligation	\$29,000.00
7.	Kohler Sheboygan County Application #: 02019091 Purpose: Finance street project and capital equipment	Village Rate: 4.25% Term: 5 years	General Obligation	\$366,000.00
8.	Lebanon Dodge County Application #: 02019094 Purpose: Purchase dump truck and attachments	Town Rate: 4.50% Term: 10 years	General Obligation	\$197,292.00
9.	Oakfield Sanitary District #1 Fond Du Lac County Application #: 02019087 Purpose: Finance sanitary system repair/rebuild	Sanitary District Rate: 4.75% Term: 15 years	General Obligation	\$25,000.00
10.	Pewaukee Waukesha County Application #: 02019088 Purpose: Finance development incentives	Village Rate: 4.75% Term: 20 years	General Obligation	\$206,000.00
11.	Richland Richland County Application #: 02019092 Purpose: Finance 911 system	County Rate: 4.25% Term: 5 years	General Obligation	\$200,000.00

12. Suring Oconto County Application #: 02019086 Purpose: Refinance WRS prior service pension liability	Village Rate: 4.25% Term: 2 years	General Obligation	\$45,000.00
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TOTAL \$3,709,604.00

MOTION: Commissioner La Follette moved to approve the loans; Commissioner Kaul seconded the motion.

DISCUSSION: Board Chair Godlewski asked if the loans are typically approved together or separately. Deputy Secretary German replied that they can be approved separately but it has been tradition to approve them as a group unless there is objection to that.

Commissioner Kaul asked if anything made the loans different from past loans. Staff replied that the loans were typical in nature to past loans.

Commissioner La Follette noted that there were no school district loans on the list. Staff replied that school districts more typically issue tax-exempt debt.

Board Chair Godlewski asked about the pass-through development loan to the city of Chilton. Staff replied that the funds will be loaned to a developer to build affordable, senior housing. The municipality remains the obligor on the loan to BCPL, not the developer.

The Commissioners and staff discussed ways to communicate and promote the agency’s programs, in addition to the benefits and value BCPL brings to the citizens of Wisconsin. Staff shared that press releases are distributed after each board meeting announcing the loans. Legislators also receive a letter detailing the current loans approved and a five-year total of library aid for their district. When Commissioners travel, staff offered to provide the them with a list of outstanding loans and projects in the area where they are traveling so the information would be shared with constituents.

Commissioner Kaul asked if staff unanimously supported the loans presented for approval. Should staff not have consensus on a loan, he asked that the Commissioners be informed. Executive Secretary Barry said that past practice would be for staff to inform the Board Chair of any lack of consensus on a loan. Staff would, of course, continue that practice.

VOTE: The motion passed 3-0.

ITEM 5. EXECUTIVE SECRETARY’S REPORT

The following reports were provided for the Board’s review and discussion:

- The investment transaction report is included in every board packet. The report details bonds and equities purchased or sold since the last board meeting;
- The fixed income and public equity reports are provided each month; and
- The fixed income benchmark comparison is provided quarterly.

Executive Secretary Barry said a work plan detailing projects staff would like to undertake will be presented to the Commissioners in the near future. The work plan would include changes to the Investment Policy that would allow a larger distribution to the Common School Fund beneficiaries and other matters, including Land Bank purchases, that merit a discussion with the Board.

Board Chair Godlewski expressed interest in being involved with staff in the Board’s investment strategy and asset allocation. She asked if the Board had a private equity portfolio. Staff replied yes and that it includes two commitments to venture capital firms totaling \$30 million, of which approximately \$5 million has been called.

Executive Secretary Barry invited Board Chair Godlewski to attend future investment committee meetings with staff.

Board Chair Godlewski inquired about the renewable energy loans and whether it was a policy to deny those public purpose loans. Staff replied that it was a Board policy but it was *not* included in the Investment Policy. The policy (*adopted on a 2-1 vote at the Board's November 7, 2017, board meeting*) instructed staff to decline all applications for "school energy efficiency projects for the remainder of 2017." Deputy Secretary German explained that [prior to January 2018] a school district could borrow for energy efficiency projects without going to referendum. Two of the Commissioners opposed those types of loans because it was perceived that school districts were bypassing the referendum requirement when borrowing from the State Trust Fund Loan program. Commissioner La Follette asked if those loans could now be accepted. Deputy Secretary German replied that the Board should evaluate and vote on changing the policy at a future board meeting.

ITEM 6. FUTURE AGENDA ITEMS

Commissioner La Follette requested that staff provide a list of past board policies that "deserve review" for the next board meeting. The staff would provide the information in a manner that the Board could act upon if they chose to do so.

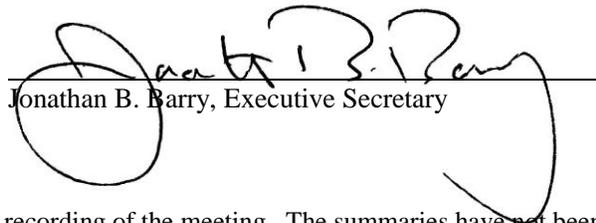
The Board and staff also discussed the possibility of holding fewer meetings. Executive Secretary Barry said that staff would offer options to the Board, which could be discussed at a future meeting.

Board Chair Godlewski agreed with those suggested agenda items.

ITEM 7. ADJOURN

Commissioner La Follette moved to adjourn the meeting; Commissioner Kaul seconded the motion. It passed unanimously.

The meeting adjourned at 2:42 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: https://bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2019/2019-01-15_BCPL-BoardMtgRecording.mp3