

Board Meeting Minutes
February 4, 2019

Present in person were:

Sarah Godlewski, Board Chair	State Treasurer
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 via teleconference were:

Doug La Follette, Commissioner	Secretary of State
Josh Kaul, Commissioner	Attorney General
Jonathan Barry, Executive Secretary	Board of Commissioners of Public Lands

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 1:00 p.m.

ITEM 2. APPROVE MINUTES - JANUARY 15, 2019

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

DISCUSSION: Commissioner Kaul asked if written minutes of the board meeting proceedings were necessary since the proceedings are recorded. Deputy Secretary German replied that no legal requirement exists to keep a printed transcript but for practical purposes, it has been a long-standing practice of the Board. Executive Secretary Barry added that using the abbreviated transcript to research past policies adopted by the Board is more efficient than listening to the board meeting recordings. The Commissioners agreed that the practice should continue.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

Mr. Sneider reported that the loans had been reviewed by the Attorney General’s Office for proper public purpose.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Remington Wood County Application #: 02019100 Purpose: Purchase plow truck	Town Rate: 4.50% Term: 10 years	General Obligation	\$135,419.95
2. Sparta Monroe County Application #: 02019101 Purpose: Purchase dump truck with plow	Town Rate: 4.25% Term: 3 years	General Obligation	\$53,124.50
3. Tomah Monroe County Application #: 02019097 Purpose: Finance TID #8 small business loan program	City Rate: 4.25% Term: 5 years	General Obligation	\$70,000.00

4.	Tomah Monroe County Application #: 02019098 Purpose: Finance TID #8 development incentive	City Rate: 4.75% Term: 15 years	General Obligation	\$1,000,000.00
5.	Tomah Monroe County Application #: 02019099 Purpose: Finance TID #8 veterans assistance housing loan	City Rate: 4.75% Term: 15 years	General Obligation	\$180,000.00
6.	Whiting Portage County Application #: 02019102 Purpose: Finance operations and maintenance	Village Rate: 4.25% Term: 5 years	General Obligation	\$110,000.00
TOTAL				\$1,548,544.45

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

DISCUSSION: Board Chair Godlewski asked for additional information on the small business loan to the city of Tomah. Mr. Sneider replied that it was for a warehouse distribution project within the TID. She then asked if operations and maintenance loans were typical. Mr. Sneider replied that it is rare for municipalities to borrow for operations, but it does happen on occasion.

Commissioner Kaul asked what criteria was used to determine interest rates. For example, a municipality's bond rating. Mr. Sneider replied that it is primarily based on the length of the loan. By statute, BCPL has the authority to intercept a municipality's state aid should there be a loan default, so staff consider the credit quality of all loans as comparable.

The Board and staff discussed communications and outreach strategies that would make citizens aware of the service and benefits that BCPL is providing within their community. Targeted press releases are sent to newspapers and radio stations, which sometimes triggers a call from a news outlet seeking additional information. Board Chair Godlewski offered to work with the Executive Secretary and staff to expand the agency's outreach strategies and present them to the Board at a future meeting.

VOTE: The motion passed 3-0.

ITEM 4. DISCUSSION AND POTENTIAL VOTE ON PAST BOARD POLICIES

Board Chair Godlewski explained that the Commissioners had asked staff to compile a list of policies adopted by the previous Board (January 6, 2015 - December 18, 2018) that they felt should be reviewed. Staff provided a list of five current policies, which the Board could consider amending, repealing, ratifying now or table them for a future meeting.

MOTION: Commissioner La Follette moved to repeal the energy efficiency loan and climate change policies. Commissioner Kaul and Board Chair Godlewski preferred to discuss each policy separately and offer motions accordingly. Commissioner La Follette withdrew his motion.

- To decline acceptance of State Trust Fund Loan applications for school energy efficiency projects for the remainder of 2017 (November 7, 2017).

DISCUSSION: Staff explained that, until the legislature changed the law, school districts could use an alternative borrowing process to finance energy efficiency projects even if a referendum was held and it

failed. The previous Board adopted a blanket policy that restricted staff from accepting *any* loan application requests for energy efficiency projects, unless a school district had passed a referendum. Currently, statutes require school districts to pass a referendum for energy efficiency projects being financed longer than 10 years. While the Board's policy lapsed at the end of 2017, staff said the Board may want to adopt a statement indicating that any energy efficiency loan applications would be accepted.

MOTION: Board Chair Godlewski moved to amend the policy to read: The State Trust Fund Loan Program will accept loan applications for school energy efficiency and alternative energy projects in accordance with state law. Commissioner Kaul seconded the motion.

VOTE: The motion passed 3-0.

- Agency staff are prohibited from engaging in global warming or climate change policy advocacy during BCPL time (June 16, 2015 amending an April 7, 2015 Resolution).

DISCUSSION: Commissioners and staff discussed the challenges and restrictions this policy presented staff when they met with legislators or others to discuss forestry issues. For example, if legislation were proposed that might have an impact on the Board's trust assets due to impacts from climate change, the policy would prohibit staff's ability to point out the potential consequences of the proposed legislation. If the Board repeals the policy, staff will work within the new policy guidelines established, just as they have done in the past.

MOTION: Commissioner La Follette moved to repeal the policy prohibiting staff from engaging in global warming or climate change policy advocacy during BCPL time. Commissioner Kaul seconded the motion.

VOTE: The motion passed 3-0.

- The Board Chair shall approve agency expenditures over \$5,000, other than payroll and fixed obligation expenses, and a report will be provided to the Board at their next meeting. (April 21, 2015).

DISCUSSION: Staff explained that the policy was so broad that it would on occasion cause confusion surrounding non-recurring expenses. For example, the agency uses Bloomberg news service to monitor market conditions. Since the service costs more than \$5,000 per year and is billed quarterly, would this expense require Board Chair approval every quarter or is it considered non-recurring? Given the small number of expenses that fall under the policy and the transparency it provides, the Commissioners agreed to retain it.

- The Commissioners must approve out-of-state travel for the Executive Secretary, staff, or Commissioners (April 7, 2015).

DISCUSSION: The policy was very broad and caused issues when staff traveled to the far northern border of Wisconsin. Staff suggested that the \$5,000 expenditure limit could address out-of-state travel and, thus, fall within the discretion of the Executive Secretary. The Commissioners discussed the practicality of the policy and possible revisions. Specifically, the Executive Secretary would approve out-of-state travel for staff, and the Board Chair would approve out-of-state travel for the Executive Secretary.

MOTION: Board Chair Godlewski moved to request that staff provide the Board with revised language for the policy at the next meeting, based on the discussion and feedback above. Commissioner La Follette seconded the motion.

VOTE: The motion passed 3-0.

- To prohibit Board staff from lobbying the state legislature, Governor's office, or the federal government on proposals unless approved by the Board (adopted March 17, 2015).

DISCUSSION: Staff explained that the prior board took a broad view of the word "lobbying." That is, *any* discussion with *any* sitting legislator was considered lobbying. In situations where legislation was introduced and a hearing on the matter was scheduled within a short timeframe, staff were unable to meet with legislators to discuss the impact of the proposed legislation on the Board's trust assets because a board meeting may not be scheduled within that same timeframe. The Commissioners discussed the need for staff to provide information and feedback in a timely manner to government officials on matters impacting the BCPL and ensure that any information provided or positions presented on issues are in line with policies adopted by the Board.

ACTION: The Board directed staff to provide them with recommendations to consider at the next board meeting.

ITEM 5. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Barry reported that he and staff would be reaching out to the members of the Joint Finance Committee and junior legislators to inform them of the agency's programs and how they benefit Wisconsin's citizens.

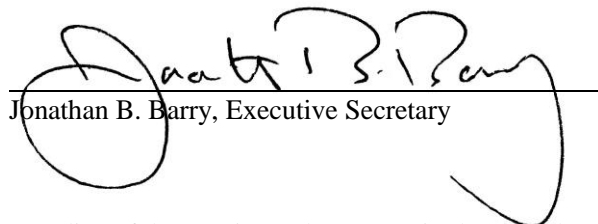
Deputy Secretary German reported that the Legislative Audit Bureau would be conducting an audit of the agency.

Board Chair Godlewski reported that she and staff will be developing outreach strategies and will present them to the Board for discussion. She also participated in a staff investment committee meeting to discuss investment opportunities and, again, will share outcomes and potential options with the Board at future meetings.

ITEM 6. FUTURE AGENDA ITEMS

ITEM 7. ADJOURN

The meeting adjourned at 2:11 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/2019/2019-02-04_BoardMtgRecording.mp3