

Board Meeting Minutes  
April 2, 2019

Present in person were:

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
Vicki Halverson, Office Manager	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands

Present via teleconference were:

Doug La Follette, Commissioner	Secretary of State
Josh Kaul, Commissioner	Attorney General

**ITEM 1. CALL TO ORDER**

Board Chair Godlewski called the meeting to order at 2:03 p.m.

**ITEM 2. APPROVE MINUTES - MARCH 19, 2019**

**MOTION:** Commissioner La Follette moved to approve the minutes; Board Chair Godlewski seconded the motion.

**DISCUSSION:** A typographical error was noted, which will be fixed by staff.

**VOTE:** The motion passed 3-0.

**ITEM 3. APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Rock Elm Pierce County Application #: 02019113 Purpose: Purchase tractor and equipment	Town Rate: 4.00% Term: 5 years	General Obligation	\$80,000.00
<b>TOTAL</b>			<b>\$80,000.00</b>

Mr. Sneider reported that the loans had received legal review by the Department of Justice.

**MOTION:** Commissioner La Follette moved to approve the loans; Board Chair Godlewski seconded the motion.

**DISCUSSION:** None.

**VOTE:** The motion passed 3-0.

**ITEM 4. REPORT ON LEGAL ADVICE FROM DOJ REGARDING STATE TREASURER’S ABILITY TO AUDIT AND/OR REQUEST AUDITS OF UNCLAIMED PROPERTY PROGRAM**

Executive Secretary Barry explained that the report he sent to the Commissioners via email related to audits of Unclaimed Property by third parties, which are distinct from audits of the Unclaimed Property Program (the “Program”). The State Treasurer had met with attorneys at the DOJ to discuss whether the Board had the authority to request or require an audit of the Program or whether that request needed to go through the

Legislative Audit Bureau. State Treasurer Godlewski said that she is awaiting information and would provide an update at the next board meeting.

Executive Secretary Barry said there has not been a reconciliation of the Program since its transfer to the DOR from the State Treasurer's Office, and perhaps an audit would be in order. Board Chair Godlewski said this was a concern to her.

Commissioner La Follette expressed his desire for the Program to be transferred back to the State Treasurer's Office and asked if staff could begin drafting legislation. He requested that the topic be included on a future board meeting agenda. Board Chair Godlewski replied that while she did not disagree with that suggestion as a final outcome, she would prefer legal guidance from DOJ before legislation is drafted. A discussion of the topic will be added to the next board meeting agenda.

#### **ITEM 5. DISCUSS POTENTIAL REVENUE OPPORTUNITIES FROM TRUST LANDS**

Board Chair Godlewski had recently met with BCPL staff to discuss other potential sources of Trust Lands revenue including the promotion of eco-tourism through partnerships with the DNR and other entities, and the reorganization of Trust Lands through the sale of unproductive parcels and the purchase of timberlands adjacent to large blocks of productive Trust Lands.

#### **ITEM 6. REPORT OF THE CHIEF INVESTMENT OFFICER**

Mr. Snider reported that the BCPL Investment Committee voted to change the mix of stock exchange-traded funds (ETFs) within the public equity allocation to include small cap stocks, which historically have provided an above-average rate of return. The March decrease in interest rates had a favorable impact on total unrealized gains/losses in the Board's public bond portfolio. The unrealized net gain now stands at \$3.5 million.

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

Executive Secretary Barry provided a summary of the report he provided to the Board regarding third party audits of Unclaimed Property. While the Department of Revenue has the authority to conduct its own audits on unclaimed property, they are not allowed to contract with third parties to conduct audits.

Executive Secretary German explained that, per state statutes, companies are required to file unclaimed property reports and the funds with the DOR when the rightful owner of such property is unable to be located after a period of time. Because there is currently no capacity for the DOR to audit businesses to ensure they are complying with the law, some may not be filing the required reports nor transferring the funds. A brief explanation of third-party audits was also provided.

#### **ITEM 8. FUTURE AGENDA ITEMS**

Board Chair Godlewski asked that a "Board Chair's Report" topic be added to future agendas. She reported that she and staff recently hosted a BCPL "meet and greet" for freshman legislators. The legislators received information on how BCPL is investing in communities within their district (i.e., State Trust Fund Loans and Common School Fund library aid distributions) and an explanation of other programs administered by the agency. Similar sessions will be held for other legislators and staff.

She and staff attended the Wisconsin Educational Media & Technology Association's annual conference to announce the 2019 library aid distribution of \$32.6 million. She presented State Superintendent Carolyn Stanford Taylor with a ceremonial check at the event, which was well received by the school librarians and educators.

She met with legal counsel at DOJ to discuss legislation that was passed in December that could potentially limit forfeiture deposits into the Common School Fund. There is on-going litigation regarding that legislation and updates will be provided to the Board as they become available.

**ITEM 9. ADJOURN**

Commissioner La Follette moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed unanimously, and the meeting adjourned at 2:40 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/2019/2019-04-02\\_BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2019/2019-04-02_BoardMtgRecording.mp3)