

Board Meeting Minutes
August 5th, 2019

Present in person were:

Sarah Godlewski, Board Chair
Jonathan Barry, Executive Secretary
Tom German, Deputy Secretary
Mike, Krueger, IT Manager
Richard Sneider, Chief Investment Officer

State Treasurer
Board of Commissioners of Public Lands
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Present via teleconference were:

Josh Kaul, Commissioner
Doug La Follette, Commissioner

Attorney General
Secretary of State

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:02 p.m.

ITEM 2. APPROVE MINUTES – JULY 16th, 2019

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

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider discussed a few of the loans including a trend for municipalities to finance annual capital budgets. Other loans included financing for the installation of solar panels at the Washburn wastewater plant and development incentives for a major expansion of Toro plant in Tomah and construction of new apartments in Saint Francis.

VOTE: The motion passed 3-0.

		Municipal Type	Loan Type	Loan Amount
1.	Barron Barron County Application #: 02020014 Purpose: Finance incinerator upgrades	County Rate: 3.75% Term: 2 years	General Obligation	\$529,094.00
2.	Calumet Fond Du Lac County Application #: 02020021 Purpose: Purchase fire truck	Town Rate: 3.75% Term: 10 years	General Obligation	\$665,000.00
3.	Christmas Mountain Sanitary Dist Sauk County Application #: 02020018 Purpose: Finance wastewater treatment facility improvements	Sanitary District Rate: 4.00% Term: 20 years	General Obligation	\$1,511,500.00
4.	Cumberland Barron County Application #: 02020008 Purpose: Finance cemetery improvements	City Rate: 3.75% Term: 5 years	General Obligation	\$65,000.00
5.	Denmark Brown County Application #: 02020010 Purpose: Refinance existing debt	Village Rate: 4.00% Term: 19 years	General Obligation	\$2,115,000.00
6.	Denmark Brown County Application #: 02020017 Purpose: Refinance existing debt	Village Rate: 4.00% Term: 16 years	General Obligation	\$800,000.00
7.	Dunkirk Dane County Application #: 02020015 Purpose: Finance roadwork and purchase plow truck	Town Rate: 3.75% Term: 4 years	General Obligation	\$450,000.00
8.	Ellsworth Pierce County Application #: 02020005 Purpose: Refinance 2010A refunding bonds	Village Rate: 3.75% Term: 7 years	General Obligation	\$395,000.00
9.	Ellsworth Pierce County Application #: 02020006 Purpose: Finance 2019 capital projects	Village Rate: 4.00% Term: 20 years	General Obligation	\$453,000.00
10.	Florence Florence County Application #: 02020020	County Rate: 3.75% Term: 5 years	General Obligation	\$200,000.00

	Purpose: Finance 2018-2019 capital projects		
11.	Grant	Town	General Obligation \$167,513.00
	Monroe County	Rate: 4.00%	
	Application #: 02020012	Term: 20 years	
	Purpose: Purchase plow truck and equipment		
12.	Norwalk	Village	General Obligation \$50,000.00
	Monroe County	Rate: 3.75%	
	Application #: 02020007	Term: 10 years	
	Purpose: Finance watershed project		
13.	Oxford	Town	General Obligation \$140,000.00
	Marquette County	Rate: 3.75%	
	Application #: 02020016	Term: 10 years	
	Purpose: Purchase fire truck		
14.	River Hills	Village	General Obligation \$658,269.00
	Milwaukee County	Rate: 3.75%	
	Application #: 02020013	Term: 10 years	
	Purpose: Finance 2019 capital projects		
15.	Saint Francis	City	General Obligation \$7,100,000.00
	Milwaukee County	Rate: 4.00%	
	Application #: 02020019	Term: 17 years	
	Purpose: Finance TID development agreement		
16.	Tomah	City	General Obligation \$500,000.00
	Monroe County	Rate: 4.00%	
	Application #: 02020009	Term: 15 years	
	Purpose: Finance development incentive		
17.	Washburn	City	General Obligation \$169,000.00
	Bayfield County	Rate: 4.00%	
	Application #: 02020011	Term: 20 years	
	Purpose: Improve wastewater treatment plant		
	TOTAL		<u><u>15,968,376.00</u></u>

ITEM 4. PROPOSED TWO RIVERS SUBMERGED LAND LEASE

Commissioner La Follette inquired into why only \$250 a year. Mr. German noted revenue from submerged leases goes into the general fund not the trust fund, he also noted leases for public purposes are only charged a nominal fee versus higher fees on private for profit leases. Commissioner Kaul questioned DNR's role in the process. Mr. German explained that BCPL functions as the leasing agent for the state and it is the DNR that is empowered to make decisions on these leases. BCPL often is called upon to meet with the affected municipalities or parties to these leases as DNR does not always have staff available, Board Chairmen Godlewski asked about letting representatives know about approved leases and Executive Secretary Barry said that he would certainly do this as soon as the lease is signed by all parties.

ITEM 5. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider reported that market risk is elevated and that increasing the commitment to the real estate asset class would provide stability to the annual distributions to current beneficiaries along with capital gains to future beneficiaries. The Investment Committee is close to making commitments to open-ended real estate funds. The quarterly report shows that current bond and loan portfolios are performing very well, exceeding benchmarks by a wide margin. The board packet inadvertently contained an old investment transaction report, and Mr. Sneider reported that a regular ETF rebalance trade was completed at the end of July in the amount of \$1 million.

ITEM 6. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Barry called the Board's attention to the draft 'Deer Browsing Paper' and described current activities he has undertaken as well as by staff in Lake Tomahawk to inform potential stakeholders that this draft has been prepared and that comment, and suggestions are welcome. In addition, Barry and Deputy Secretary German will be meeting with DNR Secretary Cole on this and other subjects in the very near future.

Executive Secretary Barry brought up staff's intention to circulate an amended draft investment plan and asset allocation model to the Board for purposes of discussion at the next Board meeting on August 20, 2019. No action is anticipated at that meeting but will instead, subject to the Board's preference, be ready for Board action at the first meeting in September.

ITEM 7. BOARD CHAIR'S REPORT

Board Chair Godlewski related how she, Rich, Tom and Jonathan had together been working to develop future goals and initiatives for BCPL. These goals have been created and focus on three high level areas of BCPL's activities:

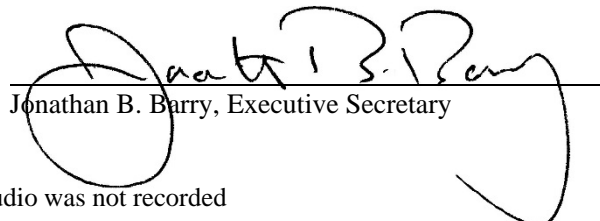
- 1) Land and land management
- 2) Investments
- 3) Operations

ITEM 8. FUTURE AGENDA ITEMS

Amended Investment Policy and asset allocation model.

ITEM 9. ADJOURN

Commissioner La Follette moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 3-0; the meeting adjourned at 2:44 p.m.


Jonathan B. Barry, Executive Secretary

Link to audio recording: the meeting's audio was not recorded