

Board Meeting Minutes  
April 17, 2018

Present via teleconference were:

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|---|--|
| Doug La Follette, Commissioner            | Secretary of State                     |
| Matt Adamczyk, Commissioner               | State Treasurer                        |
| Brad Schimel, Board Chair                 | Attorney General                       |
| 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 |

**ITEM 1. CALL TO ORDER**

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

**ITEM 2. APPROVE MINUTES – APRIL 3, 2018**

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

**DISCUSSION:** In reference to the April 3 meeting minutes, Commissioner Adamczyk asked if there was a timeframe for the attorneys at the Department of Justice to conclude their analysis of Assembly Bill 804. [The bill authorizes one School Trust Fund to sell land to another School Trust Fund.] Board Chair Schimel replied that he did not have an answer. Commissioner Adamczyk asked if the analysis could be expected within a couple of months. Board Chair Schimel said he would speak to his legal team.

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

**ITEM 3. APPROVE LOANS**

Executive Secretary Barry reported that the loans had been reviewed for proper public purpose.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Arkdale Lake District Adams County Application #: 02018134 Purpose: Finance dam failure analysis and dam repair	Lake District Rate: 4.00% Term: 20 years	General Obligation	\$75,000.00
2. Ashland Ashland County Application #: 02018131 Purpose: Finance TID #10 development agreement	City Rate: 4.00% Term: 10 years	General Obligation	\$550,000.00
3. Buchanan Outagamie County Application #: 02018135 Purpose: Purchase capital equipment and vehicles	Town Rate: 3.75% Term: 10 years	General Obligation	\$485,000.00

4.	Cedarburg Ozaukee County Application #: 02018128 Purpose: Construct sports complex	Town Rate: 3.50% Term: 5 years	General Obligation	\$1,600,000.00
5.	Eastman Crawford County Application #: 02018129 Purpose: Finance roadwork and water main improvements	Village Rate: 4.25% Term: 20 years	General Obligation	\$305,000.00
6.	Maple Douglas County Application #: 02018130 Purpose: Purchase road grader	Town Rate: 4.00% Term: 7 years	General Obligation	\$186,000.00
7.	River Hills Milwaukee County Application #: 02018133 Purpose: Finance 2018 capital expenditures	Village Rate: 4.00% Term: 10 years	General Obligation	\$434,886.00
8.	Sullivan Jefferson County Application #: 02018132 Purpose: Purchase ambulance	Town Rate: 4.00% Term: 10 years	General Obligation	\$127,989.00
<b>TOTAL</b>				<b>\$3,763,875.00</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. RATIFY ADJUSTMENTS TO LOAN PROGRAM RATES**

Executive Secretary Barry reported that both the long-term and short-term market interest rates continue to increase. The Board's policy authorizes the Executive Secretary in consultation with the Board Chairman to adjust loan interest rates up to 1% between board meetings. As such, interest rates were increased effective March 26, and staff is asking the Board to ratify those changes.

**MOTION:** Commissioner La Follette moved to ratify the loan rate adjustments; Board Chair Schimel seconded the motion.

**DISCUSSION:** None.

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

**NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Public Lands ratifies the changes in BCPL State Trust Fund Loan Program, with annual interest rates to be set at 4.00% for 2-year loans; 4.00% for 3-5 year loans; 4.25% for 6-10 year loans; and 4.50% for 11-20 year loans.

**ITEM 5. PROPOSED LAND BANK SALE VIA SEALED BID (\$1804 – LONG LAKE CREEK, IRON COUNTY)**

Deputy Secretary German reported that the parcels are isolated and neighboring landowners have expressed an interest in purchasing the parcels. The parcels will be sold via sealed bid. The parcels have no legal, public access but are close to a road. Staff tried to acquire an easement from one of the two adjacent landowners. It was determined that the cost of an easement would likely be more expensive than the value the easement, if obtained, would add to the parcels.

**MOTION:** Board Chair Schimel moved to sell the parcels via sealed bid; Commissioner La Follette seconded the motion.

**DISCUSSION:** None.

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

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands authorizes the sale of the Property pursuant to a sealed bid process. The minimum acceptable bid for the Property shall be the appraised value as determined by the independent appraiser as set forth above. Such sale shall be conducted in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transactions.

**ITEM 6. JOINT LEGISLATIVE COUNCIL STUDY COMMITTEE ON BCPL AND SCHOOL TRUST FUNDS**

Executive Secretary Barry said that a joint Legislative Council Study Committee is being formed to examine School Trust Fund investments administered by BCPL. The study replicates legislation that was introduced that would have eliminated the BCPL's State Trust Fund Loan program, eliminated public school libraries as the sole beneficiaries of the Common School Fund, and required that BCPL relinquish School Trust Fund investing to SWIB. Senator Lena Taylor will serve as Vice-Chair and Representative Terry Katsma as Chair. They will begin to accept suggestions for committee members. It's anticipated the committee will work through the summer and possibly present recommendations in time for the next legislative session. He pondered where the request for this study committee came from considering that the legislation had no supporters, other than from the legislative authors themselves. Staff will meet with the co-chairs to offer assistance and information.

**ITEM 7. FUTURE AGENDA ITEMS**

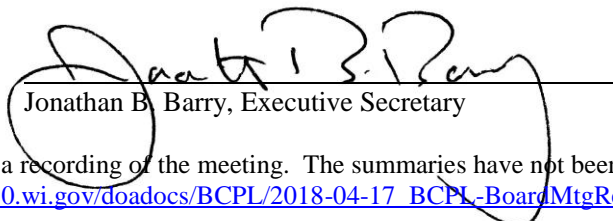
None.

**ITEM 8. EXECUTIVE SECRETARY'S REPORT**

Staff continue to monitor the financial market in order to purchase and sell bonds that will yield the highest returns for the Board's portfolio. Staff provided an example of a recent bond sale that resulted in a short-term gain of approximately \$150,000, which turned out to be an internal annualized rate of return of over 19 percent.

**ITEM 9. ADJOURN**

The meeting adjourned at approximately 2:19 p.m.

  
Jonathan B. Barry, Executive Secretary