

Board Meeting Minutes  
April 16, 2019

Present in person were:

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| 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:

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

Board Chair Godlewski called the meeting to order at 2:00 p.m. Commissioner La Follette was unable to attend.

**ITEM 2. APPROVE MINUTES - APRIL 2, 2019**

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

**DISCUSSION:** None.

**VOTE:** The motion passed 2-0.

**ITEM 3. APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Maribel Manitowoc County Application #: 02019115 Purpose: Finance TID utility expenses	Village Rate: 4.50% Term: 20 years	General Obligation	\$95,000.00
2. River Ridge Grant County Application #: 02019116 Purpose: Finance site improvements	School Rate: 4.25% Term: 10 years	General Obligation	\$700,000.00
3. Twin Lakes Kenosha County Application #: 02019114 Purpose: Purchase fire truck	Village Rate: 4.25% Term: 10 years	General Obligation	\$574,731.00
<b>TOTAL</b>			<b>\$1,369,731.00</b>

Mr. Sneider reported that the loans had received legal review by the Attorney General’s Office. He added that the River Ridge School District loan will be used to finance phase one of a two-phase project.

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

**DISCUSSION:** Commissioner Kaul asked if the amount borrowed by the River Ridge School District was under the threshold requiring a referendum. Mr. Sneider explained that the school district utilized the \$1 million

exemption borrowing procedure. State statutes allow all school districts to use this procedure, which utilizes each school board's limited authority to borrow funds totaling up to \$1,000,000 without elector approval. The school district will finance phase two of the project through the State Trust Fund Loan Program utilizing the publishing procedure. That borrowing procedure requires that the school district publish a legal notice informing district electors of the intent to borrow the funds. Electors within the district have 30 days after publication to collect the required number of signatures and file a petition calling for a referendum. If no petition has been filed after 30 days, the resolution is deemed elector approved.

**VOTE:** The motion passed 2-0.

#### **ITEM 4. DISCUSS THE POSSIBILITY OF DRAFTING STATUTE LANGUAGE TO RETURN THE UNCLAIMED PROPERTY PROGRAM TO THE STATE TREASURER'S OFFICE**

Commissioner Kaul noted that while the Board does have an interest in the matter because they administer the Fund (Common School Fund) that receives residual unclaimed property monies, the transfer of the Unclaimed Property Program back to the State Treasurer's Office relates ultimately to the powers of that office. Staff will share the concerns expressed at the meeting with Commissioner La Follette. The topic will also be included for discussion on the May 7 board meeting agenda.

#### **ITEM 5. DISCUSS BCPL COMMITMENT TO GENER8TOR FUND VII**

Mr. Sneider reported that the Investment Committee recently approved committing \$3 million to this venture capital fund. He gave an overview of the company and explained that they invest in start-up companies in the Madison, Milwaukee, Cincinnati and Minneapolis areas. Annual investments from the Common School Fund will total \$1 million over the next three years. This is the seventh venture capital fund that the company has launched. Three earlier funds have matured to the point where they can be compared to other peer groups. Those funds saw annual returns averaging 15%.

Board Chair Godlewski thanked staff for their research and due diligence examining the investment opportunity. She felt the investment will deliver strong financial returns to the Common School Fund. gener8tor had a significant impact in Wisconsin by investing in small companies. Commissioner Kaul expressed his thanks to the Board Chair and staff.

*The next two agenda items were discussed in the order in which they appear below.*

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

Executive Secretary Barry asked the Board to endorse BCPL's budget request. This would allow staff to meet with legislators and discuss the agency's request. The agency's submitted budget request included only the standard adjustments for increased leasing costs to DOA and general salary adjustments. Deputy Secretary German said the agency currently has no authority to accept gifts and grants. The agency's budget request would need to be amended to provide a gifts and grants line appropriation. A recent offer of a grant from the Ruffed Grouse Society to identify all roads on School Trust Lands brought this budget limitation to light. He added that the Board could respectfully request the Joint Finance Committee to consider amending the agency's budget to include a gifts and grants line appropriation.

Board Chair Godlewski asked if past Boards endorsed BCPL's budget and how those endorsements were communicated to the legislature. Staff replied past Boards have and the board minutes reflected those endorsements. She asked that the topic be included for discussion on the May 7 board meeting agenda.

The Board and staff discussed the possibility of requesting stand-alone legislation for the gifts and grants appropriation line if Joint Finance chooses not to amend the agency's budget.

Executive Secretary Barry reported that Sen. LeMahieu's office contacted him regarding financing an athletic complex for a municipality within his legislative district. Staff are ready to assist should the municipality decide to use the State Trust Fund Loan program for the project.

He also received a call from Sen. Cowles' office regarding potential legislation relating to the replacement of lead laterals for school districts and financing options for same. He and Deputy Secretary German met with the Senator's staff to discuss the topic and suggested that the DNR/DOA Clean Water Program may be a financing model worth considering. That program offers interest rate subsidies to local government borrowers.

Finally, a process is underway with DOA human resources regarding competitive salaries within the agency. Staff will provide updates as they become available.

#### **ITEM 6. BOARD CHAIR'S REPORT**

Board Chair Godlewski reported that she met with Assistant Attorney General Vandermeuse to discuss the State Treasurer's authority to request an audit of the Unclaimed Property Program and recent legislation that diverts fines and forfeitures from the Common School Fund to the General Fund. Those discussions are on-going, and she will provide updates at future board meetings.

She met with the DOA Deputy Secretary to discuss competitive salaries at BCPL, and DOA indicated that their office would be an advocate for BCPL on the matter.

She met with the DNR Secretary to discuss their wetland mitigation banking program and a potential partnership with BCPL.

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

New Business:

- Board's endorsement of BCPL's budget request
- Request an amendment to the agency's budget to include a gifts and grants appropriation line

Old Business:

- Discuss Transfer of Unclaimed Property Program from the DOR to the State Treasurer's Office

Commissioner Kaul asked staff what the next steps were regarding the potential legislation to fund replacing lead laterals for school districts. Deputy Secretary German replied that the process was in the early stages, and the Board would be informed of any developments.

#### **ITEM 9. ADJOURN**

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed unanimously, and the meeting adjourned at 2:29 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/2019/2019-04-16\\_BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2019/2019-04-16_BoardMtgRecording.mp3)