

Board Meeting Minutes  
January 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, Loan Analyst and<br>Chief Investment Officer | Board of Commissioners of Public Lands |

**ITEM 1. CALL TO ORDER**

Board Chair Schimel called the meeting to order at 2:01 p.m.

**ITEM 2. APPROVE MINUTES – DECEMBER 5, 2017**

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

**DISCUSSION:** None.

**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. Middleton Dane County Application #: 02018101 Purpose: Finance TID #5 economic development incentive	City Rate: 4.00% Term: 18 years	General Obligation	\$1,500,000.00
2. Vandebroek Outagamie County Application #: 02018098 Purpose: Remodel town hall	Town Rate: 4.00% Term: 20 years	General Obligation	\$750,000.00
3. Vandebroek Outagamie County Application #: 02018099 Purpose: Purchase fire truck	Town Rate: 3.50% Term: 7 years	General Obligation	\$120,000.00
4. West Allis Milwaukee County Application #: 02018100 Purpose: Finance TID #11 economic development project	City Rate: 4.00% Term: 20 years	General Obligation	\$5,000,000.00
<b>TOTAL</b>			<b>\$7,370,000.00</b>

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

**DISCUSSION:** Commissioner Adamczyk said while he does not support the loans in general, he was particularly not in favor of the loan to the city of West Allis. He had contacted the municipality for details on the loan and said half of the \$5 million would be a grant to the developer and the other half would be a loan to the developer.

Executive Secretary Barry explained that the project was part of a Tax Incremental District, will increase the municipality's property tax base, and the taxes generated from the project will pay for the State Trust Fund Loan.

Commissioner Adamczyk replied that the taxpayers of West Allis would be liable for the State Trust Fund Loan if the project does not generate the taxes to pay the loan. Board Chair Schimel pointed out that the loan met the definition of legal public purpose.

**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 INTEREST RATES**

Executive Secretary Barry said the recommendation to adjust rates was in response to the changes in the market.

**MOTION:** Commissioner La Follette moved to ratify the recent adjustments to the State Trust Fund Loan Program interest rates; Board Chair Schimel seconded the motion.

**DISCUSSION:** No discussion.

**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 3.25% for 2-year loans, 3.50% for 3-5 year loans, 3.75% for 6-10 year loans, and 4.00% for 11-20 year loans.

#### **ITEM 5. PROPOSED LAND BANK SALES TO THE PUBLIC**

Executive Secretary Barry said they had been appraised and staff anticipate bids on each parcel. He reported that two other parcels that recently sold via sealed bid each received multiple bids and all were above the appraised value.

Commissioner Adamczyk asked that future maps of proposed land sales include the adjacent landowners' names. His preference is to have the information prior to the board meeting. Executive Secretary Barry said he would discuss the logistics of including that information with staff.

**MOTION:** Commissioner La Follette moved to approve the sale of the parcels via sealed bid; Commissioner Adamczyk seconded the motion.

**DISCUSSION:**

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

**ITEM 5A. S1806 – BOOT JACK LAKE ROAD 80, ONEIDA COUNTY**

**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 5B. S1807 – 40 EAST OF WILLOW RIVER, ONEIDA COUNTY**

**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. FUTURE AGENDA ITEMS**

Commissioner Adamczyk asked that the Executive Secretary share information concerning matters involving the Board in a timelier manner. He expressed concern that Executive Secretary Barry had not shared, until recently, a letter dated January 5 from the Three Lakes School District requesting to purchase Trust Lands near the school for a shooting range and Mr. Barry's subsequent reply. He said that he contacted the school district administrator (Dr. George Karling) for further details and got the impression that staff were not being helpful.

Board Chair Schimel asked Commissioner Adamczyk why he felt the need to get involved in the day-to-day operations of the agency. He also clarified that the school district was requesting that the land be donated, not purchased as Commissioner Adamczyk stated.

Commissioner Adamczyk said that he had contacted Dr. Karling that morning and told him "to give us a price and if we appraise it and it's in the same ballpark, we can sell it." Board Chair Schimel questioned why Commissioner Adamczyk contacted the school district on the matter. He added that the Board should not be speaking with multiple voices. Commissioner Adamczyk asked what he meant by "multiple voices." Board Chair Schimel explained that staff had provided information to the school district and he [Commissioner Adamczyk] had then communicated a different message.

Commissioner La Follette said that the Board's Executive Secretary, Deputy Secretary, and professional staff were hired to manage the day-to-day affairs of the agency. It is the Board's responsibility to make decisions and act on matters that are brought before them, not be involved in the day-to-day affairs. He felt there was no need to discuss the matter further.

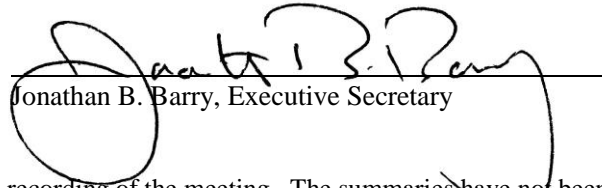
**ITEM 7. EXECUTIVE SECRETARY'S REPORT**

Investment returns for the Board's portfolio were strong for 2017 with an investment return of almost 1% above the benchmark in the fourth quarter. The Common School Fund's (CSF) smoothing fund is over 50% filled and the first addition to CSF principal from the investments other than fees, fines, forfeitures and unclaimed property was also realized – the first time in the history of the Fund. The 2018 distributions to public school libraries will be the second highest in the Board's history.

Assembly Bill 773 was recently introduced that would eliminate the use of third-party audits relating to unclaimed property, which will affect deposits to the Common School Fund. Executive Secretary Barry reported that he recently testified for informational purposes at a hearing. Amendments to the bill may be introduced and could potentially address stakeholders' concerns.

**ITEM 8. ADJOURN**

The meeting adjourned at approximately 2:23 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: [ftp://doaf1380.wi.gov/doadocs/BCPL/2018-01-17\\_BCPL-BoardMtgRecording.mp3](ftp://doaf1380.wi.gov/doadocs/BCPL/2018-01-17_BCPL-BoardMtgRecording.mp3)