



# Wisconsin Lakes Partnership Convention



# Wisconsin Constitution

## Article 10, Section 7



“The secretary of state, treasurer and attorney general, shall constitute a board of commissioners for the sale of the school and university lands and for the investment of the funds arising therefrom.”

# 1846 Constitutional Convention



Chaos!

# 1846 Debates



- Women's right to own property
- Immigrants' right to vote
- Banking
- Boundaries of the State

If Delegate Holcombe had prevailed ?

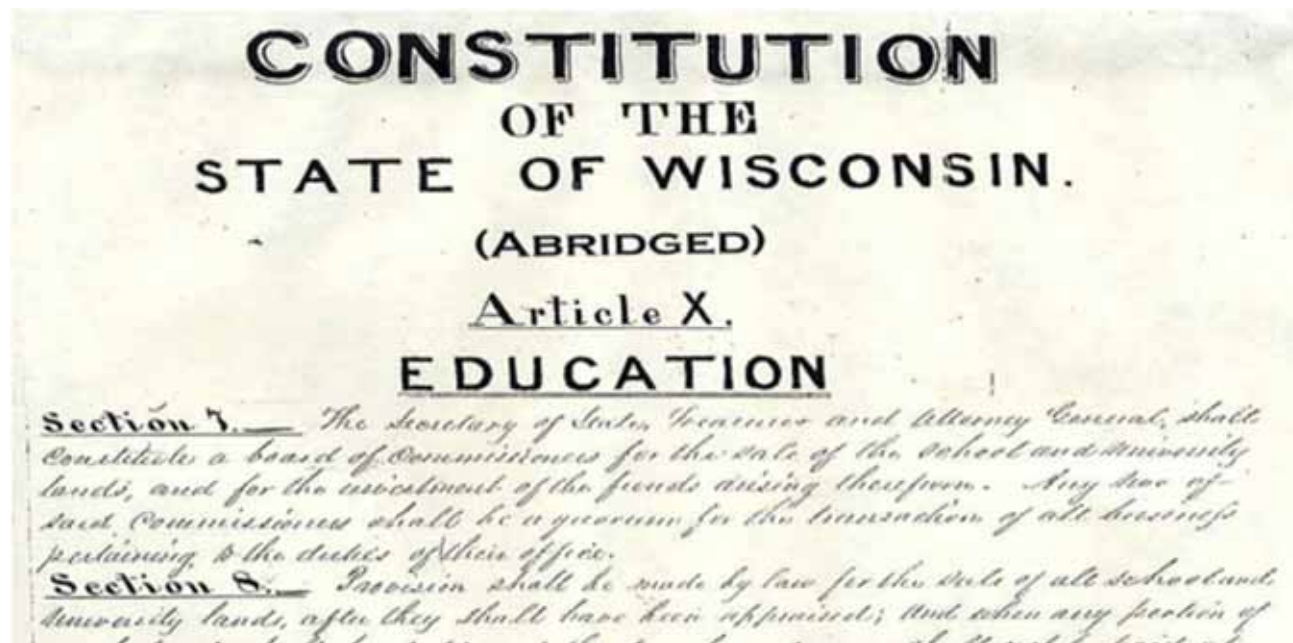


# Sole Area of Agreement Between 1846 and 1848



# WANTED!!

# PERMANENT ENDOWMENT FOR PUBLIC EDUCATION



# Initial Funding of Endowments - Federal Land Grants



# Summary of Current Trust Assets



	Common School Fund	Normal School Fund
Origin	About 1.5 million acres granted by the federal government in 1848	About 1.75 million acres granted to the state under the Swamp Land Act of 1850
Land Remaining in Trust*	6,150 acres	70,356 acres
Principal*	\$968.4 million	\$26.0 million

\*as of 11/30/14



# Growth of Assets to \$1 Billion

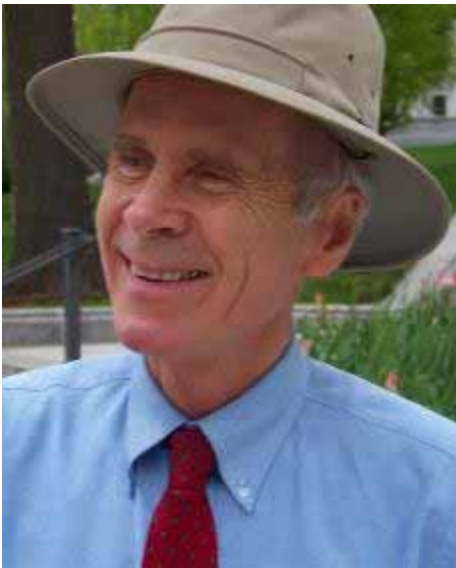


# Constitutional Protection



- Founding Fathers of Wisconsin were concerned about concentration of power.
  
  - **NO** to Executive or Legislative Branch control of land grants or proceeds of subsequent land sales. Grants eventually totaled over 10 million acres (about 1/3 of entire state).
- 
- **Article X of Constitution created BCPL:**
    - Board of Commissioners of Public Lands includes 3 of 6 constitutional officers.

# BCPL Board Members



Doug LaFollette  
Secretary of State



Matt Adamczyk  
State Treasurer



Brad D. Schimel  
Attorney General

# Agency Overview



## ➤ School Trust Funds

Manage financial assets to provide significant, stable, and secure distributions to beneficiaries.

## ➤ School Trust Lands

Manage lands to maximize long-term timber revenue and land values.

## ➤ Land Records

Manage records of past and present BCPL land holdings to organize, preserve and provide public access to these documents.

# Trust Fund Loan Program



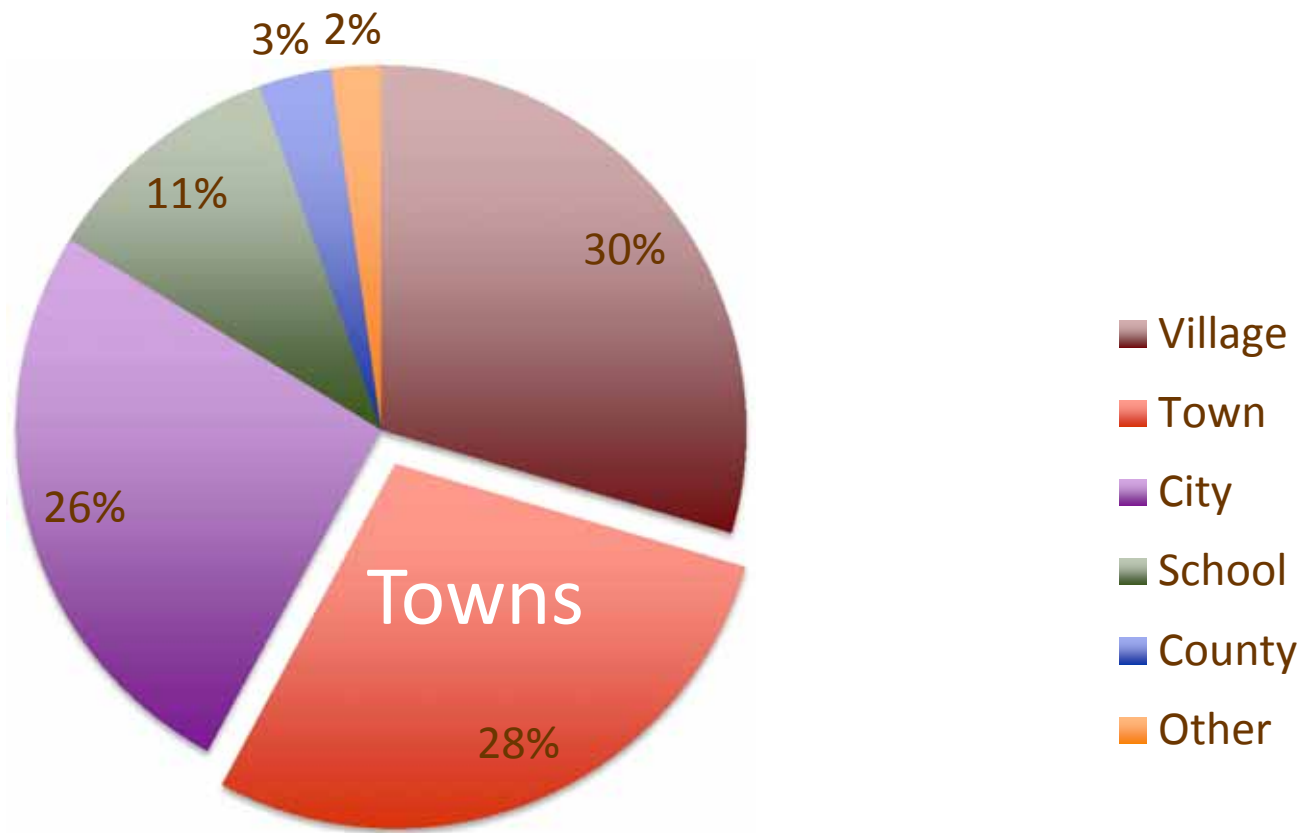
## ➤ Authorized by State Legislature in 1871

1. Simple alternative to bonding for school districts and municipalities
2. Prudent investment for the trust funds – low risk with reasonable rate of return
3. No defaults in 143 year history
4. \$400 Million in loans outstanding
5. Loans can be used to fund ANY public purpose

# Loans Approved by Borrower Type

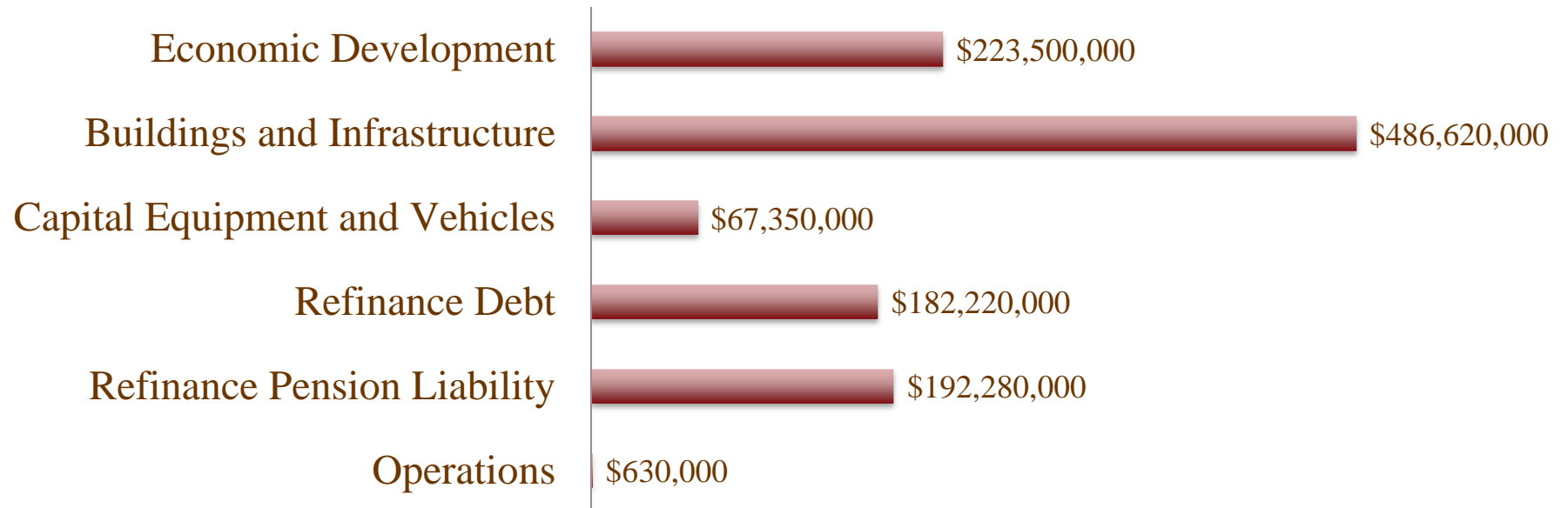


## New Loans Approved, FY 2013 and 2014



\*July 1, 2012 – June 30, 2014

# Statewide Loan Disbursement by Purpose 2005 – 2014\*



**Total Lending: \$1,152,600,000**

\*July 1, 2005 – June 30, 2014

# Lake Protection Districts Loan Purpose #1 - Weed Harvesters





# Lake Protection Districts

## Loan Purpose #2 – Dam Repair



# How to Qualify For a Loan



## Two Simple Criteria

### 1. Do you represent a Wisconsin Municipality or School District?

- Includes towns, villages, cities, counties, lake districts, sanitary districts, and sewerage districts and systems.

### 2. Are you borrowing for a public purpose?

- Buildings and Infrastructure
- Economic Development
- Capital equipment and Vehicles
- Debt Refunding

# Lake District Requirements



- Electors must approve budget
- Electors must approve levy of an assessment
- Electors must provide authority to Board to borrow funds

# Lake District Requirements



- **33.31 Power to finance.**
- (1) Every district may borrow money and use any other financing method prescribed by law. In utilizing financing powers, the commission shall follow the procedures required by statute for the selected financing methods so far as they are applicable and not in conflict with this subchapter.
- (2) Any district, when in temporary need, may borrow money under s. [67.12](#).
- (3) The district shall levy an annual, irrevocable tax to pay the principal and interest of the indebtedness incurred under subs. (1) and (2) when they are due. The district shall levy this tax without limitation as to rate or amount on all taxable property within the district. The tax shall be reported in accordance with s. [33.30 \(4\) \(a\)](#) and may not be included nor includable in the operations tax limit of s. [33.30 \(4\) \(a\)](#).
- (4) At an annual or special meeting, the district may not consider or approve any borrowing or any tax to pay the indebtedness incurred under sub. (1) or (2) unless the meeting notice under s. [33.30 \(2\) \(a\)](#) or [33.305 \(2\)](#) includes a statement that borrowing or a tax levy to pay the indebtedness will be considered at the meeting.

# BCPL Application Request



BCPL WORKSHEET  
MUNICIPAL LOAN APPLICATION REQUEST  
GENERAL OBLIGATION LOAN

DATE \_\_\_\_\_

MUNICIPALITY \_\_\_\_\_  
Please include type of municipality (e.g. Town of Newfane, Village of Harrisville, Bedford County)

COUNTY \_\_\_\_\_

CLERK NAME \_\_\_\_\_ Phone # \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

FINANCE DIR/TREASURER \_\_\_\_\_ Phone # \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

FINANCIAL ADVISOR/FIRM \_\_\_\_\_ Phone # \_\_\_\_\_

E-MAIL ADDRESS \_\_\_\_\_

LOAN PURPOSE: \_\_\_\_\_

AMOUNT OF LOAN: \_\_\_\_\_

TERM OF LOAN: \_\_\_\_\_ Years

ESTIMATED DATE THAT FUNDS WILL BE NEEDED: \_\_\_\_\_

DATES OF NEXT TWO BOARD/COUNCIL MEETINGS: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
CLERK SIGNATURE

# BCPL Loan Process – Simple and Fast



- **Loan Approval Process**
  - Simple Request Form, included in Packet ([www.bcpl.wisconsin.gov](http://www.bcpl.wisconsin.gov))
  - Simple Application Includes Borrower Resolution
  - Simple Approval (average time to fund is 30-45 days, record = 17 days)
  
- **Following Approval**
  - Four Months to Draw Funds
  - No review of plans/invoices/expenditures
  
- **How is it possible to maintain this Simple Process?**
  - BCPL retains right to audit borrowers
  - BCPL relies on borrower compliance with Statutes
  
- **Consider the 1881 penalty for using Trust Fund loan dollars on something other than the approved loan purpose....**

# 5 Years Hard Labor in State Prison



# BCPL Loans – Marathon County 2010-2015



## \$10.4 Million in Community Investments

### Marathon

Weston, Village of	2010	Marathon	Finance capital improvement	\$2,500,000.00	Buildings and Infrastructure
Stratford, School District	2011	Marathon	Remodeling & construction of high	\$875,000.00	Buildings and Infrastructure
Mosinee, School District	2010	Marathon	Finance land purchase	\$343,850.00	Buildings and Infrastructure

Municipality	Fiscal Year	County	Loan Purpose	Loan Amount	Loan Type
Rib Mountain, Town of	2010	Marathon	Finance public works project	\$2,277,214.00	Buildings and Infrastructure
Knowlton, Town of	2014	Marathon	Finance culvert and road repairs	\$235,000.00	Buildings and Infrastructure
Stratford, School District	2010	Marathon	Remodeling & construction of high	\$875,000.00	Buildings and Infrastructure
Stratford, School District	2010	Marathon	Finance construction and remodeling	\$875,000.00	Buildings and Infrastructure
Mosinee, City of	2014	Marathon	Finance street reconstruction	\$430,000.00	Buildings and Infrastructure
Marathon City, Village of	2010	Marathon	Construct new fire station	\$1,000,000.00	Buildings and Infrastructure
Marathon City, Village of	2011	Marathon	Finance library construction and	\$400,000.00	Buildings and Infrastructure
Knowlton, Town of	2011	Marathon	Purchase new dump truck and plow	\$75,000.00	Capital Equipment and Vehicles
Knowlton, Town of	2010	Marathon	Purchase new dump truck and plow	\$75,000.00	Capital Equipment and Vehicles
Texas, Town of	2013	Marathon	Purchase truck	\$60,000.00	Capital Equipment and Vehicles
Mosinee, City of	2013	Marathon	Refinance fire truck debt	\$256,137.86	Refinance Debt
Johnson, Town of	2015	Marathon	Refinance truck loan	\$110,800.00	Refinance Debt
<b>Marathon County 5 year Total</b>				<b>\$10,388,001.86</b>	



# Current Interest Rates



<u>General Obligation Loans</u>	<u>Rate</u>
1 to 2 Years	2.50%
3 to 5 Years	3.00 %
6 to 10 Years	3.25 %
11 to 20 Years	3.75 %

## Revenue Loans

5 years or less  
6 to 10 Years  
11 to 20 Years  
21 to 30 years

Rates depend on deal.  
Strong deals will qualify for  
rates only slightly higher  
than G.O.

# Why Use BCPL for Project Funding?



## ➤ Debt Service Payments are Outside of Levy Limits

- No Interference in Local Decision Making
- Simple Process with Fast Approval
- Competitive Fixed Interest Rates
- No Fees
- Up to 6 Month Rate Lock at No Additional Cost
- Custom Amortization Schedules Available
- Flexibility to Restructure, if necessary
- No Prepayment Penalties

**Best part: Loan Interest pays for public school library materials and helps reduce local property taxes**

## Better Question -- Why Not Use BCPL?



# Only One Reason NOT to use BCPL: Local Bank Will Match Loan Terms

- OK to use Trust Fund Loan Program to negotiate terms with local bank
- Be Careful – Compare Apples to Apples
- Commercial Banks do not offer LONG-TERM fixed rates!

# What Really Sets Us Apart?



**More than 96% of the interest paid on BCPL State Trust Fund Loans is returned to Wisconsin communities in the form of aid to public school libraries.**

# Public School Library Marathon County 2011-2015



## \$3.5 Million

<b>ATHENS</b>	<b>\$139,194</b>
<b>DC EVEREST AREA</b>	<b>\$1,052,405</b>
<b>EDGAR</b>	<b>\$137,417</b>
<b>MARATHON CITY</b>	<b>\$136,848</b>
<b>MOSINEE</b>	<b>\$342,605</b>
<b>SPENCER</b>	<b>\$141,390</b>
<b>STRATFORD</b>	<b>\$159,496</b>
<b>WAUSAU</b>	<b><u>\$1,384,822</u></b>

**County Totals:**      **\$3,494,177**



# Bottom Line



Thank You

