



Rusk County Community Resource Forum March 12, 2020



An update from the State Agency that



- Does not receive a single penny of tax revenue
- Provides Funds to every community in WI
- Every year since statehood in 1848



Managing Wisconsin's trust assets for public education.

But first, a little history...

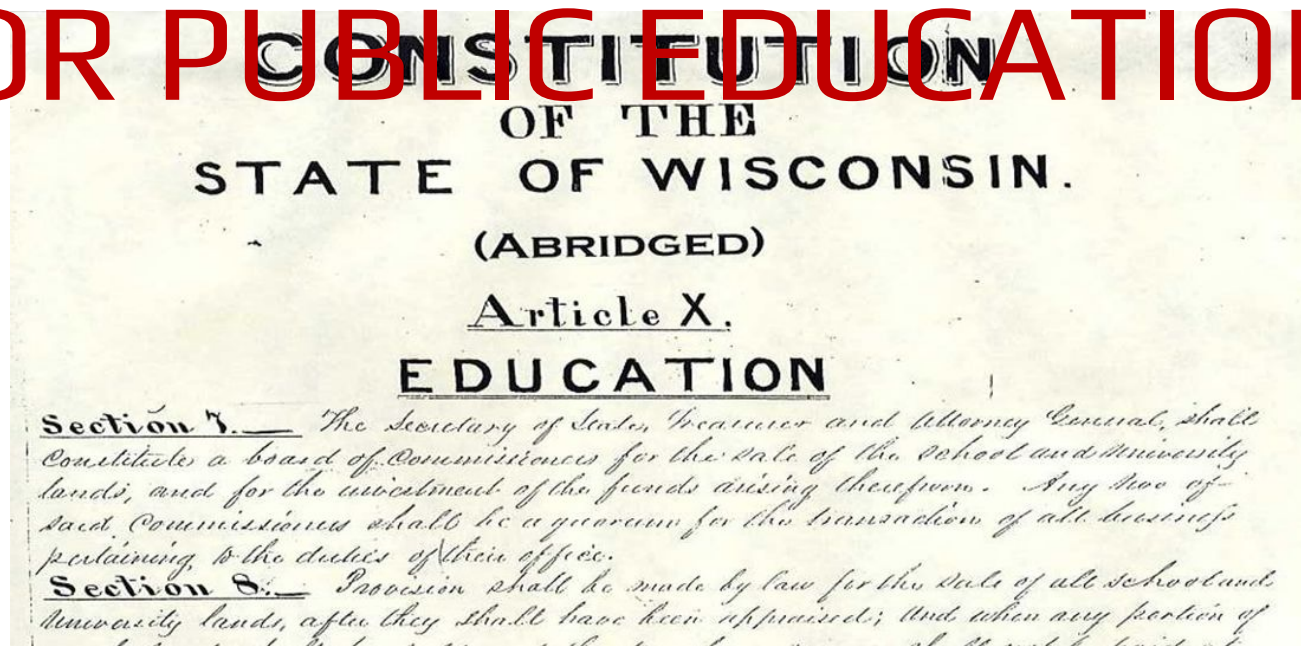


Chaos at the 1846 Wisconsin Constitutional Convention

Sole Area of Agreement at the dawn of Statehood



WANTED!! PERMANENT ENDOWMENT FOR PUBLIC EDUCATION



Initial Funding of Endowments - Federal Land Grants



Fund Growth



Thank You For Your Support



Fund Protection



- The fund should be permanent.

It should help educate children of today and tomorrow.

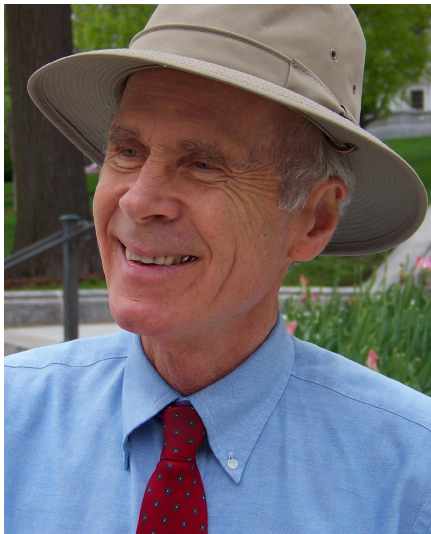
- Founding Fathers had concerns about concentration of power.

Did not want Governor or Legislature to control the fund

□ **Solution written into Article X of Wisconsin Constitution:**

- Created “Board of Commissioners of Public Lands”
- Comprised of 3 separate constitutional officers.
 - ✓ Attorney General – should know about law
 - ✓ State Treasurer – should know about money
 - ✓ Secretary of State – should know about keeping records

BCPL Board Members



Doug LaFollette
Secretary of State



Sarah Godlewski
State Treasurer



Josh Kaul
Attorney General

Fund Investments



BCPL STATE TRUST FUND LOAN PROGRAM **Created and Authorized by State Legislature in 1871**

- Eligible Borrowers to include Wisconsin Municipalities and School Districts
- Goals:
 1. Simple Alternative to Bonding for Borrowers
 2. Prudent investment for the trust funds
 - low risk with reasonable rate of return

SUCCESS!

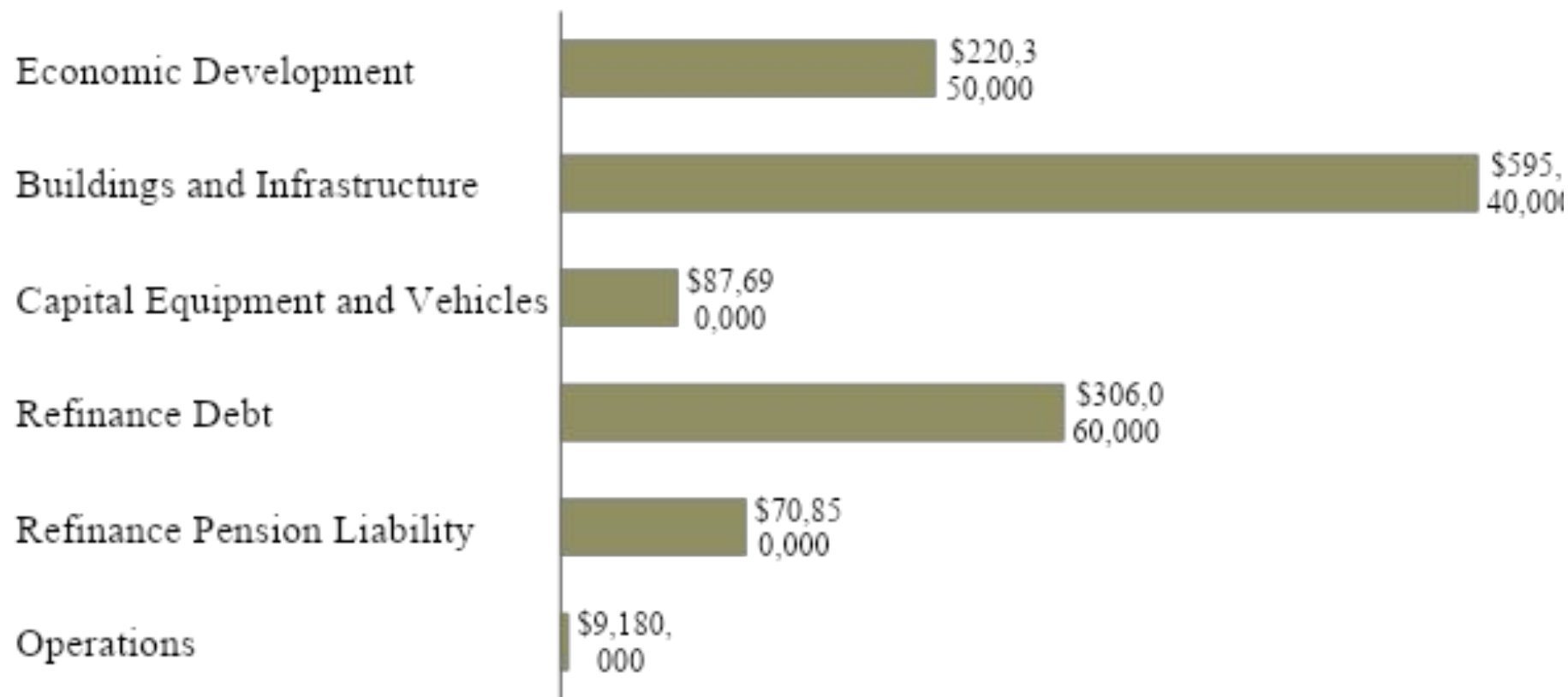


BCPL State Trust Fund Loan Program has been a success by any measure:

1. No defaults in 149 year history – GREAT customers!
2. \$450 Million in loans outstanding
3. Loans can be used to fund ANY public purpose
4. Funding provided for thousands of WI projects
5. Saved \$ Millions in Fees
6. Provided \$ Hundreds of Millions to Public Schools

Loan Program is Unique to Wisconsin

Statewide Loan Disbursement by Purpose FY 2010 – 2019



10 Year Lending Total: \$1,289,470,000

To Qualify:



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

To Request:



BCPL Loan Application Request Form Municipal General Obligation Loan	
Date	<input type="text"/>
Municipality	<input type="text"/> County <input type="text"/>
<small>Include type of municipality (e.g. Town of Lake Tomahawk)</small>	
Municipal Mailing Address	<input type="text"/>
Overnight Mail Address	<input type="text"/>
<small>If different from above (no P.O. Box)</small>	
Head of Municipality	<input type="text"/>
Mailing Address	<input type="text"/>
Email	<input type="text"/>
Phone (w)	<input type="text"/>
(h)	<input type="text"/>
(c)	<input type="text"/>
Municipal Clerk	<input type="text"/>
Mailing Address	<input type="text"/>
Email	<input type="text"/>
Phone (w)	<input type="text"/>
(h)	<input type="text"/>
(c)	<input type="text"/>
Finance Dir/Treasurer	<input type="text"/>
Mailing Address	<input type="text"/>
Email	<input type="text"/>
Phone (w)	<input type="text"/>
(h)	<input type="text"/>
(c)	<input type="text"/>
Financial Advisor/Firm	<input type="text"/>
Email	<input type="text"/>
Phone (w)	<input type="text"/>
(c)	<input type="text"/>
Loan Purpose	<input type="text"/>
Loan Amount	\$ <input type="text"/>
Loan Term	<input type="text"/> Years
Estimated Date Funds Needed: <input type="text"/>	
Dates of Next Two Board/Council Meetings: <input type="text"/>	
<input type="text"/>	
Clerk Signature	

Simple Approval Process



❑ **Loan Approval Process**

- Simple Request Form, included in Packet (www.bcpl.wisconsin.gov)
- Easy Fill-In-The-Blank Application, includes Borrower Resolution
- Fast 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 and Have NO Defaults?**

- ❑ 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



Interception!



State Trust Fund Loan Totals Rusk County, 2010-2019



\$6,795,834 over past 10 Years

Town of Big Falls	\$120,000	Construct garage
Town of Hawkins	\$192,500	Finance purchase of grader
Village of Hawkins	\$540,000	Replace water main and construct roads; Replace sewer main and construct roads; Purchase land
Village of Ingram	\$30,000	Finance village hall completion and road improvements
City of Ladysmith	\$1,397,000	Finance economic development project; Refinance BCPL Loan
SD of Ladysmith	\$1,440,000	Refinance loans used for middle school boiler system upgrades; Refinance general obligation bonds



State Trust Fund Loan Totals Rusk County, 2010-2019



\$6,795,834 over past 10 Years

Rusk County	\$2,819,334	Finance economic development project; Purchase property; Finance capital purchases and building projects; Finance fairground improvements
Village of Tony	\$220,000	Refinance Water Utility Bank Loan; Finance roadwork; Finance community center project
Town of Willard	\$37,000	Purchase snow plow truck



Current Interest Rates

General Obligation Loans Rate

1 to 2 Years	2.50%
3 to 5 Years	2.50%
6 to 10 Years	2.75 %
11 to 20 Years	3.50 %

Revenue Loans

5 years or less	Rates depend on deal.
6 to 10 Years	Strong deals will qualify for
11 to 20 Years	rates only slightly higher
21 to 30 years	than G.O.

WHY BORROW FROM BCPL?



- ❑ 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
- ❑ No Interference in Local Decision Making

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

WHAT REALLY SETS US APART?



Beneficiaries:
Wisconsin's K-12 public school students

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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 Aid Distribution Rusk County 2016-2020



Library Aid Report Annual Distribution of BCPL Common School Fund Earnings School Districts in Rusk County Fiscal Year 2016 through 2020

TOTAL \$394,814

	2020	2019	2018	2017	2016	School District Total for 5 Years
BRUCE	\$20,748	\$19,537	\$19,368	\$17,495	\$20,562	\$97,710
FLAMBEAU	\$28,911	\$27,542	\$26,530	\$24,427	\$28,094	\$135,504
LADYSMITH	\$34,212	\$31,805	\$31,213	\$29,158	\$35,212	\$161,600
County Totals:	\$83,871	\$78,884	\$77,111	\$71,080	\$83,868	\$394,814

Economic Development Examples



Oneida County

1. County borrowed funds on GO basis from BCPL
2. County re-lent those funds to Oneida County Economic Development Corporation (OCEDC)
3. OCEDC purchased property, build-to-suit facility
4. Long-term lease from manufacturer flows backs through OCEDC and County to BCPL

Two separate projects:

ABX – plastic film producer employs ~60 (Omaha Steaks).

Expera Specialty Solutions – 2nd location required by Boeing for specialty paper used in carbon fiber process. Supported hundreds of jobs at location #1, created ~20 jobs at location #2, renovated the empty Print-Pak building.



Town of Rome (Adams County)

1. Town borrowed \$12 million on G.O. basis from BCPL.
2. Loan funded an economic development incentive for the construction of the Sand Valley Golf Resort. Opened in May 2017 and was named Best New Course by both Golf Magazine and Golf Digest.
3. Success of this project is illustrated by the subsequent need to expand the nearby airport in Wisconsin Rapids to accommodate the number of private aircraft carrying guests to Sand Valley.



Mount Pleasant (Racine County)

1. Village borrowed \$20 million as interim construction financing for TID infrastructure.
2. Village sold bonds last week. Proceeds to payoff BCPL and fund additional infrastructure.
3. BCPL utilized for speed, flexibility on re-payment schedule, No Fees.

RACINE COUNTY

20

94

Mount Pleasant

31

Racine

11

Future Foxconn development

H

Sturtevant

11

90TH ST.

Kilbourn Road Ditch

BRAUN RD.

31

Foxconn site

Wetlands*

Construction staging and future development

KR

3 Miles

Village of Fall Creek (Eau Claire County)

- Requested revenue loan on new TID (common).
 - But BCPL is risk averse – no revenue loan until the cash flow is proven available.
-
- Village borrowed funds on GO basis from BCPL for initial TID infrastructure construction.
 - Following construction of new facility and confirmation of assessment by DOR, BCPL refinanced own GO loan with revenue loan.
 - Political Decision that restored borrowing capacity.

Q & A

Thank You

