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Thomas P. German, *Executive Secretary*

AGENDA

June 15th, 2021
2:00 P.M.

Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

Routine Business:

1. Call to Order
2. Approve Minutes – June 1, 2021 (Attachment)
3. Approve Loans

Old Business:

4. None

New Business:

5. Update on co-op acquisition of idle paper mills in Wisconsin Rapids and Park Falls

Routine Business:

6. Chief Investment Officer's Report
7. Executive Secretary's Report
8. Board Chair's Report
9. Future Agenda Items
10. Adjourn

AUDIO ACCESS INFORMATION

Conference Line Number: **(608) 571-2209**
Conference ID Code: **790 694 843#**

Board Meeting
Minutes
June 1, 2021

Present were:

Sarah Godlewski, Board Chair	State Treasurer
Josh Kaul, Commissioner	Attorney General
Doug LaFollette, Commissioner	Secretary of State
Tom German, Executive Secretary	Board of Commissioners of Public Lands
Jim DiUlio, Deputy Secretary	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Mike Krueger, IT Manager	Board of Commissioners of Public Lands
Denise Nechvatal, Senior Accountant	Board of Commissioners of Public Lands
Thuy Nguyen, Office Manager	Board of Commissioners of Public Lands
Julie Benkoske, Chief of Staff	State Treasurer

ITEM 1. CALL TO ORDER

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

ITEM 2. APPROVE MINUTES – May 18, 2021

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

DISCUSSION: Board Chair Godlewski clarified for future reference that when she spoke last meeting about the treasurers, she specifically meant the 72 county treasurers and 1400 municipal treasurers. These are two different groups.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

MOTION: Commissioner LaFollette moved to approve the loans; Commissioner Kaul seconded the motion.

DISCUSSION: Commissioner LaFollette remarked that there are a lot of loans to finance trucks. Mr. Sneider agreed and shared that BCPL helps communities purchase a lot of trucks. Mr. Sneider mentioned that aside from the truck loans, there are two other loans: Town of Little Rice is buying land for a gravel pit, and the Green Lake Sanitary District is financing a sewer main extension.

VOTE: The motion passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$1,208,110.10** in State Trust Fund Loans to support **5** community projects in Wisconsin.

1. Town of Phelps / Vilas County / Finance purchase of trucks and backhoe / \$222,365.57
2. Town of Little Rice / Oneida County / Finance land purchase / \$305,000.00
3. Village of Pewaukee / Waukesha County / Finance purchase of dump truck and accessories / \$180,744.53
4. Town of Rantoul / Calumet County / Finance purchase of truck / \$200,000.00
5. Green Lake Sanitary District / Green Lake County / Finance sewer main extension project / \$300,000.00

ITEM 4. OLD BUSINESS

None

ITEMS 5 NEW BUSINESS - Submerged Land Lease – Town of Bell, Bayfield County

Executive Secretary German explained that BCPL is designated as the leasing agent for the State of Wisconsin for lakebeds and riverbeds. Article 9 of the State Constitution declares that the waters of Wisconsin shall be forever free. So, before a riparian or waterfront owner can place any permanent structures on a lakebed or riverbed, they need to receive permission. In virtually all situations they need regulatory approval from the DNR. Sometimes, they may also need a lease from BCPL where the waterfront owner seeks to change the waterfront beyond regularizing the shoreline.

Executive Secretary German further explained that the Town of Bell has been dredging their harbor for decades and then placing that fill on the bed of Lake Superior just to the north and east of their existing dock. The DNR has given its regulatory approval and the board now has jurisdiction to determine whether to approve a new lease with the town. Traditionally, BCPL has approved leases in these situations. The rental rate is dependent upon the project. If the riparian owner seeks to exclude the public from the leased area, the rental rate is commensurate with the commercial value of the property subject to BCPL's leasing authority. When a municipality is leasing for the purposes of providing a park or navigation improvements for the public, the leasing rate has traditionally been nominal. As the public is not excluded from the area where the dredge material is to be placed, and the purpose of the project is to provide the public with navigation improvements, the town has requested a nominal annual leasing charge. In these cases, BCPL staff concludes this is the type of situation that would be appropriate for leasing at a nominal rate.

Commissioner LaFollette moved to approve the lease for \$200 a year as he recalled that this is a repeat lease and remembers the last time the lease to the Town of Bell was approved.

Board Chair Godlewski asked about what the lease terms were in the previous lease.

Executive Secretary German replied that the previous lease was for 15 years and \$100 per year.

Board Chair Godlewski asked about this lease being 20 years.

Executive Secretary German explained that BCPL has the statutory authority to lease for up to 50 years, however, in this situation the Town of Bell requested the lease be for 20 years and the DNR is willing to give their regulatory approval for a lease up to 20 years.

Commissioner Kaul seconded Commissioner LaFollette's motion and asked if the DNR's review was for the appropriateness of what the town is doing from an environmental standpoint.

Executive Secretary German replied, yes.

Commissioner Kaul asked if historically the board has approved these sorts of leases.

Executive Secretary German replied that that is correct. After the DNR has done its regulatory review, it comes to the board more for contractual determination as to whether the state should approve the lease.

MOTION: Commissioner LaFollette moved to approve the submerged land lease; Commissioner Kaul seconded the motion.

VOTE: The motion passed 3-0.

ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider shared that today BCPL is closing on a \$20 million funding of our commitment to the BlackRock US Core Property Fund, which continues the agency's progress on investing available cash into more productive assets. An expected distributable income of approximately 4% every year along with appreciation of real estate value.

Equities of the ETF portfolio have been partially rebalanced in accordance with the allocation approved by the Investment Committee a few weeks ago. BCPL increased the percentage of public equity assets towards the value and dividend producing stocks, which we will believe will help increase and stabilize income distribution in future years.

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German commented that recently there have been a few attempts at legislating the funding of the acquisition of idled paper mills located in Wisconsin Rapids and Park Falls. A group of stakeholders have formed a cooperative and they seek to acquire those mills and modernize the equipment. Local legislators have sought to use some federal stimulus funds to help the co-op acquire and equip those mills and BCPL has been inserted into the legislation. The proposed legislation would require the local governments to assist with the funding of the projects using loans from BCPL or other sources before such federal stimulus money could be loaned to the co-op. We have been involved in several discussions with local officials but it's still premature. Local officials are talking with co-op officials, and to the best of his knowledge, no decisions have been made as to the extent of the local financing. BCPL has not received any loan application request at this time. Executive Secretary German will keep the board apprised on any developments.

Board Chair Godlewski requested that this be added as a future agenda item. She shared that there is a public hearing tomorrow, and the commissioners may be asked questions regarding the idles paper mills.

Executive Secretary German announced that his son is getting married on June 12th. He will be taking some time off before and after the wedding. The commissioners expressed their congratulations.

ITEM 8. BOARD CHAIR'S REPORT

None.

ITEM 9. FUTURE AGENDA ITEMS

Update regarding the co-op acquisition of idled paper mills in Wisconsin Rapids and Park Falls.

ITEM 10. ADJOURN

Commissioner LaFollette moved to adjourn the meeting; Board Chair Godlewski seconded the motion. The motion passed 3-0; the meeting adjourned at 2:15 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2021/2021-06-01-BoardMtgRecording.mp3>

**BOARD MEETING
JUNE 15, 2021****AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Lawrence Brown County Application #: 02021133 Purpose: Finance American Drive Phase 1 project	Town Rate: 3.00% Term: 10 years	General Obligation	\$2,500,000.00
2. Fredonia Ozaukee County Application #: 02021134 Purpose: Finance land purchase and public improvements	Village Rate: 4.00% Term: 20 years	General Obligation	\$1,575,000.00
3. Whiting Portage County Application #: 02021135 Purpose: Finance roadwork and equipment replacement	Village Rate: 2.50% Term: 5 years	General Obligation	\$295,600.00
4. Nekimi Winnebago County Application #: 02021136 Purpose: Finance purchase of fire truck	Town Rate: 2.50% Term: 5 years	General Obligation	\$95,000.00
5. Dousman Waukesha County Application #: 02021137 Purpose: Finance purchase of plow truck	Village Rate: 3.00% Term: 10 years	General Obligation	\$93,300.00
6. Dousman Waukesha County Application #: 02021138 Purpose: Refinance BCPL Loan #2012067	Village Rate: 3.00% Term: 10 years	General Obligation	\$265,484.67
7. Grant Clark County Application #: 02021139 Purpose: Finance purchase of dump/plow truck	Town Rate: 3.00% Term: 7 years	General Obligation	\$160,000.00
8. Ruby Chippewa County Application #: 02021140 Purpose: Finance roadwork	Town Rate: 2.50% Term: 5 years	General Obligation	\$200,000.00

Municipality	Municipal Type	Loan Type	Loan Amount
9. Saint Francis Milwaukee County Application #: 02021141 Purpose: Finance TID #5 property purchase	City Rate: 3.00% Term: 10 years	General Obligation	\$3,560,000.00
TOTAL			\$8,744,384.67