

Board Meeting
Minutes
December 9, 2022

Present were:

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| Sarah Godlewski, Board Chair | State Treasurer |
| Josh Kaul, Commissioner | Attorney General |
| Tom German, Executive Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Chief Investment Officer | Board of Commissioners of Public Lands |
| Denise Nechvatal, Senior Accountant | Board of Commissioners of Public Lands |
| Mike Krueger, IT Manager | Board of Commissioners of Public Lands |
| Thuy Nguyen, Office Manager | Board of Commissioners of Public Lands |
| Emma Stutzman, Chief of Staff | State Treasurer |

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 1:02 p.m.

ITEM 2. APPROVE MINUTES – November 15, 2022

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

DISCUSSION: None

VOTE: The motion passed 2-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider shared that loan #2 to the City of Merrill includes two economic development projects. One is the purchase of two acres for a new commercial development and the other one is an incentive for a new 56 unit housing project. Loan #4 to the Village of Random Lake includes the development incentive for a single family home condo project and also fiber to the home project for every household in Random Lake, which is over 800 households. The Loan #5 to the Town of Lawrence is for purchasing land to be made available for future housing and commercial development. Loan #6 to the Village of Baldwin is a short term loan for the construction of a new EMS building. The village will likely get longer term financing after the project is completed. Loan #8 is to Sawyer County for the acquisition of land that will become part of their county forest.

VOTE: The motion passed 2-0

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$13,447,663.70** in State Trust Fund Loans to support **10** community projects in Wisconsin.

1. Town of Presque Isle / Vilas County / Finance purchase of highway equipment / \$108,000.00
2. City of Merrill / Lincoln County / Finance TID #4 and #10 projects / \$552,000.00
3. Town of Gordon / Douglas County / Finance purchase of ambulance / \$139,213.70
4. Village of Random Lake / Sheboygan County / Finance TID #4 projects, fiber and road projects / \$1,700,450.00

5. Town of Lawrence / Brown County / Finance TID #1 Land Acquisition / \$3,200,000.00
6. Village of Baldwin / St. Croix County / Finance construction of EMS Building / \$5,000,000.00
7. Village of Greenville / Outagamie County / Finance roadwork and capital purchases / \$1,959,000.00
8. Sawyer County / Sawyer County / Finance Land Acquisition for County Forest / \$320,000.00
9. City of Marshfield / Finance 2022 capital equipment purchases / \$139,000.00
10. City of Beaver Dam / Dodge County / Finance 2023 capital budget expenditures / \$330,000.00

ITEM 4. OLD BUSINESS

None

NEW BUSINESS

ITEM 5: WPS Utility Easement – Allyn Road, Town of Three Lakes, Oneida County

DISCUSSION: Executive Secretary German described the easement ITEM 5. WPS is requesting an easement in return for \$500.00. The easement would cross a corner of one of our properties.

ITEM 6: WPS Utility Easement – Thunder Lake Road, Town of Sugar Camp, Oneida County

DISCUSSION: Executive Secretary German described easement ITEM 6. The staff is recommending that the board grant this easement without receiving any additional payment because of the fact that the grantee is moving the easement in a way that actually benefits our property more. The easement that used to exist on the property bifurcated the property. It cut across it. By moving the easement right along the road, it makes the property more valuable for us.

Staff is recommending that the board approve both of these easements. The first one in return for the payment of \$500.00 and the second one in essence because they're willing to move the easement to a location that benefits our property.

MOTION (ITEM 5): Board Chair Godlewski moved to approve the easement Item 5; Commissioner Kaul seconded the motion.

VOTE: Motion passed 2-0.

MOTION (ITEM 6): Board Chair Godlewski moved to approve the easement Item 6; Commissioner Kaul seconded the motion.

VOTE: Motion passed 2-0.

ITEM 7. CHIEF INVESTMENT OFFICER'S REPORT

None

ITEM 8. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German reported that the Legislative Audit Bureau had conducted a targeted audit of the Common School fund this past month. He asked the LAB auditor at the close of our initial meeting for guidance on best practices regarding the type and level of organization control reports or SOC reports that BCPL should request. In essence, when companies like Schwab who we use as a custodian, get audited, they actually go through another level of audit where an

auditor goes through and looks at not just do your financial statements accurately reflect what you have, but they also look at how they do their business and that's where these SOC reports dig into that. The auditor did not provide any answer to my question but noted in her interim report that we did not regularly request such reports. We have now requested those reports. We've reviewed them and considered the suggestions contained within such reports, and so the changes that we're making is to share those reports with our investment committee on a quarterly basis. We will test our Schwab reports with respect to the pricing of their publicly traded securities. We responded to LAB in that manner and they've accepted those comments.

Executive Secretary German shared that the exchange with the US Forest Service is scheduled to close this coming week. All documents are signed, and the Forest Service has the check for \$8,000 to make up the difference in values. The purpose of the exchange was to bring both entities into better alignment and we were going to cut down on 60 some miles of boundary line work. BCPL will be getting over 3400 acres of land that has not been harvested in a while. Our land managers are already looking at what timber harvests we can conduct in the near future. Hats off to our Lake Tomahawk crew for bringing that to a resolution.

As previously reported, we have concluded our transaction with the Lac du Flambeau. Now, the Lac Courte Oreille Tribe has reached out to us and asked if we were still interested in working with them. We were recently notified by them that they wish to proceed with purchasing the school trust lands within their reservation boundaries at appraised value. We are looking forward to moving that transaction along and bringing that to the board in the near future. Again, hats off to the folks up north for helping make that happen.

We need to focus a little bit on upcoming meeting dates due to the upcoming holidays. We have several loans that would like to fund before the end of the year. Does the meeting on December 20th still work for people?

Both Board Chair Godlewski and Commissioner Kaul stated they are available on that date for the board meeting.

Executive Secretary German thanked Board Chair Godlewski for her service and her dedication to BCPL over the last four years. He asked Commissioner Kaul if he would like the January 3rd meeting to be rescheduled. He believes January 3rd to be inauguration day.

Commissioner Kaul asked that staff work with his staff to reschedule the January 3rd meeting for another day.

Executive Secretary German commented that at the next board meeting on the 20th we will be talking about some end of the year issues. In essence, talking about what we've been able to achieve over this year and Board Chair Godlewski would also like to talk about what we've achieved over the last four years together because it's an amazing track record and we're very proud of that.

ITEM 9. BOARD CHAIR'S REPORT

Board Chair Godlewski shared that at the next meeting she would like not only a year in review but also an overall review and look at the strategic plan that we developed. We really accomplished a lot that we set forth over the last four years. She would like that added to the agenda.

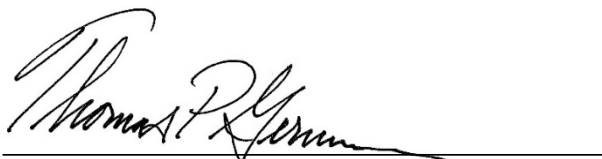
We had a very successful press conference right before the holiday announcing the \$52 million disbursement, which was important to let the schools know. In attendance were the Superintendent of Public Schools, key leaders in the education community, the President of WEMTA, teachers' unions, and folks driving as far as Superior to be there. It was nice to see such diversity, not only from the educational community, but locally as well. She thanked everyone for their help in making that press conference a success.

ITEM 10. FUTURE AGENDA ITEMS

None

ITEM 11. ADJOURN

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 2-0; the meeting adjourned at 1:20 p.m.

A handwritten signature in black ink, appearing to read "Thomas P. German", is written over a horizontal line.

Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2022/2022-12-09 BoardMtgRecording.mp3>