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Thomas P. German, *Executive Secretary*

AGENDA

December 20, 2022

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 – December 9, 2022 (Attachment)
3. Approve Loans

Old Business:

4. Final Report on Land Exchange with US Forest Service (E1502)

New Business:

5. Sale of parcels in Sawyer County to Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin (S2303)

Routine Business:

6. Chief Investment Officer's Report
7. Executive Secretary's Report
8. Board Chair's Report and review of the last four years
9. Future Agenda Items
10. Adjourn

AUDIO ACCESS INFORMATION

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

Board Meeting
Minutes
December 9, 2022

Present were:

- | | |
|---|--|
| 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.

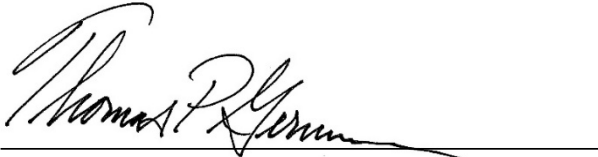
We had a very successful press conference right before the holiday announcing the \$52 million disbursement, which was important to let the schools know. In attendance were the Superintendent of Public Schools, key leaders in the education community, the President of WEMTA, teachers' unions, and folks 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>

**BOARD MEETING
DECEMBER 20, 2022**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Glendale Milwaukee County Application #: 02023047 Purpose: Finance capital budget expenditures	City Rate: 5.75% Term: 10 years	General Obligation	\$7,518,880.00
2. Lac La Belle Waukesha County Application #: 02023048 Purpose: Finance sewer maintenance and upgrades	Village Rate: 5.25% Term: 10 years	General Obligation	\$60,000.00
3. Lac La Belle Waukesha County Application #: 02023049 Purpose: Finance stream bank restoration	Village Rate: 5.75% Term: 20 years	General Obligation	\$325,000.00
4. Palisades Pond Lake District Calumet County Application #: 02023050 Purpose: Refinance municipal advance for dam reconstruction	Lake District Rate: 5.25% Term: 20 years	General Obligation	\$135,423.38
5. Barron Barron County Application #: 02023051 Purpose: Finance Acid Gas Removal System	County Rate: 5.25% Term: 15 years	General Obligation	\$4,000,000.00
6. North Freedom Sauk County Application #: 02023052 Purpose: Finance construction of District EMS Building	Village Rate: 5.75% Term: 10 years	General Obligation	\$56,906.49
7. Green Lake Sanitary District Green Lake County Application #: 02023053 Purpose: Finance sewer main extension	Sanitary District Rate: 5.25% Term: 10 years	General Obligation	\$1,500,000.00
TOTAL			\$13,596,209.87

**BOARD MEETING
DECEMBER 20, 2022**

**AGENDA ITEM #4
FINAL REPORT ON LAND EXCHANGE WITH THE U.S. FOREST SERVICE (E1502)**

RECITALS

- A. In the summer of 2013, BCPL began working on a large land exchange with the U.S. Forest Service. The primary purpose of the exchange was to consolidate the land holdings of each party. BCPL would convey School Trust Land parcels that were inholdings within the Chequamegon-Nicolet National Forest and the USFS would convey parcels on the perimeter of the National Forest that blocked with existing BCPL tracts of land.
- B. The preliminary parameters of the exchange would have 3,890 Government Land Office (GLO) acres being conveyed by BCPL to USFS and 3,440 GLO acres being conveyed by USFS to BCPL. The acreage going to the USFS included 560 acres that BCPL had contemplated selling or exchanging with the Forest Service several years earlier.
- C. On December 16, 2014, BCPL approved a resolution authorizing and directing the Executive Secretary to obtain appraisals on the properties and adjust or substitute acreage parcels in order to comply with state statutes that require exchange parcels to be of approximately equal value.
- D. In 2016 the Forest Service obtained additional funding and decided to purchase the above described 560 acres. This separate transaction (S1006) was approved by the board on July 1, 2015. The parties then worked on finding alternative parcels to replace the value of those 560 acres and to balance out the exchange transaction. The parties identified approximately 300 acres in the Town of Argonne and approximately 400 acres in the Town of Alvin, all in Forest County, as replacements for the tracts that were sold to the USFS in transaction S1006.
- E. The initial estimates of total value of each party's parcels required the parties to identify more BCPL parcels to bring the values of the proposed exchange within the statutory limitations. Those additional "value balance parcels" were approximately 200 acres near Halsey Lake and approximately 160 acres near Argonne Esker.
- F. Jonathan Barry, BCPL Executive Secretary, exercised his discretion to adjust and substitute parcels (which was granted in the 2014 Board Resolution) by executing an Agreement to Initiate with the USFS in 2019.

- G. The final total of BCPL acres was 4,349.58 (4,371.03 GLO acres) and they appraised at \$4,241,000. The final total of USFS acres was 3,338.48 (3,355.97 GLO acres) and they appraised at \$4,233,000.
- H. The land exchange closed on December 12, 2022, with the USFS providing BCPL a check in the amount of \$8,000 for the difference in appraised values of the lands.
- I. According to our review of BCPL records, this is the largest land transaction in the history of the Board of Commissioners of Public Lands.
- J. In addition to the lower expected management costs and improved access that come from the consolidation of school trust lands into larger management blocks, it is also anticipated that BCPL will generate significantly more revenue from the lands received in this exchange.
- K. BCPL staff respectfully request the board to ratify and approve the actions taken to finally bring this transaction to a successful close.

NOW, THEREFORE, BE IT RESOLVED, that all actions taken by the agency staff and management in accordance with the December 16, 2014 Board resolution regarding the proposed land exchange with the USFS, including but not limited to, the substitution or adjustment of acreage parcels for the land exchange, are hereby ratified and confirmed.

**BOARD MEETING
DECEMBER 20, 2022**

**AGENDA ITEM #5
PROPOSED LAND BANK SALE TO GOVERNMENT ENTITY –
LAC COURTE OREILLES PARCELS (S2303)**

The Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, a federally recognized Indian Tribe (“LCO”) has determined that approximately 395.06 acres of BCPL land in Sawyer County are required for tribal use. The BCPL land consists of five different tracts within or adjacent to the exterior boundary of the Lac Courte Oreilles Reservation.

BCPL staff recommends the sale of the property to the LCO for the following reasons:

- BCPL has a long history of working with other government entities to promote consolidation of blocks of forestland to increase management efficiencies. This includes sales to or exchanges with counties (Bayfield, Douglas, Forest, Iron, Marinette, Oconto, Sawyer, Taylor, and Vilas), state agencies (Department of Natural Resources, Department of Transportation, Department of Military Affairs), federal agencies (Forest Service, Fish and Wildlife Service, National Park Service) and Native American Tribes (Forest County Potawatomi, St. Croix Chippewa Indians of Wisconsin, Lac du Flambeau Band of Lake Superior Chippewa Indians).
- Sale of the land will resolve conflicting claims of ownership to some of the tracts and give the LCO the opportunity to utilize and manage such lands in accordance with their priorities and plans.
- BCPL received these lands pursuant to federal Swamp Land Patents. The parcels contain significant amounts of wetlands. Only 24% of the total acreage of these lands are considered upland and even the upland areas are not very productive from a timber management standpoint. Only 5% of the total acres of these parcels can be practically managed for timber production. BCPL staff did not project any timber revenue from these lands for at least several decades.
- Sale of the property would provide BCPL with funds to purchase other lands that would provide better access to its existing lands, produce timber revenue, improve management efficiency, reduce forest fragmentation, or all of the above.

Attachments:

*Resolution w/Exhibits
Exhibit A - BCPL Sale Criteria
Exhibit B - Appraisal Certification
BCPL Project Map*

**BOARD MEETING
DECEMBER 20, 2022**

**AGENDA ITEM #5
PROPOSED LAND BANK SALE TO GOVERNMENT ENTITY –
LAC COURTE OREILLES PARCELS (S2303)**

RECITALS

- A. The Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, a federally recognized Indian Tribe (“LCO”) has determined that certain property in Sawyer County described below (the “Property”) is required for tribal use:

Town	Township	Range	Section	QQ
Couderay	38N	8W	9	NW/NW
Couderay	39N	8W	12	NE/NE
Sand Lake	39N	8W	18	SE/NE
				Frac. NW/SW
				Frac. SW/SW
				SE/SW
				SW/SE
				NE/NW
19	30	31	SE/SE	
			NE/NE	
			NE/NE	

- B. BCPL records indicate the Property is currently owned by the Board of Commissioners of Public Lands.
- C. The Property has been evaluated by BCPL staff against sale criteria previously adopted by the Board. The Property has been determined by BCPL staff to be appropriate for sale according to such criteria. A copy of the sale analysis is attached to this resolution as Exhibit A.
- D. The Property has been independently appraised by Steigerwaldt Land Services, Inc. at a total value of Three Hundred Eight Thousand Five Hundred Dollars (\$308,500). A copy of the Certification of the Appraisal is attached to this resolution as Exhibit B.
- E. The LCO has offered to pay the sum of Three Hundred Eight Thousand Five Hundred Dollars (\$308,500) to acquire the Property.
- F. BCPL staff recommends that the Board authorize the sale of the Property to LCO at the appraised value of \$308,500.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of the Property to the Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin, a federally recognized Indian Tribe, at the price of Three Hundred Eight Thousand Five Hundred Dollars (\$308,500) 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 transaction.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale
Transaction ID#: S 2303

Common Name for Land Parcel: Lac Courte Oreilles Parcels

County: Sawyer Town: Couderay and Sand Lake

Legal Description: see attached

GLO Acres: 395.06

Sale Criteria

1. Title

- Ownership verified with Register of Deeds.
- Title appears merchantable.

2. Timber Management

- Parcel is located outside of Consolidation Zone.
- Parcel is an isolated or unproductive parcel within the Consolidation Zone.

3. Access

- Parcel does not provide the only reasonable access to other BCPL parcels that will be retained.
- If parcel does provide the only reasonable access to other BCPL parcels to be retained, a public access easement across the parcel has been reserved.
- Parcel has no current access.

4. Parcel Required By Other Government Entity: Lac Courte Oreilles Band of Lake Superior Chippewa Indians of Wisconsin

- The parcel is located within a project boundary of another government agency or adjacent to a parcel of land owned by another unit of government.
- Parcel is otherwise required by another unit of government.

5. Recommend Selling via Public Auction or Sealed Bid

- Parcel is not otherwise required by another unit of government and will be sold via public auction or sealed bid.

I recommend that BCPL sell the above property on terms and conditions acceptable to BCPL:

- Yes
- No

Trust Lands Forestry Supervisor

Date

I accept the recommendation of the Trust Lands Forestry Supervisor and direct the staff to proceed accordingly.

- Yes
- No

Executive Secretary

Date

Legal Descriptions

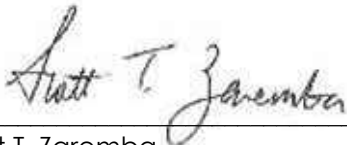
Town	Township	Range	Section	QQ
Couderay	38N	8W	9	NW/NW
Couderay	39N	8W	12	NE/NE
Sand Lake	39N	8W	18	SE/NE Frac. NW/SW Frac. SW/SW SE/SW SW/SE
			19	NE/NW
			30	SE/SE
			31	NE/NE

4. Certification

I certify that, to the best of my knowledge and belief:

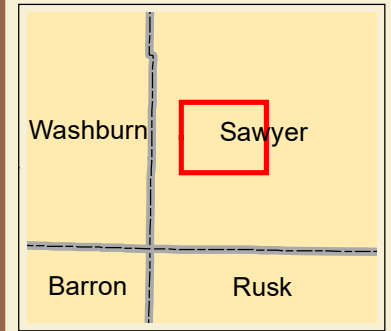
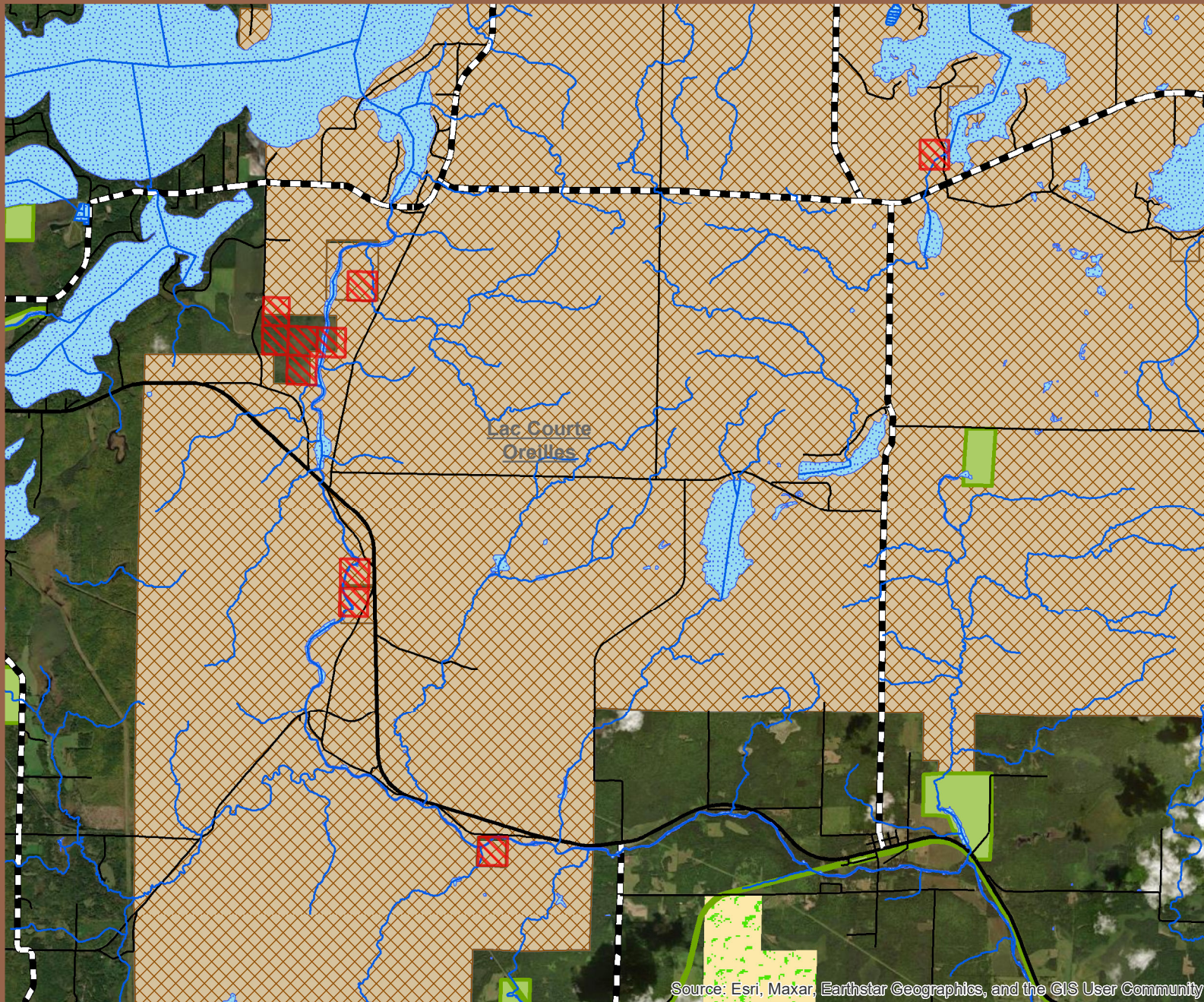
1. The statements of fact contained in this report are true and correct and no important facts have been withheld.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.
5. My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the "Uniform Standards of Professional Appraisal Practice."
6. Scott T. Zaremba, of Steigerwaldt Land Services, Inc., made a physical inspection of the subject property on October 27, 2022. The property owner was given the opportunity to accompany the appraiser on the inspection. All comparable sales were inspected by the appraiser or by qualified staff of Steigerwaldt Land Services, Inc.
7. No one provided significant real property appraisal assistance to the person(s) signing this certification.
8. The appraiser did not discuss the subject property's value with the owner or the owner's representative.
9. Within the prior three years, the appraiser has not performed any other services with regard to the subject property, and no services except this appraisal assignment are currently in progress.
10. It is my opinion that the market value of the subject property is \$308,500.00 as of October 27, 2022.

STEIGERWALDT LAND SERVICES, INC.



Scott T. Zaremba
Wisconsin Certified General Appraiser No. 2328

LAC COURTE OREILLES PARCELS (Sawyer)



S2303

County: Sawyer

Town: Couderay, Sand Lake

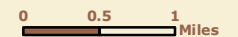
Common Name:
Lac Courte
Oreilles Parcels

GLO Acres - 395.06

Fund: NSF



-  Outgoing Properties
-  Tribal Lands
-  DNR Land



Source: Esri, Maxar, Earthstar Geographics, and the GIS User Community

INTERNAL USE ONLY

BCPL_I/T - December 16, 2022 S2303-Sawyer-Couderay-Sand_Lake-Lac_Courte_Oreilles_Parcels-8x11.mxd