



Sarah Godlewski, *Secretary of State*
John Leiber, *State Treasurer*
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Thomas P. German, *Executive Secretary*

AGENDA

June 6, 2023

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 – May 16, 2023 (Attachment)
3. Approve Loans

Old Business:

4. None

New Business:

5. None

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: 207 822 241#

Board Meeting Minutes
May 16, 2023

Present were:

- | | |
|---------------------------------------|--|
| Sarah Godlewski, Board Chair | Secretary of State |
| Josh Kaul, Commissioner | Attorney General |
| John Leiber, Commissioner | State Treasurer |
| Tom German, Executive Secretary | Board of Commissioners of Public Lands |
| Denise Nechvatal, Controller | Board of Commissioners of Public Lands |
| Micah Zeitler, Real Estate Specialist | Board of Commissioners of Public Lands |
| Chuck Failing, IT Specialist | Board of Commissioners of Public Lands |
| Thuy Nguyen, Office Manager | Board of Commissioners of Public Lands |

ITEM 1. CALL TO ORDER

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

ITEM 2. APPROVE MINUTES

MOTION: Commissioner Kaul moved to approve the minutes; Commissioner Leiber seconded the motion.

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Executive Secretary German commented that there two communities applying for loans for road projects and we have two loan applications from communities for vehicle purchases. These type of loan applications are common and there are no unusual aspects to them.

We do have a loan application from a school district for a construction project, locker room remodeling. BCPL does not receive many loan applications from school districts. There are several reasons for this, 1.) Almost all school financing is tax exempt. Therefore, schools may generally obtain a lower interest rate in the bond market; 2.) School borrowings tend to be larger, which again make school districts more inclined to use bonding, as the costs of bond issuance becomes relatively lower as the amount of the bond gets bigger; and 3.) More school districts have higher credit ratings that may enable them to borrow money in the bond market at a lower rate.

However, a school district may decide to use our loan program because 1.) BCPL does not charge any fees; 2.) If the school district plans to refinance out to a longer period of time, the district is avoiding a second set of financing fees in that strategy; and 3.) If the school district plans to use fundraising to help pay off the loan, our flexible repayment structure works better than a typical bond. This short summary is a little bit of background information on how school loans work generally.

Commissioner Leiber asked about the significance of the amount being \$5.00 short of \$1,000,000 for the school

district loan.

Executive Secretary German explained that under current statutes school districts have a \$1 million borrowing exemption from referendums. A district doesn't need a referendum if the total amount borrowed under this exception is \$1 million or less. For example, if the district already has \$200,000 of debt outstanding in this exception category, they could only borrow another 800,000. In this particular case, the school district didn't have any of that non-referendum debt outstanding so, they could borrow just short of \$1,000,000.

VOTE: The motion passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$3,575,735.00** in State Trust Fund Loans to support **5** community projects in Wisconsin.

1. Town of Coburn / Chippewa County / Finance roadwork / \$598,000.00
2. Town of Vandebroek / Outagamie County / Finance roadwork / \$1,200,000.00
3. Town of Hartford / Washington County / Finance purchase of plow truck / \$322,740.00
4. City of Lodi / Columbia County / Finance purchase of snowplow and street sweeper / \$455,000.00
5. Ellsworth Community School District / Pierce County / Finance locker room remodel / \$999,995.00

ITEM 4. OLD BUSINESS

None

ITEM 5. NEW BUSINESS

None

ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT

None

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German shared that he visited members of the Joint Finance Committee and Commissioner Leiber joined on some of the visits as well. Unfortunately, Joint Finance Committee voted to eliminate the BCPL deputy secretary and part time accountant positions. The statutory language for the deputy was also eliminated. We did receive \$65,000 more per year on our goods and services appropriation line. JFC also added a new forester position for BCPL. The new position will be funded with money from the Conservation Fund rather than GPR or program revenue. Finally, JFC added \$5,000 in the first year and \$10,000 in the second year funding for payments in lieu of taxes. This has a very serious impact on BCPL. Executive Secretary German has reached out to BCPL's budget analyst to ask if the Governor can line item veto the deleted budget request items. She will follow up with the agency on that. Executive Secretary German will be going back to the members of Joint Finance to see what can be done about restoring those requests in a 999 motion. He is not sure what the odds of either of those actions are. Again, this is a pretty serious hit.

Commissioner Kaul asked if the positions requested in the budget proposal were vacant.

Executive Secretary German commented that they are. He shared that he has talked to over 70 people that were qualified for the deputy secretary position which serves as the agency's chief operations officer. A qualified

candidate should have at least some familiarity with finance and investments. Every person expressed interest, but at the agency's available pay level they said that they could not take the pay cut required to serve in the deputy secretary position. The smallest pay cut any of the candidates would have encountered was \$30,000. Ultimately, that person took another position that would have made the pay cut much greater. Many people do not realize that a starting salary for a new analyst at SWIB is about \$145,000. The deputy position maximum starting salary is \$113k. There is a large wage discrepancy between the responsibilities of the position overseeing finance, accounting, real estate and IT and the pay range that is established for the position.

Board Chair Godlewski asked for clarification on the forestry position.

Executive Secretary German explained that the position is a full-time position funded by the Conservation Fund, which is largely considered the domain of the DNR.

Executive Secretary German thanked Commissioner Leiber for attending those meetings with the Joint Finance Committee members and shared that Commissioner Leiber spoke effectively to the needs of the agency.

ITEM 8. BOARD CHAIR'S REPORT

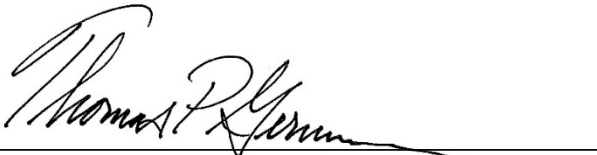
None

ITEM 9. FUTURE AGENDA ITEMS

None

ITEM 10. ADJOURN

Board Chair Godlewski moved to adjourn the meeting; Commissioner Leiber seconded the motion. The motion passed 3-0; the meeting adjourned at 2:13 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

[https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2023/2023-05-16 BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2023/2023-05-16%20BoardMtgRecording.mp3)

**BOARD MEETING
JUNE 6, 2023**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Mosinee Marathon County Application #: 02023083 Purpose: Finance 2023 capital expenditures	City Rate: 5.00% Term: 20 years	General Obligation	\$410,000.00
2. Dairyland Douglas County Application #: 02023084 Purpose: Finance dam repairs	Town Rate: 5.00% Term: 5 years	General Obligation	\$350,000.00
3. Grant Clark County Application #: 02023085 Purpose: Finance purchase of grader	Town Rate: 5.00% Term: 10 years	General Obligation	\$364,895.00
4. Richmond Shawano County Application #: 02023086 Purpose: Finance roadwork	Town Rate: 5.00% Term: 10 years	General Obligation	\$427,500.00
5. Lawrence Brown County Application #: 02023087 Purpose: Finance road and utility projects	Town Rate: 5.00% Term: 10 years	General Obligation	\$287,000.00
6. Amnicon Douglas County Application #: 02023088 Purpose: Finance purchase of fire truck	Town Rate: 5.00% Term: 10 years	General Obligation	\$95,000.00
7. Clayton Winnebago County Application #: 02023089 Purpose: Finance stormwater pond and road projects	Town Rate: 5.00% Term: 20 years	General Obligation	\$2,600,000.00
	TOTAL		\$4,534,395.00