



Sarah Godlewski, *Secretary of State*
John Leiber, *State Treasurer*
Joshua L. Kaul, *Attorney General*

101 E. Wilson Street
2nd Floor
PO Box 8943
Madison, WI 53708-8943

(608) 266-1370 INFORMATION
(608) 266-0034 LOANS
(608) 267-2787 FAX
bcpl.wisconsin.gov

Thomas P. German, *Executive Secretary*

AGENDA

December 16, 2025

3:00 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 2, 2025 (Attachment)
3. Approve Loans

New Business:

4. None

Routine Business:

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

Old Business:

9. Normal School Fund, UW Distribution
10. New Executive Secretary Appointment

10(a). Convene in closed session pursuant to Wis. Stat. s. 19.85(1)(c) ("Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.") - The board will discuss BCPL personnel matters as it relates to the Executive Secretary.

10(b). Reconvene in Open Session immediately following closed session

11. Adjourn

AUDIO ACCESS INFORMATION

Conference Line Number: 608-571-2209
1st Tues of the month Conf ID: 207 822 241#
3rd Tues of the month Conf ID: 335 125 302#

Board Meeting Minutes
December 2, 2025

Present were:

Sarah Godlewski, Board Chair
John Leiber, Commissioner
Josh Kaul, Commissioner
Tom German, Executive Secretary
Denise Nechvatal, Controller
Chuck Failing, IT Manager
Thuy Nguyen, Office Manager

Secretary of State
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ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:00 p.m.

ITEM 2. APPROVE MINUTES (November 18th board meeting)

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

DISCUSSION: None

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Executive Secretary German described most of the loans as being ‘bread and butter’ loans - very common loan purposes. Loan #1 to the Town of Caledonia is to borrow \$2,000,000 for the construction of Gruetzmacher Park. The reason why it's called Gruetzmacher Park is that it appears the Gruetzmachers are financing a significant part of the park and pavilion, and the town is borrowing for the rest. Loan #7 to the City of Montreal in Iron County is for \$91,000 to finance a wastewater phosphorus removal project.

VOTE: The motion to approve the loans passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$3,203,880.00** in State Trust Fund Loans to support 7 community projects in Wisconsin.

1. Town of Caledonia / Waupaca County / Finance construction of Gruetzmacher Park / \$2,000,000.00
2. Town of Oregon / Dane County / Finance roadwork, park equipment and office trailer / \$230,000.00
3. Town of Vandenberg / Outagamie County / Finance purchase of truck / \$172,880.00
4. Town of Rutland / Dane County / Finance roadwork / \$330,000.00
5. City of Berlin / Green Lake and Waushara Counties / Finance property acquisition for EMS Dept / \$130,000.00
6. Village of Nashotah / Waukesha County / Finance roadwork / \$250,000.00
7. City of Montreal / Iron County / Finance wastewater phosphorus removal project / \$91,000.00

ITEM 4. NEW BUSINESS

None

ITEM 5. CHIEF INVESTMENT OFFICER'S REPORT

None

ITEM 6. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German reported that staff at the Lake Tomahawk office are preparing to advertise for our upcoming timber sales. There are seven timber sales being put out for bid. Most of the sales are on properties the U.S. Forest Service had previously expressed an interest in acquiring. However, currently the Forest Service is unable to move forward with any land acquisitions. The Forest Service remains interested in potential future acquisitions, has been informed of the planned timber sales and is fine with them. BCPL practices sustainable forestry on its lands for timber sales, with the exception of one aspen stand, no other clear-cutting is planned.

Regarding the Normal School Fund, the board had asked for Secretary German to follow up with the UW. He will be meeting with Chris Patten of the UW December 10th at 11:30am to discuss this, and anyone is welcome to join. Secretary German will also be discussing the potential sale of the Pigeon Lake property, where BCPL owns the land but not the improvements. The land, which is not producing revenue, was acquired in a complex trade with the U.S. Forest Service many years ago and BCPL would like to sell it. Bayfield County has expressed interest in buying the property. An appraisal valued the entire property, including improvements, at slightly over \$1.2 million. The land portion was appraised at approximately \$530,000. For the sale to proceed, BCPL and the UW will need to reach an agreement with Bayfield County.

Board Chair Godlewski asked what Bayfield County offered. Executive Secretary German replied, \$750,000.

Commissioner Leiber asked about the previous appraisal numbers. Executive Secretary German shared that the previous appraisal came out to similar numbers; while the value of the improvements in the recent appraisal decreased, the total value of the entire property had not changed significantly.

Commissioner Leiber asked if Bayfield County had asked for a discount or deal.

Executive Secretary German replied that Bayfield County saw the old appraisal and put out a request for proposals from developers. A developer expressed interest in redeveloping the property to create housing while also making the property a community gathering place again. From Bayfield County's perspective, this offers the best of both worlds: the property remains in the public interest and creates some housing, with the developer taking on a significant amount of the risk. We are unsure how much the developer proposed to pay for the property, but that may be where Bayfield County came up with their offer amount. Communication with Mark Abeles-Allison, the County Administrator of Bayfield County, confirmed the county's continued interest in acquiring the property. The county has asked for discounts in a couple different areas. A discussion with the UW is necessary, but in terms of discounting BCPL's portion, it is likely the appraiser already took most concerns into consideration. With BCPL's amount of shoreline there and property's value, it comes to about \$400.00 a linear foot. A little less than \$400.00 a linear foot is a very reasonable price in Wisconsin; on nicer chains, it can be more than \$4,000 per foot.

Commissioner Kaul asked about the reason or need to sell Pigeon Lake and reason for selling it at discount.

Executive Secretary German explained that the reason for selling, at this point, the property is a liability just sitting there, generating no revenue. The UW, as the beneficiary of the Normal School Fund, owns the

improvements. Staff at the Lake Tomahawk office, located hours away, periodically inspect the property, and the improvements continue to degrade over time. If the waterfront property were leased and making money, he would advise holding onto it. However, the split ownership between surface land and improvements, and the deterioration/degradation of the improvements suggests that dragging feet on the sale would not be in anyone's best interest.

Commissioner Kaul asked if receiving the best possible offer financially for BCPL in the long term means selling it makes sense. He asked what might account for the difference between the appraisal and the current situation. That might suggest the appraisal is off to some extent.

Executive Secretary German replied that part of the reason BCPL's waterfront properties tend to get a lower appraised value is the existence of statute 24.11(3). That statute reserves the public the right of access to such lands, generally it's interpreted to mean the public can cross the land even after it's sold to access the waterfront. If someone were to buy with the intention of creating a 'Kingdom' property, a McMansion, that would not be possible due to the statute. The highest and best use of such lands takes a significant hit because of that statute, which has been in effect in some form since 1909.

Commissioner Kaul commented that makes sense and asked for clarification on the recent appraisal. Was it higher than what we thought we might get?

Executive Secretary German replied that he had hoped the land would appraise higher and thought the improvements would have degraded more. He expected the land value would come in higher based on the lake itself, Pigeon Lake, has such high water levels that the south side of the lake is now uninhabitable and homes on the south side of the lake have been condemned. Recreation options are limited due to the high water levels. While our property is on higher ground, the property on each end slopes down to the water, creating more lowland now.

Board Chair Godlewski commented that BCPL has discussed finding a buyer for this unique property for at least three years, if not more. Previous discussions were about not only the property not generating revenue, but also it being a liability. The older these properties get, the more of a liability they become because the improvements will need to be disposed of or demolished.

Executive Secretary German clarified we've been looking at selling it for 10 years. The UW stopped using the property for summer camps, science camps and art camps around 2013. Since then, we've been looking at what would make the most sense. Initially, he shared Commissioner Kaul's reticence as it's beautiful waterfront property, but the longer it goes unused, the more repairs it requires and worse its condition gets. The three main buildings used for classrooms are still in decent shape, as the UW put a fair amount of money into them. Many of the smaller cabins have steel roofs that are fine, but the cabins themselves are in the same condition as when they were built back in the 30s and 40s.

Commissioner Kaul shared that he is interested in knowing what the best reasonable offer would be.

Executive Secretary German explained that by statute, we cannot sell it below the appraised value. Bayfield County has asked for a price reduction, which by statute we cannot do. We could get a new appraisal, but he doubts it would result in a lower land value.

Commissioner Leiber asked if the UW could sell below the appraised value.

Executive Secretary German replied yes, to the best of his knowledge, but reiterated the UW is only selling the improvements, not the land.

Board Chair Godlewski shared she spoke with Bayfield County last summer, and they seem very motivated to work with us on this. She hopes we can find a sweet spot between upholding statutes and understanding the UW's needs and their strong community interest.

Executive Secretary German shared that the property has some unusual features that would benefit the area. It is in the very southern part of Bayfield County, quite a distance from the Cities of Washburn and Bayfield, but relatively close to where the Birkebeiner is held.

Board Chair Godlewski commented that it's close to Hayward.

Executive Secretary German shared that it's also close to Cable. There is limited housing in that area, so the property could potentially provide winter housing for winter events. The UW installed a T-1 fiber optic line to the property, which is on a nice lake with good road access and high speed internet. Unfortunately, it has been vacant for years, may need a new septic system with significant costs, and fluctuating water levels wreak havoc. Access on the north side of the lake is off of the main highway, which crosses the south side of the property and has acted as a dam for the lake. There are no culverts so the water level keeps rising.

Board Chair Godlewski asked Secretary German how far he thinks he can get this project along and what the succession plan is for taking it over.

Executive Secretary German replied that, as he has previously mentioned regarding his retirement, it's important to hand over not just memos, but also relationships. The most important thing is making sure those relationships are handed off appropriately. This isn't going to get done in the next couple weeks, but we are closer now than at any time in the last 10 years. We have a motivated buyer, two interested sellers and a developer interested in the property. Now, it's just a matter of bridging whatever gaps there are.

Board Chair Godlewski asked that Secretary German brief the board about his meeting with the UW next board meeting.

Commissioner Kaul clarified the next steps: Secretary German will meet with Chris Patton at the UW and then brief the board regarding that meeting at the next board meeting.

Executive Secretary German replied agreed. He has always made sure the board is apprised of what we're working on in the background. Staff does not have the authority to sell the property, that authority rests with the board. Their job is to assemble the necessary pieces, bring a recommended action to the board for approval, disapproval or amendment.

Executive Secretary German shared that his wife organized a retirement get-together which will be held Friday late afternoon at the Great Dane starting at 3pm. Everyone is invited.

Board Chair Godlewski shared that all the commissioners will be attending.

Executive Secretary thanked his wife, Karyn, for putting the gathering together.

ITEM 7. BOARD CHAIR'S REPORT

Board Chair Godlewski reported on the Common School Fund distribution. The Investment Committee decided on the distribution for the 2026 school year, increasing last year's distribution by 5%. to \$73.5 million. She asked how the board would like to handle announcing the distribution. For the past two years, we've held a press conference in December and then notified DPI and the school librarians via email. Do we want to squeeze in a press conference between now and the holiday season, or do something at the beginning of January? The first three years she was on the board, the announcement was made at the WEMTA conference. There is a lot of flexibility. Last year, the announcement was made at a school during heavy snow and because of the weather, press did not come. The current timeline involves ensuring the information goes out to DPI and the librarians and then presenting the big check at the WEMTA conference in March. The question is whether to do a press conference earlier, before the end of the year, or at the beginning of next year.

Commissioner Leiber asked when the districts find out the exact numbers.

Executive Secretary German explained that the districts usually receive their exact number in mid-January, between the 10th-15th. A district's amount is based on two different numbers: the total distribution amount and each district's pro rata portion of the number of kids between the ages of 4-20 living in Wisconsin. In late September, every school district must provide an estimate of how many kids they think are living in their district. DPI crunches these numbers to get a state total, then allocates the board's total distribution amount among the 421 districts.

Commissioner Leiber asked when DPI gets those numbers out.

Executive Secretary German replied it's between the 10th and 15th of January. The push to get our number out earlier was to give schools some sense of where their number was going for that year. There are a fair number of districts that have their own way of library budgeting. Some districts take the average of the last five years of library aid if they don't know the exact number. Knowing that the total distribution is going up by 5% allows districts to be more comfortable raising their budget numbers for spending.

Commissioner Leiber asked if school districts have already set their budgets.

Executive Secretary German replied yes.

Commissioner Leiber commented that if districts following the same budgeting schedules as municipalities, their budgets should already be set by the time we announce the distribution. He asked if the announcement could move up a month or two.

Executive Secretary German replied that announcing earlier is more a coordination issue. DPI and the schools need to work together to make sure the numbers flow through the channels before reaching the schools. There are 421 school districts in Wisconsin. The announcement can be done by a press release or an email blast.

Commissioner Leiber shared his belief that making the announcement a couple of months ahead of the budget numbers could generate more press and attention and potentially benefit districts during their budget setting.

Executive Secretary German shared that he worked very hard to get the number out earlier and in the past tried to get DPI to crunch their census numbers earlier in hopes schools would get their individual library aid number sooner. However, DPI felt that with their limited staffing, their finance department was already working on general education aid estimates in the fall and wouldn't be able to deal with this issue until after the general education aid calculations had been finished.

Commissioner Leiber commented that is DPI's issue, but we can still put our number out there. DPI will get to it eventually.

Board Chair Godlewski shared that's why the announcement is made earlier now, but BCPL is not responsible for breaking down the numbers for the individual districts.

Commissioner Leiber asked if the end of the fiscal year, or September or October is too early. Districts can estimate their amount, and then DPI can release the final numbers later. If districts want more information, they can take that up with DPI, not us.

Executive Secretary German explained that to come up with our number, we're actually doing several things simultaneously. We are calculating our average earnings, developing our future projections and calculating the size of the smoothing fund.

The target distribution is the average earnings for the last five years. This approach was intended to eliminate

some of the crazy ups and downs that had occurred in the past. However, after diversifying our portfolio, our earnings kept climbing. While our average net earnings for the last five years is only \$57 million, our projected earnings for this fiscal year are between \$71 million and \$74 million. Using the 5 year average as the distribution amount didn't make sense this year. Distributing an amount that is near the top of our projections makes much more sense, especially since the smoothing fund currently holds more than the targeted amount.

Commissioner Leiber believes that providing that number to school districts earlier would make the biggest impact because it aligns with when district budgeting and could get BCPL more press.

Executive Secretary German shared that often official numbers for the state financial statements are not finalized until late September or early October. In Wisconsin we have the 13th month and then we have a 14th month for closing the year. When looking at the smoothing fund balance at the end of June 30th, there are some things that can be affected by actions that actually occur in July and August. The earliest to shoot for could be late September or early October. Even if it spills into later October, there's still plenty of time to meet the schools' needs for their budgeting season.

Board Chair Godlewski shared that the feedback received when we announced it in December was that it was incredibly helpful, so there is no reason not to do it earlier. We defaulted to December the last two years after running into an issue when we attempted to do it November one year. We can still notify DPI like we have done in the past and the school districts. There is flexibility for doing the big announcement. The question is do we want press or not?

Commissioner Leiber replied that December is kind of rough.

Board Chair Godlewski shared that she has concerns about fitting it into December. The board already has a lot on its plate.

Commissioner Kaul asked if making the big announcement sooner is more helpful to the schools. Does it matter since they get notified anyway?

Board Chair Godlewski believes it doesn't matter much because the schools will already been notified. Secretary German will notify DPI, if he hasn't already. In the past, emails were sent to DPI in addition to the schools, and that will happen after this meeting. Again, there is flexibility in making the big announcement.

Commissioner Leiber proposed making the big announcement in February.

Commissioner Kaul offered that because the DPI numbers go out in mid-January, we could coordinate around that time to help draw attention to the individual school districts trying to figure out their exact amounts. He suggests sooner but is fine with what the other commissioners decide.

Board Chair Godlewski suggested that the board revisit this issue early January. She asked Thuy to put an item on the agenda in early January for the Common School Fund distribution announcement. We need to focus this month on the transition of the executive secretary. She recommended we wait until next year to do some sort of press release around it.

Commissioner Leiber added that we can talk about moving things up for next year.

Board Chair Godlewski reiterated that the \$73.5 million distribution is great news. Secretary German will coordinate with DPI and she will make sure we send our letter and communication and then we'll revisit the press release early next year. Again, we are all be invited to attend the WEMTA Conference to do another announcement there.

ITEM 8. FUTURE AGENDA ITEMS

Library Aid distribution announcement – to be added to agenda for first meeting in January

ITEM 9. NORMAL SCHOOL FUND, UW DISTRIBUTION

Executive Secretary German shared that he will be meeting with Chris Patton at the UW to talk about the discrepancy between the numbers that we received from the state and the numbers the UW was asserting were actually distributed from the Normal School Fund earnings. He will report about his meeting with the UW at the next board meeting.

Commissioner Leiber shared that he will not be available December 10th.

ITEM 10. NEW EXECUTIVE SECRETARY RECRUITMENT

The board will go into closed session to review candidates for appointment as Executive Secretary of BCPL.

MOTION: Board Chair Godlewski moved the board convene in closed session pursuant to Wis. Stats. Section 19.85(1)(c); Commissioner Kaul seconded the motion. There was no objections. Unanimous consent was called.

Convene to closed session 2:42pm – 3:47 pm

Reconvene to open session 3:48 pm

ITEM 11. ADJOURN

Commissioner Kaul moved to adjourn the meeting; Commissioner Leiber seconded the motion. The motion passed 3-0; the meeting adjourned at 3:48 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/2025/2025-12-04 BoardMtgRecording.mp3>

**BOARD MEETING
DECEMBER 16, 2025****AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Fall Creek Eau Claire County Application #: 02026050 Purpose: Finance construction of Library and Village Center	Village Rate: 6.25% Term: 20 years	General Obligation	\$1,500,000.00
2. Sevastopol Door County Application #: 02026051 Purpose: Finance broadband project	Town Rate: 5.50% Term: 10 years	General Obligation	\$1,129,000.00
3. Wautoma Waushara County Application #: 02026052 Purpose: Finance roof and solar projects	City Rate: 6.25% Term: 20 years	General Obligation	\$391,900.00
4. Somerset St Croix County Application #: 02026053 Purpose: Finance TID #5 Utility Infrastructure	Village Rate: 5.00% Term: 5 years	General Obligation	\$993,486.00
5. Somerset St Croix County Application #: 02026054 Purpose: Finance TID #7 Property Acquisition	Village Rate: 5.00% Term: 2 years	General Obligation	\$1,510,000.00
6. Viroqua Vernon County Application #: 02026055 Purpose: Finance TID #7 projects	City Rate: 5.50% Term: 10 years	General Obligation	\$3,765,000.00
TOTAL			\$9,289,386.00