BCPL Board Meeting
September 1, 2026
Start time: 2:00 pm

SG: All right, well, I'm going to call our meeting to order today on this September 1st, 2026. And the first item is approving the minutes. Is there a motion to approve the minutes?

JK: I so moved.

JL: I'll second.

SG: All right, thank you. Any friendly amendments, questions, comments, seeing none, all those in favor of approving the minutes say aye. Aye, Sarah.

JK: Aye, Josh.

JL: Aye, John.

SG: The minutes are approved. The next item is our loan portfolio and we have 7 loans at a little over $3.5 million. I move to a point or to approve the loan portfolio. Is there a second?

JL: I'll second.

SG: Thank you, John. Rich, can I turn it over to you to walk us through these seven loans that we are reviewing today?

RS: Absolutely. Thank you, Sarah. Road work is again a major theme for the day with loans 1, 3, 4 and 5 financing road work projects. Loan #3 to the town of Polk is an LRIP project, excuse me. And we expect the majority, if not all of that loan to be repaid once the project subsidy is received from the state. Other loans include #2 which is a development incentive for the Carver Flats project in Waupun. Carver Flats is a 60 unit multi- family complex with total development costs about 9 and a half million dollars and construction is expected to commence by November 1st of this year. Loan #6 is to finance the purchase of attachments for a new plow that we financed earlier this year for the Town of Salem. And lastly, loan #7 might look familiar because the Town of Janesville has been borrowing from BCPL to pay for their Fire Protection services that are received from the City of Janesville for many years now. I believe that some other towns might be catching on to the strategy which allows an increase in the annual tax levy beyond the municipal levy limit. You know, because as you remember, principal and interest payments are above the municipal levy limit calculations and we might be seeing more borrowing for this type of expense in the future as budgets continue to get tighter. That's all I have for today. Are there any questions?

SG: No, it's just a quick question, I guess, what's the difference between ARIP and LRIP?

RS: ARIP is agricultural road improvements and LRIP is local road improvements. And so the real difference is the percentage of subsidy that the state provides. I believe that with LRIP they provide close to 90% and with and with a RIP it's a little bit lower than that.

SG: Got it. OK, thank you. Any questions for the commissioners about the loan portfolio? All right, seeing none, all those in favor of approving our loan portfolio today say aye. Aye, Sarah.

JK: Aye, Josh.

JL: Aye, John.

SG: The loan portfolio is approved. Moving on to routine business, we have the Chief Investment Officers report. So Rich, we'll turn it back over to you.

RS: Thank you, Sarah. And I'm going to keep my report short today, but I wanted to let the board know that the investment Committee last week voted to begin acquiring long-dated Treasury bonds for the Common School Fund portfolio. As you know from the news, the interest rate on 30 year bonds is at the highest level in nearly 20 years. The investment Committee believes that there's a good opportunity to lock in those higher interest rates that will increase our distributable income for many years to come. Treasury bonds do not have a call option, so unlike most of the other fixed income securities in our portfolio, the Treasury cannot pay off these bonds early for any reason. The call option that is available on most of our bonds allows the issuer to redeem the bonds by refinancing the debt, which usually occurs if and when market rates go down. In our situation, if the rates do decline in the future, the value of our new Treasury bonds will increase. BCPL would then have the option to sell the Treasuries for a capital gain and reinvest the proceeds or continue to receive the ongoing interest payments. Does anybody have any questions?

SG: Doesn't look like there's any questions, Rich. So…

JK: Nope.

SG: OK, thank you. Appreciate it. Tia. Moving on to the Executive Secretary's report.

TN: Thank you Sarah, Denise and I have been mostly Denise's done just yeoman's work in preparing our budget submittal to DOA for the September 15th deadline. I joined the meeting yesterday with DOA Budget Office and going through the numbers and our budget request which will include seeking a second accountant we to in manage risk for the very large portfolio we're managing. That meeting went well and I'm preparing the cover letter and justifications for our budget request and so far so good on that. In that regard, there will be a land sale on the next board agenda item. Just a heads up and thank you to Sarah and John for making yourself available to sign the land patents for the I think 6 transactions land sales that the board previously approved and I saved the best for last. The Waukesha County Court heard all arguments and ruled immediately the Milwaukee County had unconstitutionally diverted finds, fees and forfeitures from the Common School Fund. So, the one question that remains the which came out of the amicus brief on behalf of the librarians who are requesting that Milwaukee County reimburse the Common School Fund for the money it did not get during that period of time between when the statute that allowed the 100% retention and today when the law was reverted. Whether the only remaining question is whether the Common School Fund will be paid back. That decision will be made on November 6th. There is some discussion among the beneficiaries because the Legislative Fiscal Bureau's estimate of the fiscal impact on the Common School fund was 10 times higher than Milwaukee County's fiscal estimate. There is discussions about whether specific legislative guidance should be given to the counties on how to determine what costs are, what they can retain appropriately, what belongs in the Common School Fund, potentially auditing these reports. There's just a lot of inconsistency and that's hard to figure out. And so I think how I would summarize that is that Milwaukee County's effort to do this is shining a light on all counties and how they handle this very important source of growth for the Common School Fund. And that's a good thing for the beneficiaries. And yeah, that's my report. Any questions?

SG: Tia, I know I just, I appreciate you sharing. I know we've been following this closely over the last year and a half. So it's good that it's come to a conclusion and agree that we need to work on getting additional clarity from the legislature on proceeds that are coming from the counties and what that looks like. So, I'm glad to hear that we're they're working on it. And I think anything we can do to just further help with that clarification is always yeah, it's something that we should consider.

TN: Yeah. The critical thing for the Common School Fund and for everyone to remember is because we're required to distribute earnings from the fund annually by the Constitution, we are required to annually distribute the earnings to the schools. The only way the fund can grow is from the deposit of fines, fees and forfeitures plus unclaimed property. And the growth of that fund is critical to keep up with the inflation and, and so on. So this is this is a really significant issue for the school libraries,

JL: Although not quite nothing's quite final until the appeal has gone through. If they decide to do that.

TN: Tell me more.

JL: Well, I mean. Is Milwaukee County going to appeal it when there's a final decision on everything or not?

TN: Oh, yeah. I understand. Yeah.

JL: Yeah. So I, I wouldn't just, you know, I wouldn't start applauding just your, you know. It's a good first step at least.

TN: Yeah. When would they file an appeal?

JL: Usually they. We'll see what happens after everything's…I don't think they can file right away.

TN: Well, yeah

JL: It's all funny because now it's a constitutional issue anyways, actually Josh Kauls on the line. He can probably tell you the deadlines. I haven't done this type of litigation, but they there's they could appeal it eventually. So

TN: Yep, I just got a summary from WEMTA, I have not reviewed the court documents. Thuy is collecting them for us now. So, all I can say now is it was ruled unconstitutional and there's a hearing on a separate question, which is whether Milwaukee County has to repay or not. And I guess if Milwaukee County were going to appeal the ruling, it would probably happen between now and November 6th, I would think.

JL: I mean, I think they're going to see where, how this motion, the next motion comes out. And then maybe if they'll…I don't know what they're thinking. I maybe they didn't expect to lose. I don't know. But it it's this is, this is a good, good news definitely. But it might go on.

TN: Not over till it's over.

JL: Yeah, That's what I'm trying to say.

TN: Yep. I hear you.

SG: No, it's a good flag, John. And I think we'll see if you can just continue to keep us posted. That would be appreciated.

TN: Yes, I get regular updates from WEMTA to who's, as you all know, being represented from by Forward Law.

JL: That's good. Yeah,

TN: They filed an amicus brief, which has been accepted. The judge was very deferential to WEMTA.

JL: Oh, he was this morning.

TN: Yes.

JL: I actually tried to watch it online, but it wasn't streaming. So sometimes I guess they are, but this one wasn't.

TN: Yeah.

JL: And I couldn't be in Milwaukee or Waukesha today, wherever it is. Yeah, it's in Waukesha, Right?

TN: Yeah.

SG: Yes.

TN: And I have a friend in in in Dane County Clerk's office and Dane County in a what is sort of an enigma and wrapped in a mystery to me happens to be providing more money in traffic violations to the Common School Fund then Milwaukee County even before the law changed in the last budget cycle. So I am hoping to sit down with the individual who fills out that monthly report that goes to the Comptroller's office so I better understand the process each county has to file monthly and attest to the accuracy of their filing. And that goes to DOA comptroller's office. I, I've shared that information with the board before, but I because I know the Dane County Clerk it's and we're friendly and this is a friendly inquiry on my part. I'm just trying to better understand how at least Dane County does it so I can sort of wrap my head around these reports that I've begun to review and try to figure out their lack of consistency, let's say.

JL: Yeah. Well, you you've seen the form that that they all.

TN: I have a copy of the form and I and Denise has run a pivot table for all counties for the last five years and I'd be happy to share it with you. And it's, I'll call it a really interesting document.

JL: I'd like to see that.

SG: And I, I just think it further reiterates, Tia, how we need to get, we need to provide consistency across the board. So I think as we are looking at future legislation, I think that just, you know, further reiterates the need for that.

TN: Yeah, Yep. That's all from me.

SG: OK, Thank you. Tia. I do not have anything to report. I think under future agenda items Tia just think the one thing that the commissioners have talked about before and just seen when there's an opportunity is just kind of sharing on the overall budget as we're getting ready to submit that and kind of what things look like. So

TN: Yeah, how should I do that, Sarah?

SG: Why don't why don't you and I discuss in our one-on-one what makes the most amount of sense?

TN: Yeah, well, because Denise has run all the numbers as of yesterday. There's a couple of things that are being finalized and my assignment is now bearing down heavily on me. It's to write the cover letter and their justifications for all the DINs, which are decision items, which means justifying asking for a second accountant, justifying asking for funding for the deputy's position and so on. And I can give the board as much or as little detail. I can give them a summary. I can give them a draft budget. We have our deadline is September 15th and we're working pretty feverishly on it.

SG: Yeah, I think, I mean, I'm not please Josh and John chime in, but I don't think we need just noteworthy detail, I think, but an overview. And again, you and I can talk about this and also just as an attachment, we can share like the submission to just for situational awareness for board members.

TN: Yep. And I don't know, Teresa, our budget analyst, I'm trying to remember if she told me yesterday. I don't think she told us, Denise, did she tell us when she represents our budget to the governor? I don't think she

DN: No, she did not give us a date.

TN: Yeah, no, yeah, Yeah. OK, I, I think, I think it's maybe later in October, but I'm not quite sure, so I shouldn't say because I don't know. OK. Thank you. Thank you.

SG: Yeah, right. Any other future agenda items from board members? All right,

JK: None for me. Thanks.

SG: Great. Seeing that there are none and we have no old business. I'm going to make a motion to now move into closed session, which is pursuant of state statute 19.85(1)(C) about considering employment promotion, compensation or performance evaluation data about a public employee. Is there a second?

JL: I'll second that.

SG: Thank you. All those in favor of moving into closed session say aye, aye, Sarah.

JK: Aye, Josh.

JL: Aye, John.

SG: We will move into post session. Thanks everyone.

Closed session 2:19pm – 3:00pm

Reconvene to open session 3:00pm – 3:01pm

SG: All right. There we are. Can everybody hear me? Yeah, we're back. OK. Well, I move to adjourn our meeting. Is there a second?

I second. Right.

SG: All those in favor say aye. Aye, Sarah.

JK: Aye, Josh.

JL: Aye, John.

SG: Our meeting's adjourned. Thanks, everybody.

Have a good week.

Goodbye.

End Time: 3:01 pm