

Board Meeting
Minutes
January 18, 2022

Present were:

Sarah Godlewski, Board Chair
Josh Kaul, Commissioner
Tom German, Executive Secretary
Richard Sneider, Chief Investment Officer
Mike Krueger, IT Manager
Thuy Nguyen, Office Manager
Julie Benkoske, Chief of Staff

State Treasurer
Attorney General
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
State Treasurer

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:03 p.m.

ITEM 2. APPROVE MINUTES – January 4, 2022

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

DISCUSSION: None

VOTE: The motion passed 2-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider shared that two of the loans are to lake districts for weed harvesters. Loan #2 to Town of Washington in Door County is for a land purchase that is going to be used for a town park and some funds will be used for road repairs and repair of an observation tower as well.

VOTE: The motion passed 3-0

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$805,000.00** in State Trust Fund Loans to support **3** community projects in Wisconsin.

1. Okauchee Lake Management District / Waukesha County / Finance repairs to weed cutters and equipment / \$80,000.00
2. Town of Washington / Door County / Finance land purchase and infrastructure repair / \$525,000.00
3. Blake Lake Polk Co Protection & Rehabilitation District / Polk County / Finance purchase of weed harvester / \$200,000.00

ITEM 4. OLD BUSINESS – Update on co-op acquisition of idle paper mills

Board agrees to remove this item from future board meeting agenda. Executive Secretary German agrees to provide updates, if any at future meetings.

ITEMS 5. NEW BUSINESS

None

ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider stated that market interest rates are starting to go up. The yield on five and ten year treasuries have gone up nearly one half of 1% in the last 30-45 days. The Investment Committee approved selling \$35 million in lower yielding corporate bond funds that were at risk for declining values. The fourth quarter reports will be presented at the next meeting in February.

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German commended Mr. Sneider on the timing of selling the treasuries as those funds would have decreased in value.

The first item Executive Secretary German spoke about was the Common School Fund distribution this spring. It is scheduled to be \$40.6 million. This is, again, a record annual regular distribution for public school libraries and students. BCPL made a slightly higher total distribution in the first year of the pandemic with the additional special distribution to provide more funding support for our distance learning. As we review our fund's performance and the effect of the smoothing fund, we will also review whether we may be able to decrease the size of the smoothing fund slightly and therefore increase the annual distribution in the near future. He will report back to the board on this.

Next, the Normal School Fund is also heading toward a record distribution this year of \$1,070,000 to the UW. The distribution to the UW is earmarked in the statutes for particular programs and scholarships. One of those earmarks is scheduled to sunset in mid fiscal year 2023. Without legislation more than half that annual distribution will be held in suspense without an appropriation to spend it. He has been working with Board Chair Godlewski on finding a home for those monies, and they have been working with the UW and a few legislators on possible legislation that would provide some forgivable loans or scholarships for teachers.

BCPL is working on responding to a sizable open records request from the Lakeland Times for documents related to land purchases and exchanges in the last three calendar years. That request will be completed shortly.

And finally, the State Education Convention is starting this week, and although it is expected to be a much smaller convention than past years because of the pandemic, Executive Secretary German is planning on attending and hopes to provide information on the State Trust Fund Loan Program, the Common School Fund and how BCPL is supporting public education in this state.

ITEM 8. BOARD CHAIR'S REPORT

Board Chair Godlewski also commended Mr. Sneider on the timing of the sales of the corporate bonds.

Board Chair Godlewski commented about the Normal School Fund and the opportunity to potentially provide student loan forgiveness or scholarships for teachers. She believes this to be a great opportunity and this is something that is being worked very diligently on. She shared that last week she met with the State Superintendent who was thrilled about this year's distribution. She will be working with the WI Educational Media & Technology Association (WEMTA) and the Department of Public Instruction (DPI) regarding coverage of the distribution. She added that this is definitely something to celebrate and she will keep the commissioners posted on what the roll out looks like.

ITEM 9. FUTURE AGENDA ITEMS

None

ITEM 10. ADJOURN

Commissioner Kaul moved to adjourn the meeting; Board Chair Godlewski seconded the motion. The motion passed 3-0; the meeting adjourned at 2:11 p.m.

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

Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2022/2022-01-18 BoardMtgRecording.mp3>