

Board Meeting Minutes  
March 5, 2024

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
Rich Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Denise Nechvatal, Controller	Board of Commissioners of Public Lands
Chuck Failing, IT Manager	Board of Commissioners of Public Lands
Mike Krueger, 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 2:02 p.m.

**ITEM 2. APPROVE MINUTES**

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

**DISCUSSION:** Mr. Sneider shared that loan #1 is to the Town of La Pointe for \$4.9 million is financing part of the town's \$17 million acquisition of a ferry line. The Town of La Pointe is on Madeleine Island across from the City of Bayfield. The town did not want another party to purchase the ferry line and put access to their residences on Madeleine Island at risk. Revenues from the ferry line are expected to cover about 85% of the cost of the purchase with increases in property taxes projected to cover any remaining cost. Loan #3 is to finance acquisition of land to expand an industrial park in Waupun and loan #6 is to finance the engineering and repair of the Trout Lake Dam. Loan #4 is to the Town of Rutland in Dane County. The town is borrowing about \$2,000,000 to finance a new town hall and garage building.

Commissioner Leiber asked if the ferry line is the one that the board recently discussed pertaining to a submerged land lease.

Executive Secretary German replied, yes. The ferry line operates a dock on filled lakebed in the City of Bayfield. We were able to execute a new submerged land lease so the ferry line can keep their terminal on filled lakebed. The ferry line is now being transferred from private to public ownership. The lease will be able to transfer to the new ferry line owners.

**VOTE:** The motion passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$8,714,740.00** in State Trust Fund Loans to support **9** community projects in Wisconsin.

1. Town of La Pointe / Ashland County / Finance purchase of Ferry Line / \$4,900,000.00
2. Town of Wilson / Sheboygan County / Finance roadwork / \$530,000.00
3. City of Waupun / Dodge and Fond Du Lac Counties / Finance land acquisition / \$400,000.00
4. Town of Rutland / Dane County / Finance new town hall/garage building / \$1,956,000.00
5. Village of Albany / Green County / Finance purchase of truck / \$59,000.00
6. Trout Lake District / Juneau County / Finance engineering and repair of Trout Lake Dam / \$183,000.00
7. Town of Lucas / Dunn County / Finance purchase of grader / \$349,740.00
8. Town of Rock Elm / Finance purchase of dump truck / \$200,000.00
9. Town of Superior / Douglas County / Finance purchase of grader / \$137,000.00

#### **ITEM 4. OLD BUSINESS**

None

#### **ITEM 5. NEW BUSINESS**

None

#### **ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT**

None. Mr. Sneider shared that he will be discussing some of the venture capital investments made in the State at a future meeting, per Commissioner Leiber's request from last meeting.

#### **ITEM 7. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary German reported that he spoke to the Wisconsin County Foresters Association to give them a briefing on who we are, what we do, and how we do it. The presentation and discussion went very well. We should be strengthening that relationship because from a land management standpoint, we're very similar.

He recently met with staff from the Conservation Fund. The Conservation Fund has been in the news because there has been a controversy regarding lands in the Pelican River Forest. The Fund acquired 70,000 acres of land from another entity and then sold conservation easements. We had reached out to some of the stakeholders up north about the possibility of BCPL acquiring some of those lands. The land would have a conservation easement on it, but the easement would still allow timber harvesting. The Great Lake Timber Producers indicated that they would be very supportive of that acquisition as we had demonstrated a record of responsible harvesting. This could be a significant transaction for BCPL which could have a profound impact on the direction and vector of the Normal School Fund. We are in the very early stages, but Secretary German thought it was important to let the board know what we have been discussing and because the Conservation Fund has generated a fair amount of news and some of it controversial.

However, if we were to move forward, we would need to have a lot more discussions with the local residents to make sure we've got local stakeholder support. A transaction of this size could conceivably give us a path to generating significantly more timber revenue for the Normal School Fund, perhaps more than double what we are currently making, and our numbers are already up.

Board Chair Godlewski asked about what the ballpark range of the transaction is and how many acres are currently in our landbank.

Executive Secretary German replied it's a complex transaction that could be as much as 12,000 acres. We currently have 3,000 acres of room in our land bank cap for land we can acquire and a little less than \$2 million dollars to invest on land purchases. The Forest Service is currently moving forward on due diligence for purchasing perhaps 5,000 acres of scattered lowlands from BCPL. These lands are either in-holdings in the Chequamegon Nicolet National Forest or adjacent to it.

The Conservation Fund acquired over 70,000 acres, but within those 70,000 acres, BCPL has about 3,500 acres that are in-holdings within the blocks of lands that the Conservation Fund acquired. We are looking at exchanging some of these in-holdings to the Conservation Fund, giving them a more consolidated block and in return BCPL would get a consolidated block of productive upland pine plantation. That would be a great acquisition for us because pine can be harvested at any time of year no matter the weather, there is significant demand for it and this deal could conceivably more than double our annual timber revenue.

If we were able to close such a large land transaction, the biggest limiting factor for future timber revenue would be staffing and resources on our end to be able to handle the increase in land management activity. The Normal School Fund is roughly \$30 million and if we started adding over \$2 million per year to the principal from timber revenue, the principal of the fund would be growing at a rate of over 6% per year without considering the effect of any investments. The numbers look good enough to put agency time and resources into exploring the possibilities. Secretary German cautioned that we're still at the very beginning stages of this possible transaction. He is hopeful we can accomplish the acquisition as Mr. Sneider would have more investment money to deploy for the Normal School Fund on a regular basis.

Board Chair Godlewski asked where the Pelican River Forest is located.

Executive Secretary German replied that it is in southeastern Oneida County. It is conveniently located close to our Lake Tomahawk office.

Board Chair Godlewski asked when this transaction will be brought to the board because some previous land transactions have taken multiple boards.

Executive Secretary German did not have a firm timeline for the transaction as it was still in a very early and tentative stage. He explained that one of the things he made sure the Conservation Fund understood was that our board is comprised of three statewide elected officials and every four years there are statewide elections. The Conservation Fund staff understood the need for timely progress and provided feedback that if the transaction were to move forward, it was certainly possible to finish it before the next election. It is important to note that the Conservation Fund is looking at selling all 70,000 acres it acquired so there is a real possibility that BCPL might not be able to acquire the lands it is targeting in this matter. We will provide the board with regular updates as things move along.

## **ITEM 8. BOARD CHAIR'S REPORT**

Board Chair Godlewski reported that we had a great presentation and opportunity to share the news of the record \$65 million distribution with all of the librarians and media specialists. She thanked Commissioner Leiber who was there and provided a few words, Executive Secretary German, Mr. Sneider and Denise Nechvatal were in attendance as well. To hear the excitement and appreciation is one of the bright spots in the work we do. Teachers, librarians, and media specialists shared their gratitude for this funding. Almost everyone talked about the referendums they're facing, how concerned they were, and how this is something that can be constant as far as monies to provide books, technology, and educational materials. It was good to talk with them and good to hear how much these funds are really needed. These funds are essential for them. It was a good event, and she looks forward to next year's announcement.

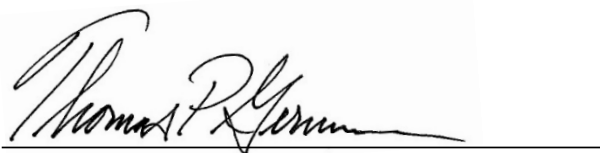
Commissioner Leiber shared that it was fun. It's a good group and more people attended this year than at the event in Wausau last year. People pulled us aside afterwards to thank us. It's nice to talk to the people our money is going directly to. He wanted to thank them all for putting the funds to good use.

#### **ITEM 9. FUTURE AGENDA ITEMS**

None

#### **ITEM 10. ADJOURN**

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 3-0; the meeting adjourned at 2:25 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/bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2024/2024-03-05/BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2024/2024-03-05/BoardMtgRecording.mp3)