

Board Meeting Minutes
September 17th, 2019

Present in person were:

- | | |
|---|--|
| Sarah Godlewski, Board Chair | State Treasurer |
| Jonathan Barry, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Mike, Krueger, IT Manager | Board of Commissioners of Public Lands |
| Richard Sneider, Chief Investment Officer | Board of Commissioners of Public Lands |
| Micah Zeitler, Real Estate Specialist | Board of Commissioners of Public Lands |
| John Schwarzmann, Forest Supr | Board of Commissioners of Public Lands |
| Kevin Burms, Senior Forester | Board of Commissioners of Public Lands |

Present via teleconference were:

- | | |
|-------------------------|------------------|
| Josh Kaul, Commissioner | Attorney General |
|-------------------------|------------------|

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:04 p.m.

ITEM 2. APPROVE MINUTES – SEPTEMBER 3rd, 2019

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

DISCUSSION: Josh noted he had voted to adjourn the meeting also - will be adjusted to 3-0.

VOTE: The motion passed 2-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider commented on the 2nd loan - it was for roadwork and equipment.

VOTE: The motion passed 2-0.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Buchanan Outagamie County Application #: 02020036 Purpose: Finance land acquisition for municipal garage	Town Rate: 3.75% Term: 10 years	General Obligation	\$535,000.00
2. Elk Mound Dunn County Application #: 02020035 Purpose: Finance 2019 capital projects	Village Rate: 4.00% Term: 20 years	General Obligation	\$582,995.00
3. Spencer Marathon County Application #: 02020034 Purpose: Finance roadwork	Town Rate: 3.75% Term: 3 years	General Obligation	\$75,000.00
TOTAL			\$1,192,995.00

ITEM 4. OVERVIEW OF LAND TRANSACTION

DISCUSSION: Deputy Secretary German provided the Board with an overview of the proposed land transactions for the disposition of 731 acres of school trust lands and the acquisition of 1272 acres of timberland located in Iron and Oneida counties from Minocqua Timber, LLC.

The acquisition would be comprised of three land exchanges involving the National Park Trust, the Northwoods Land Trust and the Wisconsin Valley Improvement Company (WVIC) in addition to an outright purchase by BCPL. Commissioner Kaul asked why land exchanges were being used in this situation instead of straight land sales and purchases. Deputy Secretary German explained that federal law prohibits the National Park Service from purchasing land directly from a state and state law authorizes BCPL to sell school trust land directly to only certain governmental entities, but not the Northwoods Land Trust or WVIC. There are no such limitations on the use of land exchanges. By structuring these proposed transactions as exchanges there is a clear path to completion for both sides. Furthermore, WVIC is interested in acquiring the right to overflow or flood the selected school trust lands and a land exchange is the only way to structure the transaction to allow WVIC to acquire such flowage or waterpower rights.

Taken together, the transactions would allow BCPL to acquire significant acreage of productive, revenue producing timberland while unlocking access to over 600 acres of previously landlocked school trust land parcels. Furthermore, the proposed exchanges would allow BCPL to divest itself of school trust lands that are not currently producing any revenue for the school trust funds. In addition, the exchanges would provide for the permanent protection and preservation of most of those school trust lands. The completed transaction will produce a school trust land base that is more consolidated, more productive, have better public access and can be managed more efficiently than the current land base.

MOTION: Commissioner Kaul suggested the board defer taking action on the proposed transactions until the next meeting and Commissioner Godlewski concurred.

VOTE: The motion passed 2-0.

ITEMS 5-8. BOARD CHAIR'S REPORT

Detailed items were not discussed as they were deferred until the next board meeting

ITEM 9. CHIEF INVESTMENT OFFICER'S REPORT

Mr Sneider reported that an additional \$83 million in bonds were called in August due to lower market interest rates. The remainder of the portfolio is well insulated against further calls, with staff currently expecting few calls through the remainder of 2019, with approximately \$33 million throughout 2020.

The BCPL Investment committee made verbal commitments of \$90 million to real estate funds, with \$40 million expected to be placed within 30 days and the remainder in the 1st and 2nd quarters of 2020. The committee also re-established weekly acquisitions of Public Equity ETFs.

ITEM 10. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Barry reported that he had visited three legislators and/or their staffs in the past week regarding two topics:

- 1) He shared and discussed The Deer Browsing paper with Representatives Mursau and Swearingen and explained how the paper had been researched and developed. Further, before implementing recommendations of the paper, BCPL would be quantifying any deer browse damage through the use of metrics and 'tools' as recommended by DNR and forestry researchers. Barry highlighted the importance of measurable as opposed to anecdotal information on any deer damage of our timber lands and stated that staff would come back to the board with their findings and recommendations.
- 2) Rep Swearingen expressed his support for proposed legislation that would provide BCPL with a 'gifts and grants' line in our future budget. BCPL is apparently the only state agency without such a provision and it's lack makes it difficult to accept gifts or grants. Recently, the Ruffed Grouse Society offered BCPL a grant of approximately \$26,000 over two years to

enable the GIS mapping and identification of all the BCPL trails and roads within our land holdings. This information would be very useful to the agency in maintain our infrastructure while also markedly improving access for the public.

Executive Secretary Barry also related that he met with Rep. Timothy Ramthun, upon the legislator's request, to brief him about BCPL and it's operations. Rep. Ramthun expressed his appreciation for the work that BCPL was doing and indicated his interest in allowing BCPL to increase its accounting capability through consideration of an additional staff person.

ITEM 11. BOARD CHAIR'S REPORT

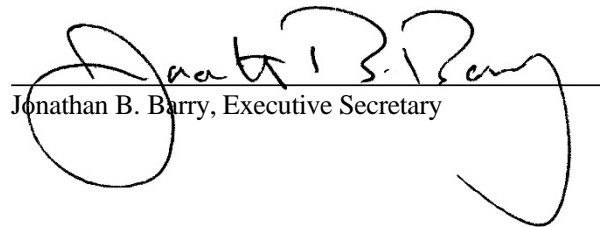
Board Chairman Godlewski stated she did not have a report to deliver to the board at this time.

ITEM 12. FUTURE AGENDA ITEMS

Possible discussion on the real estate investment policy update.

ITEM 13. ADJOURN

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 2-0; the meeting adjourned at 2:52 p.m.


Jonathan B. Barry, Executive Secretary

Link to audio recording: https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2019/2019-09-17_BoardMtgRecording.mp3