

Board Meeting  
Minutes  
June 7, 2022

Present were:

Sarah Godlewski, Board Chair  
Doug LaFollette, Commissioner  
Josh Kaul, Commissioner  
Tom German, Executive Secretary  
Richard Sneider, Chief Investment Officer  
Denise Nechvatal, Senior Accountant  
Mike Krueger, IT Manager  
Thuy Nguyen, Office Manager  
Emma Stutzman, Chief of Staff

State Treasurer  
Secretary of State  
Attorney General  
Board of Commissioners of Public Lands  
Board of Commissioners of Public Lands  
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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 2:02 p.m.

### ITEM 2. APPROVE MINUTES – May 17, 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:** Board Chair Godlewski moved to approve the loans; Commissioner LaFollette seconded the motion.

**DISCUSSION:** Mr. Sneider shared that most of these loans are typical. We are seeing a trend toward financing the construction of large projects for a short period of time while municipalities go to the bond market later for permanent financing.

Board Chair Godlewski inquired about the loan to the Town of Sheboygan for \$9.5 million.

Mr. Sneider replied that the funds are to be used in a tax incremental district (TID). Often loans like this help to provide some of the utility and road infrastructure for that TID.

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

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$11,291,905.78** in State Trust Fund Loans to support 7 community projects in Wisconsin.

1. Town of Sheboygan / Sheboygan County / Finance construction of TID Infrastructure Projects / \$9,500,000.00
2. Town of Onalaska / La Crosse County / Finance park improvements / \$75,000.00
3. Town of Bristol / Dane County / Finance purchased of fire engine / \$235,405.78
4. Village of Lena / Oconto County / Finance roadwork / \$550,000.00
5. Town of Pine Lake / Oneida County / Finance road construction / \$750,000.00
6. Town of Amnicon / Douglas County / Finance purchase of fire department equipment / \$31,500.00
7. Town of Pelican / Oneida County / Finance roadwork / \$150,000.00

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

None

#### **ITEMS 5. NEW BUSINESS**

None

#### **ITEM 7. CHIEF INVESTMENT OFFICER'S REPORT**

Mr. Sneider shared that he recently attended the Venture Investors Annual Meeting. Venture Investors is a Madison based venture capital firm. BCPL committed \$15 million to their Venture Investors Health Fund VI a few years ago. That fund owns part of two companies that have the potential to make a significant impact in the treatment of cancer and glaucoma and potentially produce a great financial impact for BCPL.

Board Chair Godlewski shared that some of these companies are based in Wisconsin. She commented about the good work these companies are doing.

#### **ITEM 8. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary German discussed the pending land transaction between BCPL and the Forest Service. He shared his disappointment that the transaction will likely not close this fiscal year. It does not appear that the Forest Service will be able to complete their work to get it closed by June 30. He explained that the Forest Service has an understaffed legal department and they have multiple other responsibilities including litigation that take priority over our pending transaction.

Board Chair Godlewski and Commissioner Kaul asked about why it was important that the transaction close this fiscal year.

Executive Secretary German explained that BCPL had already set aside funds from this year's budget for the closing costs. The closing costs are estimated to be between \$6000-\$7000.

Board Chair Godlewski suggested a letter be written from the three Commissioners encouraging the Forest Service to close the transaction.

Executive Secretary German suggested that if a letter is written, it could be directed to some of Wisconsin's congressional delegation in DC.

Board Chair Godlewski shared that she understands we are getting toward the end of the fiscal year but wishes to come up with some action to take, like writing a letter.

Commissioner LaFollette suggested that the letter be sent to Tammy Baldwin.

Board Chair Godlewski added that if a letter is sent it could include the fact that the agency does not have a large budget, that currently there are three Commissioners supporting the transaction and if the composition of the board changes before the transaction closes that could put the transaction at risk.

Commissioner Kaul suggested that before sending a letter, someone should reach out to a member of Congress or Senator Baldwin's office.

Board Chair Godlewski asked Executive Secretary German to share more specific details about the work involved in the transaction.

Executive Secretary German explained that BCPL started working on this transaction in 2014, identifying the parcels, performing due diligence, and getting all the pieces together to get approval from both entities. This latest phase has been getting the Forest Service to approve the Land Patents forms and begin working on closing documents. After approval of the Land Patent forms, such documents need to be executed by our Commissioners. Copies of proposed Land Patents were provided to the Forest Service months ago with no response. Another issue is the title insurance commitment which currently insures good title as of the date of the original commitment which was several years ago. However, as prudent asset managers, BCPL requires title to be insured as of the closing date, not the earlier date that the transaction was started. Therefore, the title insurance commitment will need to be updated. This is a pretty significant task as there are almost 80 separate parcels involved. The title company will want a realistic closing date to engage on this step before committing their resources to accomplish that project.

Board Chair Godlewski shared that she reached out to Senator Tammy Baldwin's office in 2019 and there have been meetings but progress is slow. Board Chair Godlewski is concerned if the transaction does not close and the board members change, the transaction could be put in jeopardy. She is happy to follow up with Senator Baldwin.

Commissioner Kaul commented that it would make sense for Board Chair Godlewski to reach out to Senator Baldwin's office before a letter is sent.

Board Chair Godlewski asked that an update and suggestions be made at the next board meeting for expediting the closing.

#### **ITEM 9. BOARD CHAIR'S REPORT**

Board Chair Godlewski asked that the board discuss the agency's investments in assault weapons and how those investments impact the portfolio. Currently, BCPL does not have any direct investments in publicly traded arms dealers or weapons manufacturers. She asked Mr. Sneider to provide information about any indirect investments.

Mr. Sneider replied that he will look into it and let the Board know his findings.

#### **ITEM 10. FUTURE AGENDA ITEMS**

- 1) Update on US Forest Service transaction
- 2) Discussion on investments in firearms companies

#### **ITEM 11. ADJOURN**

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 2-0; the meeting adjourned at 2:25 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2022/2022-06-07 BoardMtgRecording.mp3>