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Thomas P. German, *Executive Secretary*

AGENDA

November 18, 2025

2:00 P.M.

Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

Routine Business:

1. Call to Order
2. Approve Minutes – November 4, 2025 (Attachment)
3. Approve Loans

New Business:

4. None

Routine Business:

5. Chief Investment Officer's Report
6. Executive Secretary's Report
7. Board Chair's Report
8. Future Agenda Items

Old Business:

9. Normal School Fund, UW Distribution
10. New Executive Secretary Recruitment
 - 10(a). Convene in closed session pursuant to Wis. Stat. s. 19.85(1)(c) ("Considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercises responsibility.") - The board will review candidates for appointment as the executive secretary of BCPL.
 - 10(b). Reconvene in Open Session immediately following closed session
11. Adjourn

AUDIO ACCESS INFORMATION

Conference Line Number: 608-571-2209
Conf ID Code: 207 822 241#

Board Meeting Minutes
November 4, 2025

Present were:

Sarah Godlewski, Board Chair	Secretary of State
John Leiber, Commissioner	State Treasurer
Josh Kaul, Commissioner	Attorney General
Nicole Pegram, Deputy Chief of Staff	Secretary of State
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
Thuy Nguyen, Office Manager	Board of Commissioners of Public Lands

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:01 p.m.

ITEM 2. APPROVE MINUTES (October 7th board meeting)

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

DISCUSSION: None

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider reported that loan #1 to the Town of Mishicot and loan #7 to the Town of Conover are for roadwork. We are helping financing three building projects. The City of New Richmond is asking for interim financing for their community library. The Town of Gordon is doing some improvements for their town hall. And the Town of Washington on Washington Island needs a new room for their recreation center. We have three truck loans: loan #5 to the Town of Conover, #6 to the Town of Salem and #9 to the Town of Superior. Loan #3 is an operating loan for the School District of Hustisford. This type of loan is becoming more common as school districts are feeling some financial pressure. Board Chair Godlewski commented that the size of this loan is something to note.

VOTE: The motion to approve the loans passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$4,676,917.61** in State Trust Fund Loans to support **9** community projects in Wisconsin.

1. Town of Mishicot / Manitowoc County / Finance roadwork / \$165,000.00
2. City of New Richmond / St Croix County / Finance library construction / \$1,600,000.00

3. School District of Hustisford / Dodge County / Finance cash flow shortages & operating deficit / \$1,000,000.00
4. Town of Gordon / Douglas County / Finance Town Hall Building Improvements / \$40,000.00
5. Town of Conover / Vilas County / Finance purchase of dump trucks / \$350,000.00
6. Town of Salem / Peirce County / Finance purchase of plow truck / \$170,850.00
7. Town of Conover / Vilas County / Finance roadwork / \$800,000.00
8. Town of Washington / Door County / Finance roof project for Mosling Recreation Center / \$162,200.00
9. Town of Superior / Douglas County / Finance tanker purchase / \$388,867.61

ITEM 4. NEW BUSINESS

None

ITEM 5. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider reported that there were a few significant changes since the end of Q2 on June 30th. The total value of BCPL's financial assets is now over \$1.6 billion. The \$100 million increase was due to constitutional additions and market conditions. The largest increase came from unclaimed property. In September, the Department of Revenue deposited about \$55 million from unclaimed property into the Common School Fund. This increased the fund balance by about 3.5%. When he began working with BCPL, our total assets were approximately \$800 million

Our preferred stock portfolio increased \$2.8 million. This increase can be primarily attributed to the overall decline in market interest rates. Our common stock portfolio increased over \$15 million or 7% during the quarter. Stocks remain near all-time highs, mostly driven by big tech and huge investments being made in AI. Real estate valuations appear to have stabilized with some going up a little. Infrastructure has been steady.

One of the biggest changes within the Common School Fund investment portfolio values came from our venture capital portfolio. During Q3, realized gains added about \$8,000,000 to principal, while unrealized gains increased a little over \$18,000,000.

This quarter, our total projected annual income is down about \$2,000,000.

The investment committee authorized about \$20 million more in Treasury inflation protected securities (TIPS). Other sectors currently under allocated include private debt and infrastructure. The Investment committee approved new commitments of \$25,000,000 each to both of these asset classes during the third quarter and anticipate additional commitments over the next six months in private equity, venture capital and real estate. Right now common stocks appear to be ripe for a market correction. The investment committee continues to make progress to implement the strategic asset allocation as approved by the board

ITEM 6. EXECUTIVE SECRETARY'S REPORT

None

ITEM 7. BOARD CHAIR'S REPORT

None. The board agrees to suspend meetings rules temporarily to discuss items #9 and #10.

ITEM 8. FUTURE AGENDA ITEMS

None

ITEM 9. NORMAL SCHOOL FUND, UW DISTRIBUTION

Executive Secretary German reported that we have received no additional information from the UW about the Normal School Fund distributions. He will try to schedule a meeting with the UW to sit down and discuss the matter.

ITEM 10. SUBMERGED LOGGING

Board Chair Godlewski shared that this is an unfunded responsibility of the BCPL and we need to make sure we're best meeting the requirements of the request.

Executive Secretary German reported that in the present situation the only way to make this work is to develop procedures that rely heavily on the honor system. We cannot have someone stationed at the docks or a diver present to check on the logs that permittees are pulling up as we have in the past. Financially we do not have the resources and we do not have the staff. Technology has changed a lot in the last 20 years. He believes requiring the permittee to send videos of the logs pulled up and reserving the right to inspections of those logs, if we see fit, along with the DNR and the Historical Society, is best under these circumstances.

He has drafted a resolution. In the recitals the story of how we got here is told. It also explains why we have decided on the route we're going take. He spoke with an Assistant Attorney General about this matter because he was concerned we may be getting into rulemaking or regulation drafting. However, the Assistant AG believes we are just complying with the statute. The resolution is an attempt to authorize the staff to create a procedure that meets the statute, while keeping it as simple as possible and considers the budgetary constraints of BCPL.

Commissioner Kaul asked about the need for the resolution. It appears that this is just agency operations.

Executive Secretary responded that he wanted it on the record why we're doing things differently. Permitting submerged logging began many years ago when the state provided BCPL with significant resources. If Commissioner Leiber is successful in convincing members of the legislature to move forward on repealing the statute, this resolution helps explain the course of action we are taking prior to that decision. It's up to the board. If the board feels the resolution isn't necessary, strike it. Although, he believes it's important to set the tone for why we're doing what we're doing.

Board Chair Godlewski asked Commissioner Kaul about any concerns he has about the resolution.

Commissioner Kaul shared that to the extent we are changing what would be the default authority the BCPL staff has, he would like to think through how we're changing that and what that means. To the extent it's not changing default authority, he doesn't believe it to be helpful to have a resolution. We can explain this background to legislators separately. Following up with legislators and taking steps on this is important. He would like to look at this subject further, perhaps at a future meeting, because the resolution contains some very technical language. It reads, "Any permit issued by BCPL is also subject to any conditions required by the DNR, Historical Society and U.S. Army Corps of Engineers if such submerged logging activities impact navigation." He asked Secretary German if this is consistent with the general legal structure. His main issue is whether a resolution is necessary.

Executive Secretary German replied that part of what he was trying to do was make it clear that if we grant a permit to this individual, the permittee must know what the rules of the road are at the time the permit is granted. In this case, the process is such an awkward statutory amalgam where one agency, like ours, has to be the gatekeeper, and

then immediately other agencies are involved in making determinations. He wants to make clear to the permittee that what they are getting from BCPL is not the right to pull up logs but the right to move forward in the pursuit to pull up logs and know that other agencies have the authority to place additional restrictions on the permit and the retrieval of logs. This is about managing the expectations of the permittee.

Board Chair Godlewski asked about the timeline associated with responding to the applicant. Is there urgency around passing a resolution in order to meet our timeline to get back to the individual?

Executive Secretary German explained that the statutory timeline is 60 days. More than 60 days has already elapsed since he put in his request. When he requested the permit, BCPL had nothing prepared for processing his request. It has taken a fair amount of time to put the pieces together to figure out what we were going ask the board to do. There is a sense of urgency as this person has been waiting some time for a response. We need to provide him with a process.

Commissioner Kaul expressed that if we're beyond the statutory timeline, we should get back to this person promptly. Although, he has not looked at the relevant statutes closely, he shared that we need to make sure we're doing this in a way that is consistent with what the statutory scheme is. It's difficult to sign off on specifics about video documentation and such without knowing what that structure looks like. He is more comfortable deferring to the staff's ability to implement the rules and regulations and to do so consistently with the statutes. He would be happy to go over that if it's helpful.

Executive Secretary German replied that if the board prefers to give the staff directions to implement the statute in the way they believe is consistent with the intention of the legislature, so be it. He reiterated that what he was trying to do was explain why we were doing this and provide some way of managing the expectations of the permittee.

Commissioner Kaul asked how this comports with the statutes. Is the resolution consistent with those statutes?

Executive Secretary German replied that he would never knowingly present something to the board he didn't believe was consistent with the statutes. He is merely trying to figure out how to do this in this new era. How do we stay true to the statutes when we don't have the resources? The statute, as it exists, does not require a diver to be present, or a staff member to be present at the dock, but that was the most logical way of doing this 30 years ago.

Commissioner Kaul replied that to the extent we're talking about a different procedure than before, and it's one consistent with the statute, that seems simple. His understanding from earlier discussions was that there were concerns about compliance with the statute given the changes in circumstances. He would like to know if we are confident this approach is consistent with what's required in the statute before we move forward.

Executive Secretary German shared that the biggest issue we're facing is the concept of doing this essentially on the honor system. When we sell timber, sometimes it's a scaled sale. With a scaled sale we have someone go to the harvest site to see how many logs were cut, the type of logs, any pole logs, etc. Sometimes the logs are scaled at the mill and sometimes the sale is small enough we charge a lump sum valued by our foresters. We have never gone by the honor system completely in our trust land logging operations. This is a departure for us.

Commissioner Kaul asked if it's a policy point or legal point. Is there a requirement we have something beyond the honor system in statute?

Executive German responded, no. This is strictly a policy decision on how we're going to make this work.

Board Chair Godlewski commented that what she's hearing from the conversation is in line with the statute provided to us by the legislature. We have not received a request in over 20 years. We are trying to figure the best way to process the request and being the executive agency without funding for this responsibility. Executive Secretary German agreed.

Commissioner Leiber asked if the individual that made the request sent in an application or is he merely asking questions about the process.

Executive Secretary German replied that he sent in a letter requesting a permit. Currently, we do not have an application form. That is why we are trying to develop a new pathway for processing these requests.

Commissioner Leiber asked if the fee was paid. It is required that he send in a \$500 fee and a \$200 or \$10,000 bond.

Executive Secretary German confirmed that a check has been received but there is no bond yet.

Commissioner Leiber stated that technically the 60 days hasn't started yet.

Executive Secretary German replied that we try to make sure we're doing right by the people we serve. In this particular situation, we've been in regular communication with him. He has asked when we'll have new procedures in place. He is eager to pull up logs.

Commissioner Kaul commented that that makes sense. It is helpful to know if we're talking about obligations we have pursuant to statute versus if we're making the policy judgment calls. To the extent we're entirely in the policy realm and none of this implicates statutory requirements, it's easy for us to weigh in on that. That's what he wants to make sure we're understanding clearly.

Executive Secretary German apologized if anyone was confused by his document. He believes the board would want to know if staff was coming up with something new, such as a process that operates on the honor system.

Commissioner Kaul commented that to the extent that's purely a policy question, given the resource constraints raised, then it makes sense to move forward. If staff feels strongly it's helpful to have a resolution, he's happy to take that up today and happy to say we view that as part of your discretion.

Commissioner Leiber shared that we will be handing this to the applicant so he can appropriately set his expectations so everyone's on the same page.

Board Chair Godlewski shared that she's comfortable with the resolution, it makes sense as written and is very clear to follow. Commissioner Leiber agreed. She asked the commissioners if they are comfortable with the resolution as written, knowing this is a procedural resolution.

Commissioner Kaul shared that based on Secretary German's point that this is a policy question for the board, he is comfortable moving forward.

MOTION: Commissioner Leiber moved to approve the resolution regarding submerged logging; Board Chair Godlewski seconded the motion.

VOTE: The motion passed 3-0.

ITEM 11. NEW EXECUTIVE SECRETARY RECRUITMENT

The board will go into closed session to review resumes and personal information about the applicants.

MOTION: Board Chair Godlewski moved the board convene in closed session pursuant to Wis. Stats. Section 19.85(1)(c); Commissioner Leiber seconded the motion.

VOTE: The motion passed 3-0.

ITEM 11(a). CLOSED SESSION PURSUANT TO WIS. STATUTE SECTION 19.85(1)(c)

Closed session pursuant to Wis. Stats. Section 19.85(1)(c): 2:23 pm - 3:23 pm

ITEM 11(b). RECONVENE IN OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

Reconvene in open session: 3:32 pm

ITEM 12. DISCUSSION OF BUDGET PROVISION REGARDING MILWAUKEE COUNTY FINES AND FORFEITURES

MOTION: Board Chair Godlewski moved that the board convene in closed session pursuant to Wis. Stats. Section 19.85(1)(g) to discuss the budget provision regarding Milwaukee County fines and forfeitures; Commissioner Leiber seconded the motion. Commissioner Kaul abstained from the discussion and vote.

VOTE: The motion to transition to closed session passed 2-0.

ITEM 12(a). CLOSED SESSION PURSUANT TO WIS. STATUTE SECTION 19.85(1)(G)

Closed session pursuant to Wis. Stats. Section 19.85(1)(g): 3:33 pm - 4:03 pm

ITEM 12(b). RECONVENE IN OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

Reconvene in open session: 4:03 pm.

ITEM 12(c). POTENTIAL VOTE ON COURSE OF ACTION REGARDING MILWAUKEE COUNTY FINES AND FORFEITURES

None

ITEM 13. ADJOURN

Board Chair Godlewski and Commissioner Leiber were present in person.

MOTION: Board Chair Godlewski moved to adjourn. Commissioner Leiber seconded the motion. Both voted in favor of adjournment. Commissioner Kaul was not yet present as the teleconference was not yet reconnected to the BCPL conference room. They returned to the teleconference to inform Commissioner Kaul that a motion had been made to adjourn and asked if he would like to join the vote to adjourn. Commissioner Kaul asked if this was procedurally proper, Board Chair Godlewski responded, yes.

VOTE: The motion to adjourn passed 3-0; the meeting adjourned at 4:04 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2025/2025-11-04 BoardMtgRecording.mp3>

**BOARD MEETING
NOVEMBER 18, 2025**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Seneca Shawano County Application #: 02026038 Purpose: Finance roadwork	Town Rate: 5.50% Term: 10 years	General Obligation	\$350,000.00
2. Winchester Vilas County Application #: 02026039 Purpose: Finance roadwork	Town Rate: 5.50% Term: 10 years	General Obligation	\$150,000.00
3. Ellington Outagamie County Application #: 02026040 Purpose: Finance roadwork	Town Rate: 5.50% Term: 10 years	General Obligation	\$500,000.00
4. Shelby La Crosse County Application #: 02026041 Purpose: Finance stormwater project	Town Rate: 5.00% Term: 3 years	General Obligation	\$400,000.00
5. Janesville Rock County Application #: 02026042 Purpose: Finance payment for fire protection	Town Rate: 5.00% Term: 2 years	General Obligation	\$1,143,547.37
	TOTAL		<hr/> \$2,543,547.37