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Madison, WI 53708-8943

608 266-1370 INFORMATION  
608 266-0034 LOANS  
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Jonathan Barry, *Executive Secretary*

## AGENDA

November 19<sup>th</sup>, 2019  
2:00 P.M.

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

### Routine Business:

- 1) Call to Order
- 2) Approve Minutes – November 12<sup>th</sup>, 2019 (Attachment)
- 3) Approve Loans (Attachment)

**Old Business:** None

### New Business:

- 4) E1903 – Land sale 40 acres from CSF to NSF

### Routine Business:

- 5) Chief Investment Officer's Report (Attachment)
- 6) Executive Secretary's Report
- 7) Board Chair's Report
- 8) Future Agenda Items
- 9) Adjourn

### AUDIO ACCESS INFORMATION

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Toll Free Number: **(888) 291-0079**  
Passcode: **6363690#**

Board Meeting Minutes  
November 12<sup>th</sup>, 2019

Present in person were:

Sarah Godlewski, Board Chair  
Josh Kaul, Commissioner  
Doug LaFollette, Commissioner  
Jonathan Barry, Executive Secretary  
Tom German, Deputy Secretary  
Mike, Krueger, IT Manager  
Richard Sneider, Chief Investment Officer  
Denise Nechvatal, Accountant  
Mark Eppli, Director

State Treasurer  
Attorney General  
Secretary of State  
Board of Commissioners of Public Lands  
UW Graaskamp Center for Real Estate

**ITEM 1. CALL TO ORDER**

Board Chair Godlewski called the meeting to order at 2:05 p.m.

**ITEM 2. APPROVE MINUTES – OCTOBER 15<sup>th</sup>, 2019**

**MOTION:** Commissioner LaFollette moved to approve the minutes; Commissioner Kaul seconded the motion.

**DISCUSSION:** No discussion.

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

**ITEM 3. APPROVE LOANS**

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

**DISCUSSION:** Mr. Sneider commented on several loans. The loan to Marshfield provides support for a 300,000 square foot Packaging Corp of America facility that may employ 80-100 people. The Sun Prairie project includes demo and grading for a municipal parking lot. The loan to Sheboygan Falls is a pass-through loan to a developer of affordable senior housing and includes the renovation of an old middle school. The loans to Fox Lake include development incentives and infrastructure including payoff of lines of credit to RDA involving Spring and Booth Street Apartments. The four loans to Tony involve the refinance of general obligation debt into revenue debt supported by the water utility. This refinance helps to free up capacity for local projects.

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

Municipality	Municipal Type	Loan Type	Loan Amount
1. Marshfield Marathon and Wood Counties Application #: 02020044 Purpose: Finance TID #7 rail spur project	City Rate: 3.25% Term: 7 years	General Obligation	\$750,000.00
2. Sparta Monroe County Application #: 02020045 Purpose: Finance roadwork	Town Rate: 3.25% Term: 2 years	General Obligation	\$75,000.00
3. Gordon Douglas County Application #: 02020046 Purpose: Finance the purchase of grader	Town Rate: 3.25% Term: 5 years	General Obligation	\$284,080.00
4. Sun Prairie Dane County Application #: 02020047  Purpose: Finance land purchase and improvements	City Rate: 3.25% Term: 10 years	General Obligation	\$650,000.00
5. Delafield Waukesha County Application #: 02020048 Purpose: Finance truck purchase	Town Rate: 3.25% Term: 7 years	General Obligation	\$250,000.00
6. Green Lake Sanitary District Green Lake County Application #: 02020050 Purpose: Finance extension of sewer main	Sanitary District Rate: 3.25% Term: 10 years	General Obligation	\$396,988.00
7. Sand Lake Burnett County Application #: 02020051 Purpose: Finance purchase of skidsteer	Town Rate: 3.25% Term: 5 years	General Obligation	\$20,000.00
8. Sheboygan Falls Sheboygan County Application #: 02020052  Purpose: Finance TID #6 Development Incentive	City Rate: 3.75% Term: 20 years	General Obligation	\$1,375,000.00

Municipality	Municipal Type	Loan Type	Loan Amount
9. Scott Brown County Application #: 02020053	Town Rate: 3.75% Term: 20 years	General Obligation	\$570,000.00
Purpose: Finance infrastructure and road projects			
10 Scott Brown County Application #: 02020054	Town Rate: 3.75% Term: 19 years	General Obligation	\$691,606.14
Purpose: Refinance BCPL Loan #2018156			
11 Fox Lake Dodge County Application #: 02020055	City Rate: 3.75% Term: 20 years	General Obligation	\$800,000.00
Purpose: Finance economic development projects			
12 Fox Lake Dodge County Application #: 02020056	City Rate: 3.25% Term: 10 years	General Obligation	\$150,000.00
Purpose: Finance roadwork			
13 Tony Rusk County Application #: 02020061	Village Rate: 3.25% Term: 10 years	General Obligation	\$35,000.00
Purpose: Refinance Water Utility Bank Loan			
14 Tony Rusk County Application #: 02020062	Village Rate: 3.25% Term: 10 years	General Obligation	\$30,000.00
Purpose: Finance roadwork			
15 Tony Rusk County Application #: 02020063	Village Rate: 3.25% Term: 10 years	General Obligation	\$30,000.00
Purpose: Finance senior center project			
16 Tony Rusk County Application #: 02020064	Village Rate: 5.00% Term: 15 years	Utility Revenue	\$125,000.00
Purpose: Refinance Water Utility Bank Loan			
17 Cudahy	City	General Obligation	\$410,000.00

Milwaukee County  
Application #: 02020065

Rate: 3.25%  
Term: 2 years

Purpose: Finance purchase of capital equipment and vehicles

Municipality	Municipal Type	Loan Type	Loan Amount
18 Lac La Belle Waukesha County Application #: 02020066 Purpose: Finance purchase of boat	Village Rate: 3.25% Term: 10 years	General Obligation	\$36,000.00
19 Montreal Iron County Application #: 02020067 Purpose: Finance water infrastructure project	City Rate: 3.25% Term: 10 years	General Obligation	\$130,000.00
20 Lawrence Brown County Application #: 02020068 Purpose: Finance infrastructure construction	Town Rate: 3.25% Term: 10 years	General Obligation	\$2,500,000.00
<b>TOTAL</b>			<b>\$9,308,674.14</b>

**ITEM 4. REVIEW, DISCUSSION AND POTENTIAL ACTION ON INVESTMENT PLAN**

**MOTION:** Board Chair Godlewski moved to discuss the updated investment plan; Commissioner Kaul seconded the motion.

**DISCUSSION:** Board Chair Godlewski asked Mr. Sneider to provide a review of the current revisions proposed to the Investment Policy Statement (IPS). Mr. Sneider indicated that revisions were necessary for three reasons: changes in financial market conditions require a periodic review of the policy; the smoothing funds created within the policy for the Common School Fund and Normal School Fund were filled, so language pertaining to the transition period prior to the filling of these funds could now be removed; and the shift to State GPR funding of agency expenses allowed flexibility in the allocation of Normal School Fund assets.

Mr. Sneider explained that the majority of the document remains as originally approved, and revisions focused on three sections: smoothing fund and annual distribution, Common School Fund Investment Objective and Allocation, and Normal School Fund Investment Objective and Allocation. Other additions included statements in the Investment Philosophy indicating that 1) BCPL shall make reasonable efforts to seek investment opportunities within Wisconsin subject to our fiduciary duty to act in the sole interests of the beneficiaries, and 2) BCPL shall strive to provide transparency to the investment strategy and processes when possible.

Board Chair Godlewski then indicated that she felt the IPS was not ready for Board Approval. She stated there were four main areas that required discussion: Audience (too much detail in some areas, not enough in others, the document is meant for the investment committee, investment team and fiduciaries), Governance (the document did not provide adequate detail – how are investments evaluated and recommendations made, how does the investment committee work, handling of conflicts of interest), Fiduciary Responsibility (need to capture language provided in LRB memo, and Permitted Investments (requires reorganization as asset allocations should influence permitted investments, believes current list is misleading as relates to allocation, should include the Trust Fund Loan Program).

The Board Chair indicated a desire for outside input on the policy and has been in contact with Carrie Thome, the former CIO of WARF, who had indicated a willingness to help with the IPS. Answering a question from Mr. La Follette, Ms. Godlewski stated that she would not vote for the IPS unless these four areas of the IPS were improved.

Mr. La Follette asked for staff comment. Mr. German stated that he knew Carrie Thome, and would welcome her comments for potential improvement to the policy. He stated that he disagreed with the LRB memo and noted that the memo did not cite the specific statute in the Wisconsin Trust Code that addresses the issue.

Attorney General Kaul asked if there was an approval deadline or required timing for approval of the policy.

Mr. Barry indicated that there was no deadline, although approval of the allocations would provide some investment flexibility. The more pressing issue is the hiring of outside counsel for review of investment documents for investments that we have already committed. The hiring of outside counsel requires the recommendation of the AG and approval of the Governor.

Mr. Barry stated that when an investment policy became necessary following statutory approval of Prudent Investor Standard for BCPL asset management, we went to SWIB for advice and were told to hire a consultant at a cost of about \$1 million. We then went to UW-Madison School of Business and met with Mark Ready and Brian Hellmer and developed the policy framework in the best tradition of the Wisconsin Idea. BCPL staff also went to stakeholders including the beneficiaries, the State Legislature, the Administration, WARF, SWIB, and worked with all stakeholders in drafting the document.

AG Kaul stated that unless a case were made, he would be hesitant to spend government resources on hiring an outside consultant to assist with the ISP.

He indicated that it would be worth discussing the four areas of concern, but questioned whether governance and fiduciary responsibility were necessarily part of the policy (governance could be handled in a separate BCPL document, and fiduciary responsibility is accepted law).

Mr. Kaul requested staff comment on the four areas, and Mr. Sneider responded by stating the “permitted investments” were not meant to be a comprehensive list but were meant to provide sideboards to the investment committee. Mr. Sneider disagreed that the Trust Fund Loan Program was not included in Permitted Investments, as “loans to municipalities” is a permitted investment in the current Policy. In addition, the list is not meant to be weighted as to importance. Each investment within the allocation needs to be a permitted investment, but not all permitted investments need to be included in the allocation.

Mr. Sneider agreed with Mr. Kaul that the important aspect of the governance issue was to maintain flexibility to the Investment Committee. As to Audience, Mr. Sneider defined the Audience as the Board, the Legislature, the Beneficiaries and the public as a whole. The BCPL Investment Policy is much broader than other Investment Policies, but BCPL has a long history and a complicated story to tell and including this type of detail provides a background into how the Investment Policy was determined. Mr. Sneider agreed with Mr. Kaul that an Executive Summary was an important document and indicated that an Executive Summary was available and should be provided on a regular basis.

Both Mr. La Follette and Mr. Kaul indicated an acceptance to a consultant offering advice without fee, but were reluctant to pay the consultant unless there was a clear financial case made for the benefit of hiring that consultant.

**MOTION:** Commissioner LaFollette moved to table the discussion to allow a working group to incorporate/address the Board Chairmen Godlewski’s concerns within four areas of the Investment Policy. The working group could include the Carrie Thome, if available at no fee. An updated policy is to be presented with redlines indicating the proposed changes at an upcoming board meeting. Commissioner LaFollette called the question and commissioner Kaul seconded the motion.

**VOTE:** The motion to table the discussion passed 3-0.

#### **ITEM 5. BOARD CHAIR MEMOS**

**DISCUSSION:** Board Chair Godlewski presented the other Commissioners with a draft memo that outlined goals and priorities on Investments, Operations and Lands for 2020 - 2022. The Commissioners discussed the goals and priorities and generally agreed they seemed reasonable but also noted that the priorities needed prioritizing.

Board Chair Godlewski presented another memo that provided a draft position description for the Executive Secretary position. As the current statutes do not spell out many duties for the Executive Secretary, she felt that this memo was necessary to outline those responsibilities that were essential for position at this time. Key Competencies included: Leadership & Operational Excellence, Financial Administration and Lands Oversight. The Commissioners discussed these duties and found them generally reasonable.

#### **ITEM 6. ADJORN INTO CLOSED SESSION**

**MOTION:** Commissioner LaFollette moved to go into closed session; Commissioner Kaul seconded the motion.

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

The board went into closed session at 3:05. The board came out of closed session at 3:50.

#### **ITEM 7. POTENTIAL ACTION ON EXECUTIVE SECRETARY POSITON**

**MOTION:** Commissioner LaFollette moved to appoint Tom German as the new Executive Secretary of BCPL starting January 4th; Board Chair Godlewski seconded the motion.

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

#### **ITEM 8. CHIEF INVESTMENT OFFICER'S REPORT**

Ran out of time no report was given.

#### **ITEM 9. EXECUTIVE SECRETARY'S REPORT**

Ran out of time no report was given.

#### **ITEM 10. BOARD CHAIR'S REPORT**

Ran out of time no report was given.

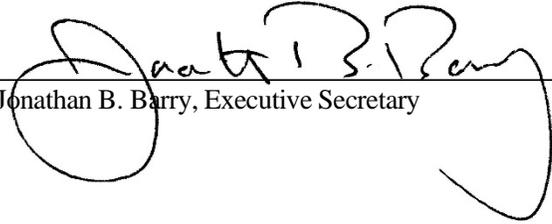
#### **ITEM 11. FUTURE AGENDA ITEMS**

Ran out of time, not addressed

#### **ITEM 12. ADJOURN**

Commissioner LaFollette moved to adjourn the meeting; Commissioner Kaul seconded the motion.

The motion passed 3-0; the meeting adjourned at 3:52 p.m.



Jonathan B. Barry, Executive Secretary

Link to audio recording:

[https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2019/2019-11-12\\_BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2019/2019-11-12_BoardMtgRecording.mp3)

**BOARD MEETING  
NOVEMBER 19, 2019**

**AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Bloomfield Walworth County Application #: 02020049 Purpose: Finance infrastructure and road improvements	Town Rate: 3.25% Term: 10 years	General Obligation	\$1,500,000.00
2. Conover Vilas County Application #: 02020057 Purpose: Finance salt shed project	Town Rate: 3.25% Term: 5 years	General Obligation	\$180,000.00
3. Conover Vilas County Application #: 02020058 Purpose: Finance road project	Town Rate: 3.25% Term: 5 years	General Obligation	\$63,000.00
4. Conover Vilas County Application #: 02020059 Purpose: Refinance BCPL Loan #2019124	Town Rate: 3.25% Term: 5 years	General Obligation	\$139,559.00
5. Conover Vilas County Application #: 02020060 Purpose: Refinance BCPL Loan #2019125	Town Rate: 3.25% Term: 5 years	General Obligation	\$114,354.00
6. Farmington La Crosse County Application #: 02020069 Purpose: Finance purchase of highway equipment	Town Rate: 3.25% Term: 5 years	General Obligation	\$90,000.00
7. Black River Falls Jackson County Application #: 02020070 Purpose: Finance TID #3 Infrastructure Projects	City Rate: 3.25% Term: 10 years	General Obligation	\$955,000.00
8. Brooklyn Dane and Green Counties Application #: 02020071 Purpose: Finance purchase of fire truck	Village Rate: 3.25% Term: 3 years	General Obligation	\$145,317.60
<b>TOTAL</b>			<b>\$3,187,230.60</b>

**BOARD MEETING  
NOVEMBER 19, 2019**

**AGENDA ITEM 4  
PROPOSED LAND SALE FROM  
COMMON SCHOOL FUND TO NORMAL SCHOOL FUND  
SECTION 16 PARCEL IN RAINBOW FLOWAGE**

Wisconsin Statutes Section 24.09(1)(bg) authorizes BCPL to sell trust land from one trust fund to another trust fund at appraised value. Staff recommends utilizing its authority under this statute to have the Common School Fund sell a 40-acre parcel of land that is now submerged in the Rainbow Flowage to the Normal School Fund.

The appraiser has estimated the value of such parcel at \$4,000.

This parcel was part of the larger exchange between BCPL and the WVIC that was approved by the Board at its October 1, 2019 meeting.

- It is impracticable to carve out a separate small piece (less than 4 acres) of the incoming exchanged lands from WVIC and designate such piece as Common School Lands; and
- WVIC desires a comprehensive transaction that allows it to acquire all BCPL managed school trust lands that are impacted by WVIC's water level management.

Therefore, the best solution is to have the Common School Fund convey the parcel to the Normal School Fund and then the Normal School Fund would convey all such affected lands to WVIC.

- The Common School Fund benefits by receiving fair value in cash for such lands.
- The Normal School Fund benefits by being able to package such parcel along with its other submerged parcels and divesting all such lands in exchange for more productive land assets.

Attachments:

*Resolution w/Exhibits  
BCPL Project Map*

**BOARD MEETING  
NOVEMBER 19, 2019**

**AGENDA ITEM 4  
PROPOSED LAND SALE FROM  
COMMON SCHOOL FUND TO NORMAL SCHOOL FUND  
SECTION 16 PARCEL IN RAINBOW FLOWAGE**

**RECITALS**

- A. At the October 1, 2019 meeting of the Board of Commissioners of Public Lands, the Commissioners unanimously approved the proposed exchange of certain parcels of land owned by BCPL in Oneida and Vilas County for parcels to be acquired by Wisconsin Valley Improvement Company (WVIC) in Oneida County.
- B. Of the 461.48 acres to be conveyed to WVIC in the proposed exchange, only 40 acres are part of the Common School Fund (CSF). The remaining 421.48 acres are part of the Normal School Fund (NSF).
- C. The parcel in question is described as the SW/NE of Section 16, Township 39 North, Range 8 East, Town of Newbold, Oneida County, Wisconsin (“Section 16 Parcel”).
- D. It is mutually beneficial for the CSF and the NSF to engage in this transfer because the CSF will receive fair value for the Section 16 Parcel and the NSF will be able to divest the Section 16 Parcel with other submerged parcels in the exchange with WVIC.
- E. BCPL contracted an Opinion of Value of the Section 16 Parcel from Compass Land Consultants, Inc. The appraiser concluded the parcel would sell for \$100 per acre, or \$4,000. The report is attached hereto as Exhibit A.
- F. Pursuant to Wis. Stat. 24.09(1)(bg), BCPL staff recommends that the Board authorize the sale of the Section 16 Parcel from the Common School Fund to the Normal School Fund at the appraised value of \$4,000.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Section 16 Parcel from the Common School Fund to the Normal School Fund at the price of Four Thousand Dollars (\$4,000) in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.



WE VALUE NATURE

October 16, 2019

Micah Zeitler  
Real Estate Specialist  
Board of Commissioners of Public Lands  
P.O. Box 277  
Lake Tomahawk, WI 54539

**Re: Broker Price Opinion – 40.00 Submerged Acres - Oneida County, WI**

Dear Mr. Zeitler:

This letter will serve as our Broker Price Opinion for approximately 40.00 acres of submerged land under the Rainbow Flowage. The property is described as the southwest quarter of the northeast quarter, Section 16, T39N-R8E, Town of Newbold, Oneida County, Wisconsin. I am a licensed real estate broker in Wisconsin, and I am pleased to provide you with the following information. This Broker Price Opinion should not be misconstrued as an appraisal.

**Property Information**

We completed a desk review of the subject property utilizing aerial maps. The property totals 40.00 acres and is submerged under the Rainbow Flowage. The property has minimal utility and can only be utilized for flowage purposes. A map of the subject property is attached.

**Broker Price Opinion**

Submerged properties conveyed on the open market are rare, and we have only found four sales applicable for a flowage use. The Wisconsin Valley Improvement Company (WVIC) was involved in all of these transactions as either the buyer or the seller. These four sales indicate a narrow range of value from \$100 per acre to \$125 per acre. The sales are summarized in the following table:

Corporate Office  
AuTrain, Michigan:

E3310 State Highway M28  
AuTrain, MI 49806  
Phone: 906.892.8665  
Fax: 906.892.8691

Wisconsin Office:

9559 Bolger Lake Road  
Minocqua, WI 54548  
Phone: 715.358.0600  
Fax: 715.358.0400

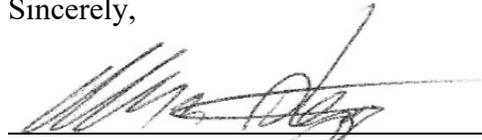
**Broker Price Opinion – 40.00 Submerged Acres - Oneida County, WI**  
**Page 2**

<b>Sale Number</b>	<b>Year of Sale</b>	<b>Highest and Best Use</b>	<b>Water Feature</b>	<b>Acres</b>	<b>Sale Price/Acre</b>
5482	2004	Flowage	Big Eau Pleine River	205.67	\$100
5481	2004	Flowage	Big Eau Pleine River	126.85	\$100
5484	2004	Flowage	Willow Flowage	6,114.00	\$100
5485	2008	Flowage	Rainbow Flowage	3,868.40	\$125

The comparable sales utilized for flowage purposes indicate a narrow range of value between \$100 per acre and \$125 per acre. Based on this analysis and considering the comparable sales, the Broker Price Opinion for listing the property is \$5,000, or \$125 per acre. After negotiations, the anticipated sale price to a prospective party would be estimated at \$4,000, or \$100 per acre.

We appreciate the opportunity to provide you with this Broker Price Opinion. Please do not hesitate to contact us if you have any questions.

Sincerely,



William M. Steigerwald  
Wisconsin Real Estate Broker #41480-90



Daniel T. Schummer  
Wisconsin Salesperson #81571-94

WMS/jr

Enc.

## **Addenda**

- Subject Property Map



Aerial Photograph  
(2018)

0 660 1,320 Feet



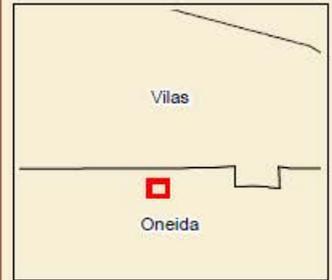
T39N-R3E

**Legend**

 Subject Property

*This map is intended for display and location purposes only. On the ground conditions may and will vary. CLC does not warrant the accuracy of this map and provides it as is.*

# WVIC RAINBOW FLOWAGE EXCHANGE ONEIDA - OUTGOING



E1903

County: Oneida

Town: Newbold

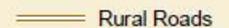
Common Name:  
Rainbow Flowage  
Exchange

Acres - 145.85

Fund 745



Outgoing



Rural Roads

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

**BOARD MEETING  
November 17, 2019**

**AGENDA ITEM 5  
CHIEF INVESTMENT OFFICER'S REPORT – OCTOBER**

At the end of October, the Federal Reserve acted to reduce short-term interest rates for the third time in 2019. Market sentiment is that the Fed will now pause and hold rates steady until additional data provides conviction and direction regarding economic trends.

Cash reserves held by BCPL-managed trust funds are currently invested in the State Investment Fund (SIF), which invests deposits in short term securities in accordance their investment policy. The State Investment Fund offers next day availability with competitive yields. Following market conditions including a steep decline in interest rates drop since June, the yield earned on cash reserves had fallen to around 2.2% in September. SIF yields are expected to drop well below 2% in coming months as current investments reach their maturity with proceeds reinvested at current rates. This drop will have an impact on distributable earnings in 2020.

On the heels of this decline in market interest rates, BCPL experienced significant redemptions in bond investments that increased cash levels to over \$400 million. Reinvestment of this capital has been difficult because of high valuations in risk assets, low long-term yields in the fixed income market, and growing concerns regarding the health of the economy.

Staff has continued to invest in public equities on a weekly basis. This strategy increases the amount of distributable income to beneficiaries because the current dividend yield on the selected ETFs remains higher than the current yield on cash. The long investment horizon available to the permanent Common School Fund (CSF) reduces some concerns about buying at the top of the market, but we remain cautious and methodical in our approach.

BCPL has recently made significant commitments to the real estate asset class, and these commitments should be funded over the next few quarters. We believe that real estate will become an increasingly important element in our investment portfolio as we move forward, with expectations that real estate investments will of increase yields to benefit current beneficiaries and provide long-term capital gains to support future beneficiaries.

Additional asset classes with investment potential include high-yield corporate bonds. There are several ETFs that offer low-cost management strategies providing excellent diversification and yields in the 5% range. Staff believes that the next recession (when it comes) will likely be relatively short and shallow. This belief, along with the ability to diversify risks across companies and industries when using ETFs, helps reduce staff concerns about the potential for an increase in corporate bond default rates. Should the Board approve the new Investment Policy and Asset Allocation, the appropriate investment strategy for this asset class would be to implement a methodical approach similar to that used for public equities.

Attachments

1. Investment Transaction Report
2. Month-End Portfolio Report - Public Bonds
3. Month-End Portfolio Report - Public Equities

**BOARD MEETING  
November 19, 2019**

**AGENDA ITEM 5**

**Investment Transaction Report - October 2019**

Transactions during the month of October 2019 are as follows. Outstanding commitments are as of the end of the month:

Fixed Income

**Bonds**

Purchases	None
Sales	None
Redemptions	\$1,115,000

**Trust Fund Loans**

Monthly Board Approvals	\$3.4 million
Monthly Disbursements	\$4.1 million
Redemptions	None
Outstanding Commitments	\$34.0 million

Equities and Alternatives

**Public Equities**

Purchases	\$5.0 million
Sales	None

**Real Estate/Infrastructure<sup>1</sup>**

Monthly Funding	None
Outstanding Commitments	\$120.0 million

**Private Equity/Venture Capital<sup>2</sup>**

Monthly Funding	None
Outstanding Commitments	\$27.3 million

Cash Balance

\$400.0 million

<sup>1</sup> All outstanding commitments have been approved by the Investment Committee and are awaiting document review and execution.

<sup>2</sup> Outstanding commitments include \$30 million in prior commitments less amounts called to date, along with \$7.5 million approved by the Investment Committee and awaiting document review and execution.

**BCPL Public Bond Portfolio**

As of 10/31/2019

<u>Description</u>	<u>Moody's Rating</u>	<u>S&amp;P Rating</u>	<u>Weight</u>	<u>Expected Yield</u>	<u>Yield to Maturity at Cost</u>	<u>Modified Duration (years)</u>	<u>Cost Basis</u>	<u>Estimated Current Value</u>	<u>Estimated Unrealized Gain (Loss)</u>	<u>Annual Income</u>
Treasury and Agency Securities	Aaa	AA+	6.8%	3.65%	3.66%	12.31	14,972,500	15,172,630	200,130	546,500
Wisconsin and State Agency	Aa2	AA-	50.2%	4.17%	4.21%	9.84	106,539,075	111,684,877	5,145,802	4,623,536
Municipal/School District	Aa3	A+	42.9%	4.07%	4.13%	9.08	90,282,192	95,393,851	5,111,659	3,808,478
	Aa2	AA-	100.0%	4.09%	4.14%	9.68	211,793,767	222,251,358	10,457,591	8,978,515



## BCPL Public Equity Portfolio

As of 10/31/2019

Symbol	Description	Quantity	Avg Cost	Cost Basis	Current Price	Current Value	Weight	Unrealized Gain (Loss)	Percent Gain (Loss)	Current Yield	Projected Annual Dividends
<b>Domestic Equities</b>											
VTI	Vanguard Total Stock Market ETF	106,541	137.90	14,691,594	154.180	16,426,491	20.0%	1,734,897	11.8%	1.8%	291,922
VYM	Vanguard High Dividend Yield ETF	137,582	83.67	11,511,460	89.660	12,335,602	15.0%	824,142	7.2%	3.1%	385,230
VXF	Vanguard Extended Market	34,947	115.04	4,020,249	118.620	4,145,413	5.0%	125,164	3.1%	1.2%	51,372
VNQ	Vanguard REIT ETF	43,801	81.40	3,565,583	94.300	4,130,434	5.0%	564,852	15.8%	3.3%	137,535
VIG	Vanguard Dividend Appreciation ETF	33,673	106.43	3,583,893	119.610	4,027,628	4.9%	443,734	12.4%	1.8%	71,050
		356,544		37,372,779		41,065,568	50.0%	3,692,789	9.9%	2.3%	937,109
<b>Global Equities</b>											
VEU	Vanguard FTSE All World ex-US ETF	318,420	49.90	15,888,249	51.620	16,436,840	20.0%	548,592	3.5%	3.0%	487,183
VYMI	Vanguard International High Dividend ETF	200,369	60.63	12,148,577	61.350	12,292,638	15.0%	144,062	1.2%	4.3%	526,970
VNQI	Vanguard Global ex-US Real Estate ETF	67,549	57.16	3,860,921	60.900	4,113,734	5.0%	252,813	6.5%	3.6%	148,608
VIGI	Vanguard International Div Appreciation ET	59,491	62.66	3,727,994	68.880	4,097,740	5.0%	369,746	9.9%	1.4%	57,099
SCZ	Ishares MSCI EAFE Small Cap	34,649	56.66	1,963,181	59.580	2,064,387	2.5%	101,207	5.2%	2.7%	55,785
EEMS	Ishares MSCI Emerging Mkt Small Cap	47,031	43.01	2,022,768	43.550	2,048,200	2.5%	25,432	1.3%	2.6%	53,615
		727,509		39,611,688		41,053,540	50.0%	1,441,852	3.6%	3.2%	1,329,261
		1,084,053		76,984,468		82,119,109	100.0%	5,134,641	6.7%	2.8%	2,266,370