



Sarah Godlewski, *Secretary of State*  
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Thomas P. German, *Executive Secretary*

## AGENDA

February 6, 2024

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 – January 16, 2024 (Attachment)
3. Approve Loans

### Old Business:

4. BCPL Trust Fund Accounting and Other Potential Legislative Changes

### New Business:

5. None

### Routine Business:

6. Chief Investment Officer's Report - Quarterly Investment Report
7. Executive Secretary's Report
8. Board Chair's Report
9. Future Agenda Items
10. Adjourn

### AUDIO ACCESS INFORMATION

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Conference Line Number: 608-571-2209  
1st Tues of the month Conf ID Code: 335 125 302#  
3rd Tues of the month Conf ID Code: 207 822 241#

Board Meeting Minutes  
January 16, 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

**ITEM 1. CALL TO ORDER**

Board Chair Godlewski called the meeting to order at 2:04 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:** Board Chair Godlewski moved to approve the loans; Commissioner Leiber seconded the motion.

**DISCUSSION:** Mr. Sneider shared that loan #1 is to refinance a truck loan for the Department of Public Works for the City of Fox Lake. Loan #3 is to purchase a weed harvester for the Peppermill Lake District in Adams County. Loan #2 is to the City of Waupun. The city is buying land to expand an industrial park. The board may see some familiar loans over the next one to two months as the investment committee lowered interest rates to 6% across the board last week. Several borrowers have determined that they want to cancel their current applications and start the loan process over from the beginning at the new interest rate.

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

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$599,677.00** in State Trust Fund Loans to support **3** community projects in Wisconsin.

1. City of Fox Lake / Dodge County / Refinance DPW Truck Loan / \$59,527.00
2. City of Waupun / Dodge and Fond du Lac Counties / Finance land acquisition / \$400,000.00
3. Peppermill Lake Management District / Adams County / Finance purchase of weed harvester / \$140,150.00

#### **ITEM 4. OLD BUSINESS – BCPL Trust Fund Accounting and Other Potential Legislative Changes**

The Board has rescheduled discussion of this topic to the next board meeting. Executive Secretary German hopes to speak with the Controller's office before the next meeting to discuss changes that the agency may want. The Controller's office is key on which path gets chosen and we do not have their input yet.

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

None

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

None

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

None

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

Board Chair Godlewski reported that we had a good and long investment committee meeting last Tuesday. A discussion was had about strengthening our relationship with the university. The Normal School Fund continues to grow exponentially and recently provided its largest distribution at \$1.25 million. We want to make sure that with our relationship with the university, we're not only strengthening it, but strengthening transparency and accountability about where those funds go and how the funds are impacting the university.

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

None

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

Commissioner Kaul moved to adjourn the meeting; Commissioner Leiber seconded the motion. The motion passed 3-0; the meeting adjourned at 2:16 pm.



Thomas P. German, Executive Secretary

Link to audio recording:

[https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2024/2024-01-16/BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2024/2024-01-16/BoardMtgRecording.mp3)

**BOARD MEETING  
FEBRUARY 6, 2024**

**AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Fredonia Ozaukee County Application #: 02024093 Purpose: Finance purchase of skidsteer and pickup truck	Village Rate: 6.25% Term: 10 years	General Obligation	\$106,100.00
2. Stark Vernon County Application #: 02024094 Purpose: Finance roadwork	Town Rate: 6.25% Term: 5 years	General Obligation	\$185,000.00
3. Willard Rusk County Application #: 02024095 Purpose: Finance garage construction	Town Rate: 6.25% Term: 3 years	General Obligation	\$40,000.00
4. Menasha Joint Calumet, Outagamie and Winnebago Counties Application #: 02024096 Purpose: Finance school construction projects	School Rate: 6.00% Term: 10 years	General Obligation	\$9,700,000.00
5. Somerset St Croix County Application #: 02024097 Purpose: Refinance Promissory Note	Village Rate: 6.00% Term: 17 years	General Obligation	\$1,026,000.00
6. Upham Langlade County Application #: 02024098 Purpose: Finance purchase of grader	Town Rate: 6.00% Term: 5 years	General Obligation	\$238,200.00
7. Saint Croix Falls Polk County Application #: 02024099 Purpose: Interim Financing for South Booster Station project	City Rate: 6.00% Term: 2 years	General Obligation	\$1,850,000.00
8. Saint Croix Falls Polk County Application #: 02024100 Purpose: Finance downtown redevelopment	City Rate: 6.00% Term: 5 years	General Obligation	\$300,000.00

Municipality	Municipal Type	Loan Type	Loan Amount
9. Saint Croix Falls Polk County Application #: 02024101 Purpose: Finance capital budget purchases	City Rate: 6.00% Term: 5 years	General Obligation	\$80,000.00
<b>TOTAL</b>			<b>\$13,525,300.00</b>

**Common School Fund**  
**Portfolio Report**  
December 31, 2023

Asset Class	Current Market Value	Cost	Unrealized Gain/Loss	% Gain/Loss	Yield at Cost	Projected Annual Income
<b>Fixed Income</b>						
Public Debt						
State/State Agency/Municipal Bonds	74,208,496	78,597,062	(4,388,566)	-5.6%	4.0%	3,181,895
U.S. Treasury/Agency Bonds	90,716,250	94,896,000	(4,179,750)	-4.4%	4.8%	4,530,000
U.S. Treasury Inflation Protected Securities	-	-	-			-
Corporate Bonds	112,386,507	127,761,954	(15,375,447)	-12.0%	5.5%	7,064,884
Private Debt						
BCPL State Trust Fund Loans <sup>1</sup>	323,518,381	323,518,381	n/a	n/a	4.3%	13,930,796
Other Private Debt <sup>2</sup>	166,333,136	169,512,437	(3,179,301)	-1.9%	10.5%	17,747,853
<b>Total Fixed Income</b>	<b>767,162,770</b>	<b>794,285,834</b>	<b>(27,123,064)</b>	<b>-3.4%</b>	<b>5.8%</b>	<b>46,455,428</b>
<b>Equities and Alternatives</b>						
Public Equities						
Preferred Stocks	78,391,750	98,363,707	(19,971,957)	-20.3%	5.5%	5,439,783
Domestic Equities	112,648,226	89,415,381	23,232,845	26.0%	2.8%	2,499,064
Global Equities	105,494,379	101,209,888	4,284,491	4.2%	3.9%	3,969,111
Alternatives						
Private Real Estate	225,301,227	214,502,057	10,799,170	5.0%	3.7%	8,001,402
Real Assets/Infrastructure	6,927,768	7,385,945	-	-6.2%	6.5%	480,086
Private Equity/Venture Capital <sup>2</sup>	44,102,478	40,568,244	3,534,234	8.7%	0.0%	-
<b>Total Equities and Alternatives</b>	<b>572,865,828</b>	<b>551,445,222</b>	<b>21,878,783</b>	<b>3.9%</b>	<b>3.7%</b>	<b>20,389,446</b>
<b>Cash</b>						
State Investment Fund <sup>3</sup>	54,105,123	54,105,123			5.4%	2,913,775
Total Cash	54,105,123	54,105,123			5.4%	2,913,775
<b>TOTAL CSF PORTFOLIO</b>	<b>1,394,133,721</b>	<b>1,399,836,179</b>	<b>(5,244,281)</b>	<b>-0.4%</b>	<b>5.0%</b>	<b>69,758,649</b>

**Notes:**

<sup>1</sup> The total market value of STFL assets is likely greater than cost. However, these assets are held at cost because no independent appraisal has been conducted and STFL assets have always been held to maturity. Annual income is at STFL interest payments as of 9/30/23 that are due 3/15/24, and is subject to change.

<sup>2</sup> Private fund investments are valued at the sum of manager-provided market values (at the end of the prior quarter) and capital calls made during the current quarter. Market valuations are updated as information is received.

<sup>3</sup> State Investment Fund yield is from December 2023 SIF Pool Earnings Workbook. Total cash is a preliminary number subject to change.

**Common School Fund**  
**Asset Allocation Report**  
December 31, 2023

Asset Class	Current Portfolio		Potential Portfolio			Target	
	Current Market Value	Current Allocation	Expected Commitments	Market Value + Commitments	Potential Allocation	Target Allocation	Target Range
<b>Fixed Income</b>							
<b>Public Debt</b>							
State/State Agency/Municipal Bonds	74,208,496	5.3%		74,208,496	5.3%	5.0%	0% to 20%
U.S. Treasury/Agency Bonds	90,716,250	6.5%		90,716,250	6.5%	0.0%	0% to 20%
U.S. Treasury Inflation Protected Securities	-	0.0%		-	0.0%	0.0%	0% to 10%
Corporate Bonds	112,386,507	8.1%		112,386,507	8.1%	5.0%	0% to 20%
<b>Private Debt</b>							
BCPL State Trust Fund Loans	323,518,381	23.2%		323,518,381	23.2%	25.0%	10% to 30%
Other Private Debt	166,333,136	11.9%	62,961,248	229,294,384	16.4%	15.0%	10% to 30%
<b>Total Fixed Income</b>	<b>767,162,770</b>	<b>55.0%</b>	62,961,248	830,124,018	59.5%	50.0%	
<b>Equities and Alternatives</b>							
<b>Public Equities</b>							
Preferred Stocks	78,391,750	5.6%		78,391,750	5.6%	5.0%	0% to 10%
Domestic Equities	112,648,226	8.1%		112,648,226	8.1%	7.5%	5% to 20%
Global Equities	105,494,379	7.6%		105,494,379	7.6%	7.5%	5% to 20%
<b>Alternatives</b>							
Private Real Estate	225,301,227	16.2%	2,951,899	228,253,126	16.4%	20.0%	10% to 30%
Infrastructure	6,927,768	0.5%	37,614,055	44,541,823	3.2%	4.0%	0% to 10%
Private Equity/Venture Capital	44,102,478	3.2%	31,454,751	75,557,229	5.4%	4.0%	0% to 10%
<b>Total Equities and Alternatives</b>	<b>572,865,828</b>	<b>41.1%</b>	72,020,704	644,886,532	46.3%	48.0%	
<b>Cash</b>							
State Investment Fund	54,105,123	3.9%					
<b>Total Cash</b>	<b>54,105,123</b>	<b>3.9%</b>				2.0%	0% to 10%
<b>TOTAL CSF PORTFOLIO</b>		<b>1,394,133,721</b>	<b>100.0%</b>	<b>134,981,952</b>			

		Unfunded Commitments as of 12/31/2023		
		Total	Unfunded	Expected <sup>1</sup>
<b>PRIVATE DEBT</b>	Brookfield Infrastructure Debt Fund II	\$ 30,000,000	\$ 1,711,248	\$ 1,711,248
	PGIM Senior Loan Opportunities Fund I	50,000,000	16,250,000	16,250,000
	Angelo Gordon Direct Lending Fund	25,000,000	25,000,000	22,500,000
	Golub Capital Partners 15	25,000,000	25,000,000	22,500,000
<b>PRIVATE REAL ESTATE</b>	Nuveen US Cities Workplace	15,000,000	2,951,899	2,951,899
	<b>INFRASTRUCTURE</b>			
	BlackRock Global Infrastructure Fund IV	25,000,000	17,614,055	17,614,055
	KKR Diversified Core Infrastructure Fund	20,000,000	20,000,000	20,000,000
<b>VENTURE CAPITAL</b>	<i>4490 Venture II</i>	15,000,000	1,650,000	150,000
	<i>Venture Investors Health Fund VI</i>	15,000,000	3,945,000	2,445,000
	<i>Baird Venture Partners V</i>	7,500,000	1,398,294	648,294
	NVNG Fund I	10,000,000	7,477,190	5,477,190
	Idea Fund of LaCrosse II	5,000,000	4,250,000	2,500,000
	Baird Venture Partners VI	20,000,000	16,034,267	9,034,267
	Venture Investors Health Fund 7	20,000,000	18,200,000	11,200,000

See Notes provided on the attached Portfolio Report for additional information

<sup>1</sup> Expected call percentages for prior vintage Venture Capital funds (shown in italics) has been increased to 90% due to current market conditions.