



Douglas La Follette, *Secretary of State*
Matt Adamczyk, *State Treasurer*
Brad D. Schimel, *Attorney General*

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Jonathan Barry, *Executive Secretary*

AGENDA

September 18, 2018
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 - September 4, 2018 (Attachment)
- 3) Approve Loans (Attachment)

Old Business: None

New Business: None

Routine Business:

- 4) Executive Secretary's Report (Attachment)
 - Investment Transaction Report – September 14, 2018
 - Monthly Portfolio Report - Fixed Income Report as of August 31, 2018
 - Monthly Portfolio Report - Public Equity Report as of August 31, 2018
- 5) Future Agenda Items
- 6) Adjourn

AUDIO ACCESS INFORMATION

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

**BOARD MEETING
SEPTEMBER 18, 2018**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the September 4, 2018, board meeting.

Board Meeting Minutes
September 4, 2018

Present via teleconference were:

Doug La Follette, Commissioner	Secretary of State
Matt Adamczyk, Commissioner	State Treasurer
Brad Schimel, Board Chair	Attorney General
Jonathan Barry, Executive Secretary	Board of Commissioners of Public Lands
Tom German, Deputy Secretary	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Vicki Halverson, Office Manager	Board of Commissioners of Public Lands

ITEM 1. CALL TO ORDER

Board Chair Schimel called the meeting to order at 3:00 p.m.

ITEM 2. APPROVE MINUTES – AUGUST 21, 2018

MOTION: Board Chair Schimel moved to approve the minutes; Commissioner La Follette seconded the motion.

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

Executive Secretary Barry reported that the loans had been reviewed for proper public purpose.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Gilman Taylor County Application #: 02019022 Purpose: Purchase plow truck	Village Rate: 4.00% Term: 5 years	General Obligation	\$100,000.00
2. Jump River Taylor County Application #: 02019023 Purpose: Finance roadwork	Town Rate: 4.00% Term: 2 years	General Obligation	\$114,000.00
3. Lake Holcombe Chippewa County Application #: 02019024 Purpose: Finance bridge replacement and roadwork	Town Rate: 4.00% Term: 5 years	General Obligation	\$160,000.00
4. Menasha Calumet and Winnebago Counties Application #: 02019025 Purpose: Finance street and building improvements	City Rate: 4.25% Term: 10 years	General Obligation	\$3,890,000.00
TOTAL			\$4,264,000.00

MOTION: Board Chair Schimel moved to approve the loans; Commissioner La Follette seconded the motion.

DISCUSSION: Commissioner Adamczyk asked if, in the past, limits had been placed on how much a municipality could borrow. He noted that even though the city of Menasha’s population was approximately 19,000, they seem to be a “large borrower.” Executive Secretary Barry replied that the municipality has used the State Trust Fund Loan Program to refinance existing debt and has been aggressively paying it off. He noted that Moody’s had upgraded their bond rating to baa2.

Deputy Secretary German added that in the past constraints were placed on the amount any one community could borrow on a single loan application based on the available Trust Funds.

VOTE: The motion passed 2-1. Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted no.

ITEM 4. EXECUTIVE SECRETARY’S REPORT

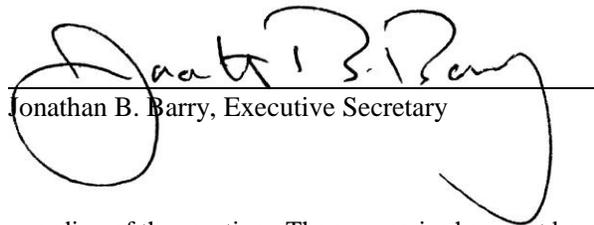
Nothing to report.

ITEM 5. FUTURE AGENDA ITEMS

None.

ITEM 6. ADJOURN

The meeting adjourned at 3:08 p.m.



Jonathan B. Barry, Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim. Link to audio recording: ftp://doaftp1380.wi.gov/doadocs/BCPL/2018-09-04_BCPL-BoardMtgRecording.mp3.

**BOARD MEETING
SEPTEMBER 18, 2018**

**AGENDA ITEM 3
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Type</u>	<u>Loan Amount</u>
1. Horicon Dodge County Application #: 02019028 Purpose: Finance road reconstruction	City Rate: 4.50% Term: 15 years	General Obligation	\$1,775,000.00
2. Kewaunee Kewaunee County Application #: 02019029 Purpose: Finance sewer and water main projects	City Rate: 4.00% Term: 5 years	General Obligation	\$340,000.00
3. Legend Lake Pro & Rehab District Menominee County Application #: 02019026 Purpose: Purchase weed harvester	Lake District Rate: 4.00% Term: 2 years	General Obligation	\$100,000.00
4. Trempealeau Trempealeau County Application #: 02019027 Purpose: Improve wastewater treatment plant	Village Rate: 4.25% Term: 10 years	General Obligation	\$174,000.00
TOTAL			\$2,389,000.00

**BOARD MEETING
SEPTEMBER 18, 2018**

**AGENDA ITEM 4
EXECUTIVE SECRETARY'S REPORT**

**Investment Transaction Report
September 14, 2018**

Bond Purchases	Staff has not purchased bonds since the last Investment Transaction Report.
Bond Sales	Staff has not sold bonds since the last Investment Transaction Report.
Public Equity Purchases	Staff has not purchased public equities since the last Investment Transaction Report.



BCPL Fixed Income Portfolio

As of 08/31/2018

<u>Description</u>	<u>Moody's Rating</u>	<u>S&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+	52.2%	3.57%	3.57%	11.60	295,288,088	285,770,139	(9,517,950)	10,455,016
Wisconsin and State Agency	Aa2	AA-	25.8%	4.18%	4.20%	10.21	139,292,075	141,360,818	2,068,744	5,957,792
Municipal/School District	Aa3	AA-	22.0%	3.89%	3.92%	8.77	120,411,839	120,682,006	270,167	4,818,460
	Aa1	AA	100.0%	3.80%	3.80%	10.62	554,992,002	547,812,963	(7,179,039)	21,231,268



BCPL Public Equity Portfolio

As of 08/31/2018

Symbol	Description	Quantity	Avg Cost	Cost Basis	Current Price	Current Value	Weight	Unrealized Gain (Loss)	Percent Gain (Loss)	Current Yield	Projected Annual Dividends
Domestic Equities											
VTI	Vanguard Total Stock Market ETF	39,895	137.77	5,496,514	150.070	5,987,043	26.7%	490,529	8.9%	1.6%	96,291
VYM	Vanguard High Dividend Yield ETF	39,453	83.60	3,298,274	87.410	3,448,587	15.4%	150,313	4.6%	2.9%	99,453
VNQ	Vanguard REIT ETF	14,504	75.82	1,099,737	84.050	1,219,061	5.4%	119,325	10.9%	3.5%	42,456
VIG	Vanguard Dividend Appreciation ETF	10,820	101.59	1,099,213	109.360	1,183,275	5.3%	84,062	7.6%	2.1%	24,483
Global Equities											
VEU	Vanguard FTSE All World ex-US ETF	101,605	54.11	5,498,001	52.090	5,292,604	23.6%	(205,397)	-3.7%	4.7%	249,135
VYMI	Vanguard International High Dividend ETF	50,009	65.95	3,297,967	62.510	3,126,063	13.9%	(171,905)	-5.2%	6.1%	189,574
VIGI	Vanguard International Div Appreciation ET	16,936	64.91	1,099,283	65.490	1,109,140	4.9%	9,857	0.9%	3.4%	37,544
VNOI	Vanguard Global ex-US Real Estate ETF	18,266	60.19	1,099,509	57.800	1,055,775	4.7%	(43,734)	-4.0%	5.5%	57,806
		291,488		21,988,498		22,421,548	100.0%	433,050	2.0%	3.6%	796,743