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Jonathan Barry, *Executive Secretary*

AGENDA

August 5th, 2019
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 - July 16, 2019 (Attachment)
- 3) Approve Loans (Attachment)

Old Business: None

New Business:

- 4) Proposed submerged lands lease – City of Two Rivers (3 Attachments).

Routine Business:

- 5) Chief Investment Officer's Report (Attachment)
- 6) Executive Secretary's Report
- 7) Board Chair's Report
 - a) Report on Agency Goals, Initiatives and Strategies
- 8) Future Agenda Items
- 9) Adjourn

AUDIO ACCESS INFORMATION

Toll Free Number: **(888) 291-0079**
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**BOARD MEETING
August 5th, 2019**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the July 16th, 2019, board meeting.

**Board Meeting Minutes
July 16th, 2019**

Present in person were:

Sarah Godlewski, Board Chair	State Treasurer
Jonathan Barry, Executive Secretary	Board of Commissioners of Public Lands
Tom German, Deputy Secretary	Board of Commissioners of Public Lands
Mike, Krueger, IT Manager	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands

Present via teleconference were:

Josh Kaul, Commissioner	Attorney General
Doug La Follette, Commissioner	Secretary of State

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:02 p.m.

ITEM 2. APPROVE MINUTES – JULY 2nd, 2019

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

DISCUSSION: None.

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider identified two economic development loans for discussion, which provided incentives for projects in Muskego and Reedsburg. Mr. Sneider pointed out that housing shortages in smaller and rural communities throughout the State of Wisconsin was an important economic development issue.

A discussion followed regarding the placement of BCPL signage at construction sites financed partially through the loan program.

VOTE: The motion passed 3-0.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Cambria - Friesland Columbia and Green Lake Counties Application #: 02020004 Purpose: Finance locker room renovation	School Rate: 3.75% Term: 10 years	General Obligation	\$400,000.00
2. Denmark Brown County Application #: 02019152 Purpose: Refinance municipal garage debt	Village Rate: 4.00% Term: 18 years	General Obligation	\$910,000.00
3. Ettrick Trempealeau County Application #: 02019153 Purpose: Purchase trucks and equipment	Town Rate: 3.75% Term: 3 years	General Obligation	\$97,000.00
4. Kewaunee Kewaunee County Application #: 02020001 Purpose: Finance River Road infrastructure projects	City Rate: 4.00% Term: 20 years	General Obligation	\$1,000,000.00
5. Muskego Waukesha County Application #: 02019151 Purpose: Finance development incentive	City Rate: 3.75% Term: 10 years	General Obligation	\$1,444,690.00
6. Reedsburg Sauk County Application #: 02020003 Purpose: Finance development incentive	City Rate: 4.00% Term: 19 years	General Obligation	\$535,000.00
7. Vesper Wood County Application #: 02020002 Purpose: Finance utility upgrades	Village Rate: 4.00% Term: 20 years	General Obligation	\$300,000.00
TOTAL			\$4,686,690.00

ITEM 4. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider reported that public equities were near all-time record prices. Because short-term interest rates are close to the rates offered on longer maturities, the opportunity cost for holding additional cash was reasonable. The flexibility provided by holding cash in a difficult market is quite valuable in that it will allow BCPL to respond to changing market conditions.

ITEM 5. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Barry stated that our approach to filling the office manager vacancy included first seeking an experienced LTE and then, after updating the position description, posting to fill the position on a permanent basis. Staff has been actively seeking a qualified former (retired) state employee to accept the LTE position but so far has not been successful. Updating the position PD and getting DPM approval to post is likely to take a few weeks

ITEM 6. BOARD CHAIR'S REPORT

Board Chair Godlewski related how she, Rich, Tom and Jonathan had together been working to develop future goals and initiatives for BCPL. These goals have been created and focus on three high level areas of BCPL's activities:

- 1) Land and land management
- 2) Investments
- 3) Operations

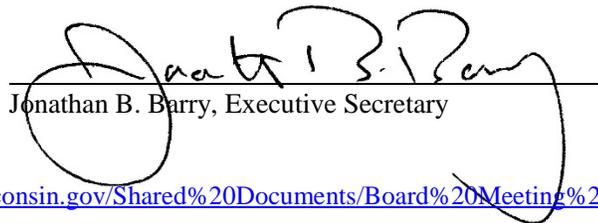
Board Chair Godlewski briefly outlined how these goals would be implemented with some, in each area, able to be addressed by the end of 2019 and others by the end of 2020. These goals and initiatives are intended to guide us moving forward and we anticipate discussing them with the Board at a future meeting—tentatively the next meeting.

ITEM 7. FUTURE AGENDA ITEMS

Board Chair Godlewski requested that a discussion of the agency's goals and initiatives be added to the next meeting agenda.

ITEM 8. ADJOURN

Commissioner La Follette moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 3-0; the meeting adjourned at 2:19 p.m.


Jonathan B. Barry, Executive Secretary

Link to audio recording: <https://bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2019/2019-07-16 BoardMtgRecording.mp3>

**BOARD MEETING
AUGUST 5, 2019**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Barron Barron County Application #: 02020014 Purpose: Finance incinerator upgrades	County Rate: 3.75% Term: 2 years	General Obligation	\$529,094.00
2. Calumet Fond Du Lac County Application #: 02020021 Purpose: Purchase fire truck	Town Rate: 3.75% Term: 10 years	General Obligation	\$665,000.00
3. Christmas Mountain Sanitary Dist Sauk County Application #: 02020018 Purpose: Finance wastewater treatment facility improvements	Sanitary District Rate: 4.00% Term: 20 years	General Obligation	\$1,511,500.00
4. Cumberland Barron County Application #: 02020008 Purpose: Finance cemetery improvements	City Rate: 3.75% Term: 5 years	General Obligation	\$65,000.00
5. Denmark Brown County Application #: 02020010 Purpose: Refinance existing debt	Village Rate: 4.00% Term: 19 years	General Obligation	\$2,115,000.00
6. Denmark Brown County Application #: 02020017 Purpose: Refinance existing debt	Village Rate: 4.00% Term: 16 years	General Obligation	\$800,000.00
7. Dunkirk Dane County Application #: 02020015 Purpose: Finance roadwork and purchase plow truck	Town Rate: 3.75% Term: 4 years	General Obligation	\$450,000.00
8. Ellsworth Pierce County Application #: 02020005 Purpose: Refinance 2010A refunding bonds	Village Rate: 3.75% Term: 7 years	General Obligation	\$395,000.00

Municipality	Municipal Type	Loan Type	Loan Amount
9. Ellsworth Pierce County Application #: 02020006 Purpose: Finance 2019 capital projects	Village Rate: 4.00% Term: 20 years	General Obligation	\$453,000.00
10. Florence Florence County Application #: 02020020 Purpose: Finance 2018-2019 capital projects	County Rate: 3.75% Term: 5 years	General Obligation	\$200,000.00
11. Grant Monroe County Application #: 02020012 Purpose: Purchase plow truck and equipment	Town Rate: 4.00% Term: 20 years	General Obligation	\$167,513.00
12. Norwalk Monroe County Application #: 02020007 Purpose: Finance watershed project	Village Rate: 3.75% Term: 10 years	General Obligation	\$50,000.00
13. Oxford Marquette County Application #: 02020016 Purpose: Purchase fire truck	Town Rate: 3.75% Term: 10 years	General Obligation	\$140,000.00
14. River Hills Milwaukee County Application #: 02020013 Purpose: Finance 2019 capital projects	Village Rate: 3.75% Term: 10 years	General Obligation	\$658,269.00
15. Saint Francis Milwaukee County Application #: 02020019 Purpose: Finance TID development agreement	City Rate: 4.00% Term: 17 years	General Obligation	\$7,100,000.00
16. Tomah Monroe County Application #: 02020009 Purpose: Finance development incentive	City Rate: 4.00% Term: 15 years	General Obligation	\$500,000.00
17. Washburn Bayfield County Application #: 02020011 Purpose: Improve wastewater treatment plant	City Rate: 4.00% Term: 20 years	General Obligation	\$169,000.00
TOTAL			\$15,968,376.00

**BOARD MEETING
AUGUST 5, 2019**

**AGENDA ITEM 4
PROPOSED SUBMERGED LANDS LEASE – CITY OF TWO RIVERS**

- A. The City of Two Rivers (“Two Rivers”) desires to dredge its harbor and place the dredge material on the bed of Lake Michigan close to the shoreline. It is anticipated that such dredge material will migrate towards shore to “nourish” the beach front area.
- B. Pursuant to the Wisconsin constitution, the state holds the beds of lakes in trust for the citizens of Wisconsin. In order to legally place such dredge material on the lakebed, Two Rivers must obtain the regulatory approval of the Wisconsin DNR and furthermore, Two Rivers must also execute a Submerged Lands Lease with the Board of Commissioners of Public Lands which acts as leasing agent for the State of Wisconsin pursuant to Wis. Stats. Section 24.39(4).
- C. The area that would be subject to the lease (upon which the dredged material would be placed) is a parcel of land in Manitowoc County Wisconsin, City of Two Rivers, Section 01, Township 19 North, Range 24 East described as follows: Commencing at the U.S. Army Corps of Engineers monument 76-V on the North pier, thence South 11° 35’ 37” West a distance of 733.10 feet to U.S. Army Corps of Engineers monument 76-D, thence South 33° 21’ 22” East along the pier a distance of 505 feet, thence North 54° 38’ 38” East a distance of 1885 feet, thence North 35° 21’ 22” West to a point at the ordinary high water mark on the beach a distance of 1120 feet, thence South 49° 42’ 50” West a distance of 1336.8 feet to the point of the beginning (the “Proposed Lease Area”). A map of the Proposed Lease Area is attached as Exhibit A. Two Rivers is the riparian owner of the upland adjacent to the Proposed Lease Area.
- D. The Wisconsin Department of Natural Resources has issued Findings pursuant to Wisconsin Statutes 30.11 (the “Findings”) concluding that the proposed physical changes (placement of the dredge material) will be consistent with the public interest in the navigable waters of Lake Michigan provided certain conditions are met. A copy of the Findings is attached as Exhibit B.
- E. The dredging of the harbor and the nourishment of the beach are intended to provide the public with generally free, enhanced access to the harbor and enjoyment of the waters of Lake Michigan. As the proposed purpose of the lease is for the benefit of the public and, the public will have access to the Proposed Lease Area, Two Rivers respectfully requests that the annual base rent for the proposed submerged land lease be set at a nominal amount. BCPL staff believes that \$200 per year is a reasonable amount of base rent as the lease does not inure to the benefit of private parties.

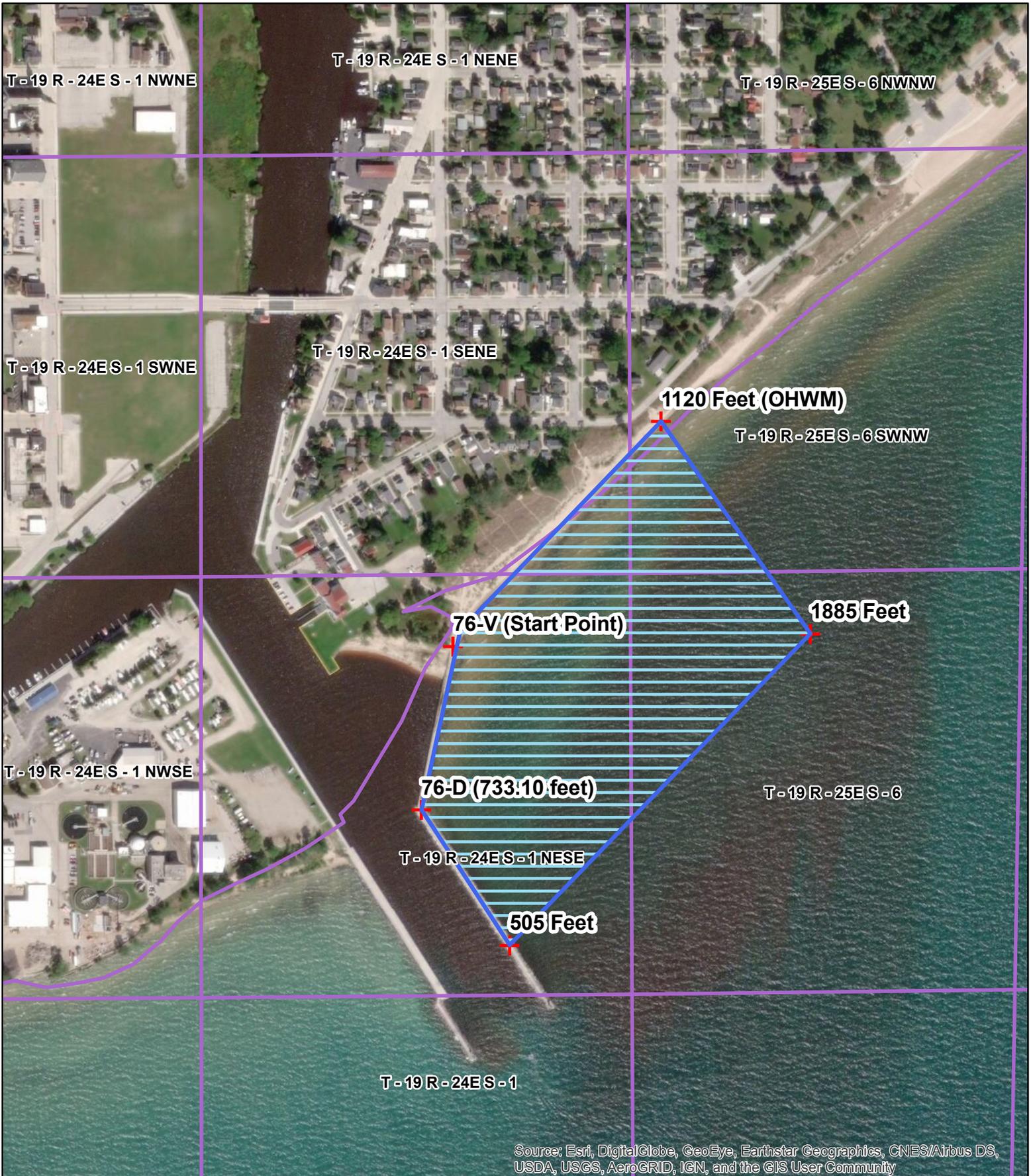
- F. For the above reasons, BCPL staff recommends that the Board authorize a Submerged Lands Lease for the Proposed Lease Area with the city of Two Rivers:
- For the purpose of improving navigation;
 - at a base rental rate of \$200 per year
 - for a term of no more than 25 years with a Lessee's option to renew for a term of an additional 25 years;
 - subject to the conditions set forth in the DNR's published findings;
 - and on such other terms and conditions as the BCPL Executive Secretary determines to be reasonable and necessary.

PROPOSED RESOLUTION

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes a twenty-five year Submerged Lands Lease for the Proposed Lease Area with an option to renew for another twenty-five years with the city of Two Rivers in accordance with Section 24.39 of the Wisconsin Statutes with a base rental rate of Two Hundred Dollars per year for the purposes of improving navigation, on such other 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.

Exhibit A: Map of area subject to proposed new lease
Exhibit B: WI DNR's Findings of Fact

Two Rivers - Exhibit A



Legend

- Dredged Material
- PLSS
- Monument/Control Point



Two Rivers Exhibit B

DEPARTMENT OF NATURAL RESOURCES FINDINGS PURSUANT TO 30.11 WISCONSIN STATUTES RELATING TO AN APPLICATION FOR LEASE FOR TWO RIVERS NAVIGATIONAL CHANNEL ROUTINE DREDGING AND NEAR SHORE BEACH NURISHMENT.

The Department of Natural Resources (Department) has been notified of the proposed Submerged Land Lease (Lease) submitted to the State of Wisconsin Board of Commissioners of Public Lands (Lessor) by The City of Two Rivers (Lessee) as required under Section 24.39 and 30.11, Wis. Statutes, and hereby makes these findings:

- A. The proposed project involves temporary changes to the shoreline area through the placement of clean and sandy dredged materials.
- B. On April 25, 2019, the Department issued a written letter notifying the Manitowoc County Clerk, City of Two Rivers Clerk, and the United States Army Corps of Engineers of the Application of the pending review of a proposed submerged land lease on Lake Michigan. The April 25, 2019 letter satisfies the notice requirement under Wis. Stat. 30.11(5). No comments were received in response to the notice.
- C. The Department reviewed the intent to place dredged materials below the ordinary high water mark on the bed of Lake Michigan. Including plans submitted with the dredging permit: GP-NE-2019-36-00275 and water quality certification: IP-NE-2019-36-01640. Based on this information, the project serves the traditional public interest in commercial navigation, for the continued dredging of the navigational channel. The proposed physical changes include the nearshore placement of clean and sandy dredged materials. It is expected that the material will be removed from the near shore placement by wave action.
- D. The proposed physical changes will be consistent with the public interest in the navigable waters of Lake Michigan provided that it includes and requires the Lessee to comply with all of the following conditions:
 1. Material deposited within the leased area consist of clean fill.
 2. All uses and activities in the submerged land lease area shall remain consistent with navigational uses as described in 24.39, Wis. Statutes.
 3. Upon reasonable notice, the Lessee shall allow access to the project site during reasonable hours to any Department employee who is investigating the project's construction, operation, maintenance or compliance.
 4. The lease is valid for a period of no more than 50 years. Any activities to fill, place structures, grade or conduct any other regulated activity in the area leased will require Department authorization.

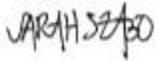
- E. The filled lands to be leased are described as Manitowoc County Wisconsin, City of Two Rivers, Section 01, Township 19 North, Range 24 East.

Commencing at the U.S. Army Corps of Engineers monument 76-V on the North pier, thence South 11° 35' 37" West a distance of 733.10 feet to U.S. Army Corps of Engineers monument 76-D, thence South 33° 21' 22" East along the pier a distance of 505 feet, thence North 54° 38' 38" East a distance of 1885 feet, thence North 35° 21' 22" West to a point at the ordinary high water mark on the beach a distance of 1120 feet, thence South 49° 42' 50" West a distance of 1336.8 feet to the point of the beginning.

- F. The Department hereby determines on the basis of the findings listed above, that the proposed physical changes in the navigable water of Lake Michigan as a result of the execution of a submerged lands lease are consistent with the public interest upon compliance with the conditions specified in Finding D.

Docket Number IP-NE-2019-36-01640 and GP-NE-2019-36-00275.

WISCONSIN DEPARTMENT OF NATURAL RESOURCES



Sarah Szabo
Water Management Specialist

05/31/2019
Date

BOARD MEETING**August 5, 2019****AGENDA ITEM 5****CHIEF INVESTMENT OFFICER'S REPORT - JULY**

Public equities continued to reach record levels throughout the second quarter, even as signs of continued economic growth wavered. For example, annual GDP growth for 2018 was recently revised lower to 2.9%, and initial reports are now providing an estimate of second quarter growth at 2.1%. U.S. manufacturing activity deteriorated in July to an almost three-year low, dragged down by slower production amid shaky export markets. Slower economic growth and continued trade-war rhetoric have combined to increase market volatility and reduce inflation expectations. These factors have pushed the benchmark 10-year Treasury below 2%, levels not seen since the 2016 Presidential election.

Lower market interest rates have caused several BCPL bond investments to be called (redeemed or paid-off) earlier than the maturity date. These bond redemptions, along with the sale of lower-coupon bonds discussed in earlier board memos, have created an inflow of cash into the Trust Fund portfolios. As discussed in prior board memos, current short-term interest rates above 2% have reduced the usual penalty for holding cash. BCPL benefits from a large cash position in this economic environment because of an improved ability to acquire risk assets at lower prices in the future.

With the stock market appearing to be fully valued, and currently available bonds offering very low interest rates, staff is looking to the real estate asset class for new investment opportunities. Staff has identified several promising open-ended commingled real estate funds, and the Investment Committee will be voting soon on commitments to these funds. Real Estate is expected to provide higher distributable income to beneficiaries, plus long-term capital gains to grow the Trust Funds at a rate above inflation. Real Estate will also provide important diversification, as real estate investment returns are relatively stable and not highly correlated with either the stock or bond markets. A report will be provided to the Board following those commitments.

Attached are quarterly statements that compare our fixed income portfolio against custom benchmarks. The yield on the loan portfolio exceeded the benchmark yield by 1.69%, while the yield on the public bond portfolio exceeded the benchmark by 1.18%.

To quantify this performance for our Trust Fund beneficiaries, we can compare the annual distributions that would be generated if the funds were invested at the benchmark returns vs. the returns produced by BCPL:

If BCPL-managed trust funds were earning yields at the lower benchmark rates, the distribution to our beneficiaries would be reduced by \$11.9 million annually.
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Attachments

1. 2nd Quarter STFL Benchmark Comparison
2. 2nd Quarter Public Bond Benchmark Comparison
3. Investment Transaction Report
4. Month-End Portfolio Report - Public Bonds
5. Month-End Portfolio Report - Public Equities

BCPL
BCPL State Trust Fund Loan - Benchmark Comparison
1st Quarter 2019

as of March 31, 2019

	Investment	Expected Yield ²	Average Credit Quality	Weighted Avg Maturity	
BCPL State Trust Fund Loan Portfolio	\$ 436,467,686	3.79%	Aa1	4.24	Yrs
Benchmark - S&P Short Intermediate Taxable Municipal Bond Index ¹		2.24%	Aa3	2.73	Yrs
BCPL Absolute Yield Relative to Benchmark		1.55%	++	1.51	Yrs
Adjustment for Better Credit Quality Compared to Benchmark ³		0.23%			
Adjustment for Shorter Maturity Compared to Benchmark ⁴		-0.09%			
BCPL Risk-Adjusted Yield Relative to Benchmark		1.69%			
Impact on Annual Distribution to Beneficiaries					
	\$ 436,467,686	x 1.69%	= \$	7,390,853	

Notes:

¹ There is no benchmark that is a perfect match to BCPL loan portfolio, which is comprised of BCPL State Trust Fund Loans issued only to Wisconsin municipalities and school districts. The closest readily available benchmark is the S&P Taxable Municipal Bond Index, which includes bonds from all 50 states plus U.S. territories. This index is further subdivided by bond maturity into 5 sub-indices, including the Short Intermediate classification used here. However, the muni bonds that comprise this benchmark have a shorter average maturity and lower credit quality than the loans held in the BCPL portfolio. Therefore, adjustments to the yield differential need to be made when comparing the portfolio to the benchmark. The adjustment for credit quality is detailed in Note 3, while the adjustment for maturity is detailed in Note 4.

² Also called yield-to-worst, the 'Expected Yield' is equal to the lower of the yield to the call date and yield to the maturity date for each investment in the portfolio. The yield to the call date and the yield to the maturity date will be different for any security that was purchased at a price higher or lower than the bond par value. The Expected Yield of the portfolio is the weighted average yield to the redemption date for each bond, and assumes that all bonds will be redeemed at their earliest possible date, when it is in their best interest of the issuer given current market interest rates.

³ Credit Quality Adjustment - All else equal, a portfolio with lower credit quality requires a higher yield because the investor assumes a higher level of default risk. Therefore, when comparing portfolios with different credit scores, an adjustment is made to increase the relative yield for the portfolio with the higher credit quality. The adjustment necessary in this case is for 2 notches in credit score, or 2/3 of the yield difference between the AA-rated and A-Rated S&P Taxable Bond Funds.

⁴ All else equal and under normal conditions, a fixed-income portfolio with a shorter maturity will have a lower expected yield. To compensate for this initial difference in maturity, the makeup of the benchmark was changed to include a 12.59% allocation to the S&P Taxable Municipal Bond Index. This adjustment made the average maturity of the benchmark equal to the average maturity of the BCPL portfolio, and increased the benchmark yield by 0.09%.

BCPL
Public Bond Benchmark Comparison
2nd Quarter 2019

as of June 30, 2019

	Investment	Expected Yield ²	Average Credit Quality	Weighted Avg Maturity	
BCPL-Managed Public Bond Portfolio	\$ 381,918,249	3.89%	Aa1	14.95	Yrs
Benchmark - S&P Taxable Municipal Bond Index ¹		2.94%	Aa3	14.72	Yrs
BCPL Absolute Yield Relative to Benchmark		0.95%	++	0.23	Yrs
Adjustment for Better Credit Quality Compared to Benchmark ³		+	0.23%		
Adjustment for Shorter Maturity Compared to Benchmark ⁴		-	0.01%		
BCPL Risk-Adjusted Yield Relative to Benchmark		1.18%			

Impact on Annual Distribution to Beneficiaries \$ 381,918,249 x 1.18% = \$ **4,498,420**

Notes:

¹ There is no benchmark that is a perfect match to public bond portfolio held by BCPL. The closest readily available benchmark is the S&P Taxable Municipal Bond Index, which includes bonds from all 50 states plus U.S. territories. However, the muni bonds that comprise this benchmark have a lower credit quality than the loans included in the BCPL portfolio. Therefore, adjustments need to be made when comparing the portfolio to the benchmark. This adjustment is detailed in note 3.

² Also called yield-to-worst, the 'Expected Yield' is equal to the lower of the yield to the call date and yield to the maturity date for each investment in the portfolio. The yield to the call date or maturity date will be different from each other whenever the price paid for a security is higher or lower than the bond par value. The Expected Yield is the weighted average yield to the redemption date for each bond, and assumes that issuers will redeem bonds at the earliest possible date, when it is in their best interest given current market interest rates.

³ Credit Quality Adjustment - All else equal, a portfolio with lower credit quality requires a higher yield because the investor assumes a higher level of default risk. Therefore, when comparing portfolios with different credit scores, an adjustment is made to increase the relative yield for the portfolio with the higher credit quality. The adjustment necessary in this case is for 2 notches in credit score, or 2/3 of the yield difference between the AA-rated and A-Rated S&P Taxable Bond Funds.

⁴ Maturity Adjustment - Calculated by adjusting the percentage required with the S&P Taxable Municipal Bond Index and the S&P 15 Year + Taxable Municipal Bond Index to match the BCPL portfolio maturity.

BOARD MEETING
August 5, 2019

Investment Transaction Report
As of July 12, 2019

Transactions since the most recent report dated June 28, 2019 include:

Bond Purchases	None
Bond Sales	None
Public Equity Purchases	None



BCPL Public Bond Portfolio

As of 07/31/2019

<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+	32.1%	3.66%	3.66%	13.57	97,637,988	97,787,764	149,776	3,566,841
Wisconsin and State Agency	Aa2	AA-	36.5%	4.18%	4.21%	10.07	106,539,075	111,295,787	4,756,712	4,623,536
Municipal/School District	Aa3	A+	31.4%	4.09%	4.14%	9.13	91,444,965	95,502,172	4,057,207	3,870,568
	Aa2	AA	100.0%	3.98%	4.01%	10.90	295,622,029	304,585,723	8,963,695	12,060,945



BCPL Public Equity Portfolio

As of 07/31/2019

Symbol	Description	Quantity	Avg Cost	Cost Basis	Current Price	Current Value	Weight	Unrealized Gain (Loss)	Percent Gain (Loss)	Current Yield	Projected Annual Dividends
Domestic Equities											
VTI	Vanguard Total Stock Market ETF	89,766	135.57	12,169,631	152.210	13,663,283	20.9%	1,493,652	12.3%	1.8%	246,857
VYM	Vanguard High Dividend Yield ETF	110,207	82.84	9,129,076	88.010	9,699,318	14.9%	570,242	6.2%	3.1%	296,457
VIG	Vanguard Dividend Appreciation ETF	30,581	103.72	3,171,968	117.730	3,600,301	5.5%	428,333	13.5%	1.7%	62,997
VNQ	Vanguard REIT ETF	34,965	78.42	2,742,099	88.890	3,108,039	4.8%	365,940	13.3%	4.0%	123,776
VXF	Vanguard Extended Market	24,789	114.89	2,848,114	120.570	2,988,810	4.6%	140,695	4.9%	1.3%	38,919
		<u>290,308</u>		<u>30,060,888</u>		<u>33,059,751</u>	<u>50.7%</u>	<u>2,998,862</u>	<u>10.0%</u>	<u>2.3%</u>	<u>769,005</u>
Global Equities											
VEU	Vanguard FTSE All World ex-US ETF	260,108	50.02	13,009,938	50.070	13,023,608	20.0%	13,669	0.1%	3.0%	384,960
VYMI	Vanguard International High Dividend ETF	162,824	61.09	9,947,190	59.730	9,725,478	14.9%	(221,712)	-2.2%	4.3%	415,201
VIGI	Vanguard International Div Appreciation ET	51,341	62.21	3,193,912	66.740	3,426,498	5.3%	232,586	7.3%	1.4%	47,747
VNQI	Vanguard Global ex-US Real Estate ETF	52,814	56.74	2,996,836	57.780	3,051,593	4.7%	54,756	1.8%	3.5%	107,212
EEMS	Ishares MSCI Emerging Mkt Small Cap	34,176	43.55	1,488,492	43.180	1,475,720	2.3%	(12,772)	-0.9%	2.6%	38,961
SCZ	Ishares MSCI EAFE Small Cap	26,079	56.90	1,484,022	56.540	1,474,507	2.3%	(9,515)	-0.6%	2.8%	41,987
		<u>587,342</u>		<u>32,120,391</u>		<u>32,177,403</u>	<u>49.3%</u>	<u>57,012</u>	<u>0.2%</u>	<u>3.2%</u>	<u>1,036,068</u>
		<u>877,650</u>		<u>62,181,279</u>		<u>65,237,153</u>	<u>100.0%</u>	<u>3,055,874</u>	<u>4.9%</u>	<u>2.8%</u>	<u>1,805,073</u>



DRAFT: BCPL 2020 Goals & Initiatives

May 30, 2019

Goal 1 – LAND (TOM)

Execute a prioritized BCPL land strategy that reduces the acres of unproductive land while increasing productive timberland.		Metric: Reduce 25,000 acres of unproductive land by 2020		
	Initiatives	Owner	Date	Output
1a	Complete US Forest Exchange deal	Tom	EOY 2020	3,900
1b	Work with DNR & DoT on Wetland Mitigation Strategy	JB w/Tom		
1c	Work w/ land managers (trust and forest groups) on land deals	Micah w/JB		
1d	Develop a timberland financial analysis template	Rich	JUL, 2019	
1e	Complete financial analysis on timberland and determine rate of return for future sales	Rich	EOY 2019	
<i>NOTE: Notes also captured land blocks, and goal for sale of parcels</i>				

Goal 2 – INVESTMENTS (RICH)

Manage the CSF with the highest level of that is focused on asset diversification that will increase the CSF's rate of return		Metric: Portfolio performance is at or above rate of inflation		
	Initiative	Owner	Date	Output
2a	Develop a new loan sale package - pilot (New Revenue Stream)	Rich w/ Tom	EOY 2019	\$20 million
2b	Board approve new asset allocation for investment portfolio	Rich	EOY 2019	
2c	Commit to real estate investments	Rich	EOY 2019	\$50 million
2d	Establish due diligence process and policy investments (i.e., venture, real estate, etc)	Rich w/Sarah	EOY 2019	Policy approved by the board
2e	Develop and publish an annual performance and impact report	Rich w/ Sarah	EOY 2019	2019 Report
2f	Determine at least two alternative revenue-generating investment (Debt)	Sarah and Rich	EOY 2020	

Goal 3- OPERATIONS (JB)

Evolve BCPL operations to fit the current needs and demands		Metric:		
	Initiative	Owner	Date	Output
3a	Add Gifts and Grants line to BCPL budget	JB	?	
3b	Provide parking subsidy to employees	JB & Tom	JUL, 2019	
3c	Establish staff check-ins (all staff, one-on-ones, etc)	JB	JUL, 2019	Share approach w/Sarah
3d	Establish Chair checks (i.e., strategy, JB, and Tome)	Sarah	JUL, 2019	
3e	Hire LTE part-time accountant	Tom	AUG, 2019	
3f	Evaluate BCPL's budget and increase for next budget	JB & Tom	EOY 2020	
3g	Improve outcomes in communications (external and legislative)	Smitty	EOY 2019	
3h	Recruit new archivist	Jonathan	EOY 2019	
3i	Return unclaimed US Savings Bonds to Unclaimed Property Fund	Sarah and Josh	EOY 2020	
3j	Address missing fines and forfeitures \$\$ that should be distributed to CSF	Tom and Josh	EOY 2019	
3g	Administratively align to SWIB to connect personnel requirements and salary	JB & Tom	EOY 2020	