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Thomas P. German, *Executive Secretary*

AGENDA

June 21, 2022
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 – June 7, 2022 (Attachment)
3. Approve Loans

Old Business:

4. Updated on US Forest Service transaction

New Business:

5. Discussion on investments in firearms companies
6. Amend Loan Purpose for South Central Library System

Routine Business:

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

AUDIO ACCESS INFORMATION

Conference Line Number: **(608) 571-2209**
Conference ID Code: **790 694 843#**

Board Meeting
Minutes
June 7, 2022

Present were:

Sarah Godlewski, Board Chair	State Treasurer
Doug LaFollette, Commissioner	Secretary of State
Josh Kaul, Commissioner	Attorney General
Tom German, Executive Secretary	Board of Commissioners of Public Lands
Richard Sneider, Chief Investment Officer	Board of Commissioners of Public Lands
Denise Nechvatal, Senior Accountant	Board of Commissioners of Public Lands
Mike Krueger, IT Manager	Board of Commissioners of Public Lands
Thuy Nguyen, Office Manager	Board of Commissioners of Public Lands
Emma Stutzman, Chief of Staff	State Treasurer

ITEM 1. CALL TO ORDER

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

ITEM 2. APPROVE MINUTES – May 17, 2022

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

DISCUSSION: None

VOTE: The motion passed 2-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Mr. Sneider shared that most of these loans are typical. We are seeing a trend toward financing the construction of large projects for a short period of time while municipalities go to the bond market later for permanent financing.

Board Chair Godlewski inquired about the loan to the Town of Sheboygan for \$9.5 million.

Mr. Sneider replied that the funds are to be used in a tax incremental district (TID). Often loans like this help to provide some of the utility and road infrastructure for that TID.

VOTE: The motion passed 3-0

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$11,291,905.78** in State Trust Fund Loans to support 7 community projects in Wisconsin.

1. Town of Sheboygan / Sheboygan County / Finance construction of TID Infrastructure Projects / \$9,500,000.00
2. Town of Onalaska / La Crosse County / Finance park improvements / \$75,000.00
3. Town of Bristol / Dane County / Finance purchased of fire engine / \$235,405.78
4. Village of Lena / Oconto County / Finance roadwork / \$550,000.00
5. Town of Pine Lake / Oneida County / Finance road construction / \$750,000.00
6. Town of Amnicon / Douglas County / Finance purchase of fire department equipment / \$31,500.00
7. Town of Pelican / Oneida County / Finance roadwork / \$150,000.00

ITEM 4. OLD BUSINESS

None

ITEMS 5. NEW BUSINESS

None

ITEM 7. CHIEF INVESTMENT OFFICER'S REPORT

Mr. Sneider shared that he recently attended the Venture Investors Annual Meeting. Venture Investors is a Madison based venture capital firm. BCPL committed \$15 million to their Venture Investors Health Fund VI a few years ago. That fund owns part of two companies that have the potential to make a significant impact in the treatment of cancer and glaucoma and potentially produce a great financial impact for BCPL.

Board Chair Godlewski shared that some of these companies are based in Wisconsin. She commented about the good work these companies are doing.

ITEM 8. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German discussed the pending land transaction between BCPL and the Forest Service. He shared his disappointment that the transaction will likely not close this fiscal year. It does not appear that the Forest Service will be able to complete their work to get it closed by June 30. He explained that the Forest Service has an understaffed legal department and they have multiple other responsibilities including litigation that take priority over our pending transaction.

Board Chair Godlewski and Commissioner Kaul asked about why it was important that the transaction close this fiscal year.

Executive Secretary German explained that BCPL had already set aside funds from this year's budget for the closing costs. The closing costs are estimated to be between \$6000-\$7000.

Board Chair Godlewski suggested a letter be written from the three Commissioners encouraging the Forest Service to close the transaction.

Executive Secretary German suggested that if a letter is written, it could be directed to some of Wisconsin's congressional delegation in DC.

Board Chair Godlewski shared that she understands we are getting toward the end of the fiscal year but wishes to come up with some action to take, like writing a letter.

Commissioner LaFollette suggested that the letter be sent to Tammy Baldwin.

Board Chair Godlewski added that if a letter is sent it could include the fact that the agency does not have a large budget, that currently there are three Commissioners supporting the transaction and if the composition of the board changes before the transaction closes that could put the transaction at risk.

Commissioner Kaul suggested that before sending a letter, someone should reach out to a member of Congress or Senator Baldwin's office.

Board Chair Godlewski asked Executive Secretary German to share more specific details about the work involved in the transaction.

Executive Secretary German explained that BCPL started working on this transaction in 2014, identifying the parcels, performing due diligence, and getting all the pieces together to get approval from both entities. This latest phase has been getting the Forest Service to approve the Land Patents forms and begin working on closing documents. After approval of the Land Patent forms, such documents need to be executed by our Commissioners. Copies of proposed Land Patents were provided to the Forest Service months ago with no response. Another issue is the title insurance commitment which currently insures good title as of the date of the original commitment which was several years ago. However, as prudent asset managers, BCPL requires title to be insured as of the closing date, not the earlier date that the transaction was started. Therefore, the title insurance commitment will need to be updated. This is a pretty significant task as there are almost 80 separate parcels involved. The title company will want a realistic closing date to engage on this step before committing their resources to accomplish that project.

Board Chair Godlewski shared that she reached out to Senator Tammy Baldwin's office in 2019 and there have been meetings but progress is slow. Board Chair Godlewski is concerned if the transaction does not close and the board members change, the transaction could be put in jeopardy. She is happy to follow up with Senator Baldwin.

Commissioner Kaul commented that it would make sense for Board Chair Godlewski to reach out to Senator Baldwin's office before a letter is sent.

Board Chair Godlewski asked that an update and suggestions be made at the next board meeting for expediting the closing.

ITEM 9. BOARD CHAIR'S REPORT

Board Chair Godlewski asked that the board discuss the agency's investments in assault weapons and how those investments impact the portfolio. Currently, BCPL does not have any direct investments in publicly traded arms dealers or weapons manufacturers. She asked Mr. Sneider to provide information about any indirect investments.

Mr. Sneider replied that he will look into it and let the Board know his findings.

ITEM 10. FUTURE AGENDA ITEMS

- 1) Update on US Forest Service transaction
- 2) Discussion on investments in firearms companies

ITEM 11. ADJOURN

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 2-0; the meeting adjourned at 2:25 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

<https://bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2022/2022-06-07 BoardMtgRecording.mp3>

**BOARD MEETING
JUNE 21, 2022**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Winchester Winnebago County Application #: 02022099 Purpose: Finance roadwork	Town Rate: 4.00% Term: 5 years	General Obligation	\$290,000.00
2. Mosinee Marathon County Application #: 02022100 Purpose: Finance roadwork	Town Rate: 4.50% Term: 10 years	General Obligation	\$500,000.00
3. Phelps Vilas County Application #: 02022101 Purpose: Finance the purchase of front end loader	Town Rate: 4.00% Term: 3 years	General Obligation	\$122,500.00
4. New Holstein Calumet County Application #: 02022102 Purpose: Finance sewer infrastructure projects	City Rate: 4.00% Term: 10 years	General Obligation	\$175,000.00
5. New Holstein Calumet County Application #: 02022103 Purpose: Finance water infrastructure projects	City Rate: 4.00% Term: 10 years	General Obligation	\$698,000.00
6. Barronett Washburn County Application #: 02022104 Purpose: Finance purchase of grader	Town Rate: 4.50% Term: 10 years	General Obligation	\$187,000.00
	TOTAL		<hr/> \$1,972,500.00

CSF ETF Investment in Civilian Gun Manufacturers and Retailers					
Fund Name	CSF Total Fund Investment as of 6/15/22	Gun Manufactures % of Fund ¹	CSF Investment in Gun Manufacturers	Gun Retailers % of Fund ¹	CSF Investment in Gun Retailers
VYM	\$ 50,587,289	0.06%	\$ 28,727	1.52%	\$ 770,184
VTI	\$ 37,888,745	0.03%	\$ 11,477	0.54%	\$ 202,803
VXF	\$ 12,634,419	0.19%	\$ 23,541	0.15%	\$ 18,808
VBR	\$ 6,366,660	0.38%	\$ 24,079	0.30%	\$ 19,273
VNQ	\$ 12,364,514	0%	\$ -	0.00%	\$ -
VOE	\$ 6,215,001	0%	\$ -	0.00%	\$ -
VYMI	\$ 52,605,883	0%	\$ -	0.00%	\$ -
VEU	\$ 39,300,480	0%	\$ -	0.00%	\$ -
EEMS	\$ 13,156,600	0%	\$ -	0.00%	\$ -
VNQI	\$ 12,614,538	0%	\$ -	0.00%	\$ -
SCZ	\$ 12,544,416	0%	\$ -	0.00%	\$ -
	\$ 256,278,545	0.03%	\$ 87,824		\$ 1,011,068

¹ All data regarding the holdings of each ETF in civilian gun manufacturers or retailers is from gunfreefunds.org

CSF Investment in Gun Manufacturers		
Olin Corp	\$	68,937.05
Vista Outdoor Inc	\$	7,720.31
Sturm Ruger & Co Inc	\$	5,969.52
Smith & Wesson Brands Inc	\$	2,545.79
National Presto Industries	\$	1,818.70
American Outdoor Brands	\$	555.21
Byna Technologies	\$	277.38
Total	\$	87,823.95

CSF Investment in Gun Retailers		
Walmart	\$	964,363.81
Dick's Sporting Goods Inc	\$	28,332.60
Academy Sports and Outdoors Inc	\$	16,376.07
Sportsmans Warehouse Holdings Inc	\$	1,133.86
Big 5 Sporting Goods Corp	\$	861.29
Total	\$	1,011,067.63

Fee Analysis

Fund Name	CSF Total Fund Investment as of 6/15/22	Annual Management Fee %	Annual Management Fee \$
VYM	\$ 50,587,289	0.06%	\$ 30,352.37
VTI	\$ 37,888,745	0.03%	\$ 11,366.62
VXF	\$ 12,634,419	0.06%	\$ 7,580.65
VBR	\$ 6,366,660	0.07%	\$ 4,456.66
	\$ 107,477,113	0.05%	\$ 53,756.31

Funds with No Civilian Firearms Manufacturers or Retailers with Assets > \$1B			
Ticker	Name	Fees	Annual Expense
ESGU	iShares ESG Aware MSCI USA ETF	0.15%	\$ 161,215.67
ESGD	iShares ESG Aware MSCI EAFE ETF	0.20%	\$ 214,954.23
ESGV	Vanguard ESG U.S. Stock ETF	0.09%	\$ 96,729.40
ESGE	iShares ESG Aware MSCI EM ETF	0.25%	\$ 268,692.78
DSI	iShares MSCI KLD 400 Social ETF	0.25%	\$ 268,692.78
SUSA	iShares MSCI USA ESG Select ETF	0.25%	\$ 268,692.78
SUSL	iShares ESG MSCI USA Leaders ETF	0.10%	\$ 107,477.11

BOARD MEETING

June 21, 2022

AGENDA ITEM 6

PROPOSED RESOLUTION

**TO AMEND LOAN PURPOSE FOR THE SOUTH CENTAL LIBRARY SYSTEM
LOAN#2022027**

WHEREAS the Board of Commissioners of Public Lands (“BCPL”) approved a State Trust Fund Loan to the South Central Library System (SCLS) on September 7, 2021, in the amount of \$5.5 million, Loan# 2022027;

WHEREAS the stated and approved purpose of said loan to SCLS is for “Financing the construction of new SCLS Headquarters/Delivery facility”;

WHEREAS SCLS has found that projected costs of construction have risen above original cost estimates and SCLS is now exploring the acquisition and renovation of an existing building;

WHEREAS the wording of the original stated and approved loan purpose might be construed to limit the use of loan proceeds to finance new construction only rather than the costs of renovating an existing building;

WHEREAS SCLS wishes to amend the wording of the original loan purpose to expressly include renovation of existing buildings;

WHEREAS BCPL staff support such change; and

WHEREAS BCPL finds that renovation of existing building(s) into a new SCLS Headquarters/Delivery facility appropriately aligns with the intent of the original stated and approved loan purpose;

NOW, THEREFORE, BE IT RESOLVED, that the **BOARD OF COMMISSIONERS OF PUBLIC LANDS** hereby approves the modification of the loan purpose of Loan# 2022027 to state “Financing the construction of new SCLS Headquarters/Delivery facility or acquisition and renovation of an existing building for use as such facility” All other terms and conditions of such loan shall remain unchanged.