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Thomas P. German, *Executive Secretary*

AGENDA

February 4, 2025

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 21, 2025 (Attachment)
3. Approve Loans

Old Business:

4. None

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

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

Board Meeting Minutes
January 21, 2025

Present were:

Sarah Godlewski, Board Chair	Secretary of State
John Leiber, Commissioner	State Treasurer
Josh Kaul, Commissioner	Attorney General
Nicole Pegram, Deputy Chief of Staff	Secretary of State
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
Thuy Nguyen, Office Manager	Board of Commissioners of Public Lands

ITEM 1. CALL TO ORDER

Board Chair Godlewski called the meeting to order at 2:00 p.m.

ITEM 2. APPROVE MINUTES

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

DISCUSSION: None

VOTE: The motion passed 3-0.

ITEM 3. APPROVE LOANS

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

DISCUSSION: Executive Secretary described loans #1, #2 and #3 as bread-and-butter loans for roadwork, public works, garage improvement and a plow truck purchase.

Loan #3 to the Village of Dorchester is for \$482,000. The village had two tax incremental districts where they spent money on improvements. However, the village collected more in tax increments than they spent on improvements and interest over the years. The time is coming to close out those tax increment districts, and the village needs to pay the difference between the amounts they collected in those increments and the amounts they spent. This difference needs to be paid to the other local government entities, e.g., school districts, the county, the technical college. Since the village used those excess tax increments to fund village operations, the village now needs to borrow to finance the payments to the other entities.

Loan #5 is to the Village of Harrison. The village will be using the loan proceeds to purchase ten additional acres of land which will be used to develop a central business district. This land would also allow the village to extend utilities and roadways to a new fire station to service the village.

Loan #6 to the City of Adams is to finance their prior service pension liability. After going several years without doing any prior service pension liability loans, we've now been asked to do two in a relatively short period of time.

VOTE: The motion to approve the loans passed 3-0.

The Board of Commissioners of Public Lands (BCPL) unanimously approved **\$2,461,341.67** in State Trust Fund Loans to support **6** community projects in Wisconsin.

1. Village of Adell / Sheboygan County / Finance roadwork / \$610,000.00
2. Town of Montrose / Dane County / Finance public works garage / \$800,000.00
3. Village of Dorchester / Clark and Marathon Counties / Finance distribution of excess increment TID #1 and TID #2 / \$482,500.00
4. Town of Round Lake / Sawyer County / Finance purchase of plow truck / \$62,000.00
5. Village of Harrison / Calumet & Outagamie Counties / Finance TID #5 land purchase / \$450,000.00
6. City of Adams / Adams County / Refinance prior service pension liability / \$56,841.67

ITEM 4. OLD BUSINESS

None

ITEM 5. NEW BUSINESS

None

ITEM 6. CHIEF INVESTMENT OFFICER'S REPORT

None

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Executive Secretary German reported that BCPL had modernized our timber sale bidding to accommodate electric bids to make it more accessible. We opened our most recent timber sale bids recently and it was a successful bid offering. All of our offerings received acceptable bids and on these most recent timber sales, we received at least three separate bids on all sale offerings except for one. The single bid sale was still in excess of our minimum acceptable bid. It's been a very successful timber sale for the year. This fiscal year we've had two timber sale offerings. Even in a down timber market, the total estimated value of those sales is over \$1.2 million. He thanked the northern staff for their hard work in getting these sales set up.

Board Chair Godlewski asked if \$1.2 million is more than was made last year in timber sales.

Executive Secretary German explained that \$1.2 million is an all-time high. The amount of timber revenue collected at the end of December was just shy of \$400,000. Usually, our timber revenue collected is always "back end loaded" for the second half of the fiscal year because a lot of our timber sales are held on lands that can only be harvested during winter. From July 1 through December 31, we don't have as much harvesting. Harvesting is mostly done when the ground freezes. To have almost \$400,000 of revenue before the end of December puts us in very good shape for this fiscal year.

Executive Secretary German and Mr. Sneider will be heading to Milwaukee for the Wisconsin Education Conference (aka WASB Annual Convention). Exhibit booths have to be set up tonight to be ready to go tomorrow morning. We're excited to connect with our stakeholders, both the schools that are looking at borrowing from us and the ones that are looking at how much they get to spend. This is another part of communicating with schools to let them know that we will be distributing \$70 million this year.

Executive Secretary German shared that he has started meeting with legislative offices regarding our budget request. Most legislators have not been around except for inauguration. He met with the Chief of Staff for Senator Quinn's office to have an introductory discussion. Senator Quinn will be on the Joint Finance Committee (JFC), and he represents a northern district in Wisconsin. We are very active in lending in his district, and we have some timber operations as well. He asked Commissioner Leiber to schedule some time to talk about having more meetings with legislators.

Commissioner Leiber was happy to oblige.

Board Chair Godlewski expressed that Executive Secretary German let the board know how they can be of help in the budget process and how the commissioners can advocate for the BCPL.

Executive Secretary German shared that he will be having informal discussions with some of the key staff members before the legislators got back to Madison to discuss what we're looking at doing and how we're looking at financing the agency's operations. Later he will sit down with the actual member of JFC. The conversation should flow better because they will already have some familiarity with us and what we're seeking.

Board Chair Godlewski commented that perhaps we can explore doing some sort of freshman orientation meetings to let them know about the BCPL, explain the rules and answer questions. It could be helpful to do a few of those in the future.

Executive Secretary German shared that the pandemic disrupted traditions because we had done that in the past. With so many people working remotely now, it's a bit more unusual, but it would be good to explore that discussion a little bit further.

Board Chair Godlewski shared that we have had really good conversations with some freshmen legislators who are now on the Joint Finance Committee.

ITEM 8. BOARD CHAIR'S REPORT

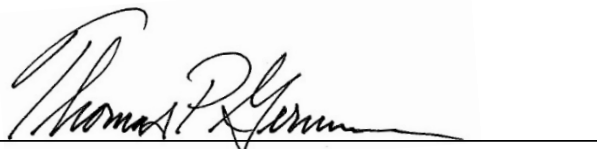
None

ITEM 9. FUTURE AGENDA ITEMS

None

ITEM 10. ADJOURN

Board Chair Godlewski moved to adjourn the meeting; Commissioner Kaul seconded the motion. The motion passed 3-0; the meeting adjourned at 2:14 p.m.



Thomas P. German, Executive Secretary

Link to audio recording:

[https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared Documents/Board Meeting Docs/2025/2025-01-21 BoardMtgRecording.mp3](https://bcpl.wisconsin.gov/bcpl.wisconsin.gov/Shared%20Documents/Board%20Meeting%20Docs/2025/2025-01-21%20BoardMtgRecording.mp3)

**BOARD MEETING
FEBRUARY 4, 2025**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Type	Loan Amount
1. Lauderdale Lake Management Dist Walworth County Application #: 02025083 Purpose: Finance clubhouse construction project	Lake District Rate: 6.00% Term: 20 years	General Obligation	\$1,200,000.00
2. Blaine Burnett County Application #: 02025084 Purpose: Finance FEMA Project PW00129	Town Rate: 5.75% Term: 10 years	General Obligation	\$484,764.28
TOTAL			<hr/> \$1,684,764.28

**Common School Fund
Portfolio Report
December 31, 2024**

Asset Class	Current Market Value	Cost	Unrealized Gain/Loss	% Gain/Loss	Yield at Cost	Projected Annual Income
Fixed Income						
Public Debt						
State/State Agency/Municipal Bonds	72,652,514	78,424,261	(5,771,747)	-7.4%	4.1%	3,176,365
U.S. Treasury/Agency Bonds	88,761,135	94,896,000	(6,134,865)	-6.5%	4.8%	4,530,000
U.S. Treasury Inflation Protected Securities	14,275,398	14,687,655	(412,257)	-2.8%	2.2%	318,750
Corporate Bonds	85,600,608	100,920,460	(15,319,852)	-15.2%	5.3%	5,378,020
Private Debt						
BCPL State Trust Fund Loans ¹	341,854,432	341,854,432	-	n/a	4.9%	16,785,233
Other Private Debt ²	201,449,120	204,843,653	(3,394,533)	-1.7%	9.2%	18,836,929
Total Fixed Income	804,593,207	835,626,461	(31,033,254)	-3.7%	5.9%	49,025,297
Equities and Alternatives						
Public Equities						
Preferred Stocks	78,232,318	98,363,707	(20,131,389)	-20.5%	5.6%	5,498,119
Common Stocks	202,473,790	199,955,036	2,518,754	1.3%	1.7%	3,302,115
Alternatives						
Private Real Estate	213,951,674	216,322,309	(2,370,635)	-1.1%	3.1%	6,754,545
Infrastructure	35,070,560	33,875,499	1,195,061	3.5%	6.7%	2,283,804
Private Equity/Venture Capital ²	54,306,119	49,899,540	4,406,579	8.8%	0.0%	-
Total Equities and Alternatives	584,034,461	598,416,091	(14,381,630)	-2.4%	3.0%	17,838,583
Cash						
State Investment Fund ³	72,226,923	72,226,923			4.6%	3,328,749
Total Cash	72,226,923	72,226,923			4.6%	3,328,749
TOTAL CSF PORTFOLIO	1,460,854,591	1,506,269,475	(45,414,884)	-3.0%	4.7%	70,192,628

Notes:

¹ 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 that are due 3/15/25 as of 12/31/24, and is subject to change.

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

³ State Investment Fund yield is from December 2024 SIF Pool Earnings Workbook. Total cash is a preliminary number subject to change.

Common School Fund
Asset Allocation Report
December 31, 2024

Asset Class	Current Portfolio		Potential Portfolio			Target	
	Current Market Value	Current Allocation	Expected Commitments	Market Value + Commitments	Potential Allocation	Target Allocation	Target Range
Fixed Income							
Public Debt							
State/State Agency/Municipal Bonds	72,652,514	5.0%		72,652,514	5.0%	5.0%	0% to 20%
U.S. Treasury/Agency Bonds	88,761,135	6.1%		88,761,135	6.1%	0.0%	0% to 20%
U.S. Treasury Inflation Protected Securities	14,275,398	1.0%		14,275,398	1.0%	0.0%	0% to 10%
Corporate Bonds	85,600,608	5.9%		85,600,608	5.9%	5.0%	0% to 20%
Private Debt							
BCPL State Trust Fund Loans	341,854,432	23.4%		341,854,432	23.4%	25.0%	10% to 30%
Other Private Debt	201,449,120	13.8%	20,750,000	222,199,120	15.2%	15.0%	10% to 30%
Total Fixed Income	804,593,207	55.1%	20,750,000	825,343,207	56.5%	50.0%	
Equities and Alternatives							
Public Equities							
Preferred Stocks	78,232,318	5.4%		78,232,318	5.4%	5.0%	0% to 10%
Common Stocks	202,473,790	13.9%		202,473,790	13.9%	15.0%	5% to 20%
Alternatives							
Private Real Estate	213,951,674	14.6%	20,000,000	233,951,674	16.0%	20.0%	10% to 30%
Infrastructure	35,070,560	2.4%	11,117,926	46,188,486	3.2%	4.0%	0% to 10%
Private Equity/Venture Capital	54,306,119	3.7%	21,288,363	75,594,482	5.2%	4.0%	0% to 10%
Total Equities and Alternatives	584,034,461	40.0%	52,406,289	636,440,750	43.6%	48.0%	
Cash							
State Investment Fund	72,226,923	4.9%					
Total Cash	72,226,923	4.9%				2.0%	0% to 10%
TOTAL CSF PORTFOLIO		1,460,854,591	100.0%	73,156,289			

		Unfunded Commitments as of 12/31/2024		
		Total	Unfunded	Expected ¹
PRIVATE DEBT	PGIM Senior Loan Opportunities Fund I	50,000,000	10,750,000	8,250,000
	Angelo Gordon Direct Lending Fund	25,000,000	2,500,000	1,250,000
	Golub Capital Partners 15	25,000,000	12,500,000	11,250,000
PRIVATE REAL ESTATE	Nuveen US Cities Retail	20,000,000	20,000,000	20,000,000
INFRASTRUCTURE	BlackRock Global Infrastructure Fund IV	25,000,000	11,117,926	11,117,926
VENTURE CAPITAL	<i>Venture Investors Health Fund VI</i>	15,000,000	1,815,000	315,000
	<i>Baird Venture Partners V</i>	7,500,000	1,108,610	358,610
	NVNG Fund I	10,000,000	6,237,686	4,237,686
	Idea Fund of LaCrosse II	5,000,000	3,650,000	1,900,000
	Baird Venture Partners VI	20,000,000	13,537,067	6,537,067
	Venture Investors Health Fund 7	20,000,000	14,940,000	7,940,000

¹ Expected call percentages for prior vintage Venture Capital funds (shown in italics) has been increased due to market conditions.