



Douglas La Follette, *Secretary of State*  
Dawn Marie Sass, *State Treasurer*  
J.B. Van Hollen, *Attorney General*  
Tia Nelson, *Executive Secretary*

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**Managing Wisconsin's trust assets for public education.**

## AGENDA

February 2, 2010

2:00 P.M.

Board of Commissioners of Public Lands

125 S. Webster Street, Room 200

Madison, Wisconsin

1. Call to Order
2. Approve Minutes – January 19, 2010
3. Approve Loans
4. Executive Secretary's Report
5. Adjourn

**BOARD MEETING  
FEBRUARY 2, 2010**

**AGENDA ITEM 2  
APPROVE MINUTES**

Attached for approval are the minutes from the January 19, 2010, board meeting.

Board Meeting Minutes  
January 19, 2010

**ITEM 1. CALL TO ORDER**

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:00 p.m.

Present were:

- |                                 |  |
|---------------------------------|--|
| Doug La Follette, Board Chair   | Secretary of State                     |
| Dawn Marie Sass, Commissioner   | State Treasurer                        |
| J.B. Van Hollen, Commissioner   | Attorney General                       |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary    | Board of Commissioners of Public Lands |
| Scott Eastwood, Loan Analyst    | Board of Commissioners of Public Lands |

**ITEM 2. APPROVE MINUTES – January 5, 2010**

**MOTION:** Commissioner Sass moved to approve the minutes; Commissioner Van Hollen seconded the motion. The motion passed, 3-0.

**ITEM 3. APPROVE LOANS**

Deputy Secretary German said that the loans had received legal review.

Municipality	Municipal Type	Loan Amount
1. Deerfield County of Dane Application #: 02010131 Purpose: Finance the purchase of capital equipment and vehicles	Village Rate: 3.50 Filed: January 8, 2010	\$150,000.00
2. Dover County of Racine Application #: 02010129 Purpose: Finance public works project	Town Rate: 4.50 Filed: January 4, 2010	\$1,000,000.00
3. Hartford J1 County of Dodge And Washington Application #: 02010130 Purpose: Finance energy conservation projects	School Rate: 4.50 Filed: January 8, 2010	\$300,000.00
4. Iowa County of Iowa Application #: 02010128 Purpose: Finance public works project	County Rate: 4.50 Filed: January 4, 2010	\$789,000.00

5.	Ottawa County of Waukesha Application #: 02010127 Purpose: Finance public works project	Town Rate: 4.50 Filed: December 28, 2009	\$408,164.00
6.	Solon Springs County of Douglas Application #: 02010126 Purpose: Refinance prior service pension liability	Village Rate: 4.25 Filed: December 21, 2009	\$30,000.00
7.	Stratford County of Marathon Application #: 02010125 Purpose: Finance construction and remodeling	School Rate: 4.50 Filed: December 21, 2009	\$875,000.00
<b>TOTAL</b>			<b>\$3,552,164.00</b>

**MOTION:** Commissioner Van Hollen moved to approve the loans; Commissioner Sass seconded the motion. The motion passed, 3-0.

#### **ITEM 4. PROPOSED SHORT-TERM INVESTMENTS**

**MOTION:** Commissioner Sass moved to approve the proposed resolution; Board Chair La Follette seconded the motion. Discussion followed.

Executive Secretary Nelson explained that the proposed investment vehicle, Transaction Account Guarantee (“TAG”) Program, is FDIC insured and was established by the federal government. Commissioner Van Hollen noted that \$50 Million was significantly higher than the regular FDIC insurance limit and asked if there was a cap on the amount that could be insured under the TAG program. Secretary Nelson replied that there was no cap on TAG accounts but many banks were limiting the size of the deposits they were willing to accept under the program. She further noted that the State of Wisconsin Investment Board (SWIB) already has \$250 million deposited at M&I Bank in a TAG account, which is the maximum amount that M&I was willing to accept from SWIB. Board Chair La Follette asked if funds could be withdrawn from the TAG account as needed. Secretary Nelson replied yes.

Commissioner Van Hollen asked if it was possible that an out-of-state bank might offer a higher rate of return than the .5% currently offered by certain Wisconsin banks. Executive Secretary Nelson stated that it was not possible for an out-of-state bank to offer a higher interest rate since .5% is the highest rate of return available under the federal law which established the TAG Program. She added that BCPL staff had identified two banks headquartered in Wisconsin that were offering the highest (.5%) rate and were also willing to accept a deposit in a TAG account of up to \$50 Million. She said that the proposed resolution expressed a preference for Wisconsin based banks, but the resolution did not preclude investing funds with an out-of-state bank offering a higher interest rate.

Commissioner La Follette asked if the interest rate could be changed during the deposit period. Deputy Secretary German responded that it would depend upon the bank’s proposal. He added

that Anchor Bank offered BCPL and SWIB the highest possible rate through June 2010. Commissioner Van Hollen added that if the rate changed, the funds could be withdrawn. Mr. German confirmed Commissioner Van Hollen's statement was correct.

Commissioner Van Hollen suggested that the resolution be amended to direct SWIB to seek the highest, insured interest rate before giving preference to Wisconsin banks.

**MOTION:** Board Chair La Follette moved to amend the resolution to insert the words "*at the highest interest rate available,*" in the second sentence after the words "TAG program" and before "with a preference ..." Commissioner Van Hollen seconded the motion. The motion passed, 3-0.

**VOTE:** The Board voted to approve the resolution as amended. The motion passed, 3-0.

**NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Public Lands delegates its Trust Fund investment authority to SWIB pursuant to Wisconsin Statutes Section 24.61(2)(c) in an amount of up to Fifty Million Dollars (\$50,000,000.00). This delegation is limited and may be used only to invest in bank deposit accounts insured by the federal government pursuant to the TAG program *at the highest interest rate available,* with a preference being given to banks headquartered in Wisconsin. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

#### **ITEM 5A-C. PROPOSED LAND BANK SALES TO THE DNR (S0924, S0925 and S0938)**

Board Chair La Follette asked why the appraised price per acre was so different between the transactions. Secretary Nelson replied that two of the parcels (Item 5A and 5C) are mostly swampland and the other parcel (Item 5B) has limited access.

**MOTION:** Commissioner Sass moved to approve the three Land Bank sales; Commissioner Van Hollen seconded the motion. The motion passed, 3-0.

**5A. NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Public Lands approves the sale of the Upper Buckatabon Springs Property to the Wisconsin Department of Natural Resources at the price of Three Hundred Thousand Dollars (\$300,000) in accordance with Chapter 24 of the Wisconsin Statutes on such 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.

**5B. NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Public Lands approves the sale of the Enterprise Hemlocks Property to the Wisconsin Department of Natural Resources at the price of Four Hundred Eighty Thousand Dollars (\$480,000) in accordance with Chapter 24 of the Wisconsin Statutes on such 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.

**5C. NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Gobler Lake Property to the Wisconsin Department of Natural Resources at the price of One Hundred Twenty-two Thousand Dollars (\$122,000) in accordance with Chapter 24 of the Wisconsin Statutes on such 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.

**ITEM 6. EXECUTIVE SECRETARY'S REPORT**

Nothing to report.

**ITEM 7. ADJOURN**

**MOTION:** Commissioner Van Hollen moved to adjourn the meeting; Commissioner Sass seconded the motion. The motion passed, 3-0.



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Tia Nelson, Executive Secretary

These minutes have been prepared from a tape recording of the meeting. The summaries have not been transcribed verbatim. Anyone wishing to listen to the tape may do so at the Board of Commissioners of Public Lands, 125 S. Webster Street, Suite 200, Madison, Wisconsin.

**BOARD MEETING  
FEBRUARY 2, 2010**

**AGENDA ITEM 3  
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Conover County of Vilas Application #: 02010133 Purpose: Finance public works project	Town Rate: 3.50 Filed: January 22, 2010	\$300,000.00
2. Fall Creek County of Eau Claire Application #: 02010138 Purpose: Finance public works project	Village Rate: 5.50 Filed: January 25, 2010	\$135,000.00
3. Fall Creek County of Eau Claire Application #: 02010139 Purpose: Finance public works project	Village Rate: 5.50 Filed: January 25, 2010	\$180,000.00
4. Glenbeulah County of Sheboygan Application #: 02010137 Purpose: Refinance other outstanding debt	Village Rate: 5.50 Filed: January 25, 2010	\$365,620.00
5. Jackson County of Burnett Application #: 02010132 Purpose: Finance the purchase of capital equipment and vehicles	Town Rate: 3.50 Filed: January 22, 2010	\$52,000.00
6. Lancaster Community County of Grant Application #: 02010140 Purpose: Refinance prior service pension liability	School Rate: 5.25 Filed: January 26, 2010	\$470,000.00
7. Spring Valley County of Pierce And St Croix Application #: 02010135 Purpose: Finance economic development project	Village Rate: 5.50 Filed: January 22, 2010	\$100,000.00
8. Watertown County of Dodge And Jefferson Application #: 02010134 Purpose: Finance economic development project	City Rate: 5.50 Filed: January 22, 2010	\$1,000,000.00
9. Whitefish Bay County of Milwaukee Application #: 02010136 Purpose: Finance facility improvements	School Rate: 5.50 Filed: January 25, 2010	\$1,000,000.00
<b>TOTAL</b>		<b>\$3,602,620.00</b>