



Douglas La Follette, *Secretary of State*
Kurt Schuller, *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

June 7, 2011

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 – May 17, 2011
3. Approve Loans
4. Executive Secretary's Report
5. Adjourn

**BOARD MEETING
JUNE 7, 2011**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the May 17, 2011, board meeting.

Board Meeting Minutes
May 17, 2011

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:10 p.m.

Present were:

Doug La Follette, Board Chair
Kurt Schuller, Commissioner
J.B. Van Hollen, Commissioner
Tia Nelson, Executive Secretary
Tom German, Deputy Secretary
Richard Sneider, Loan Analyst

Secretary of State
State Treasurer
Attorney General
Board of Commissioners of Public Lands
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ITEM 2. APPROVE MINUTES – May 3, 2011

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

ITEM 3. APPROVE LOANS

Executive Secretary Nelson said the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Calumet County of Fond du Lac Application #: 02011149 Purpose: Finance road resurfacing and refinance existing debt	Town Rate: 3.25% Term: 5 years	\$400,000.00
2. Clover County of Bayfield Application #: 02011150 Purpose: Purchase ambulance	Town Rate: 3.75% Term: 10 years	\$151,000.00
3. Kenosha County of Kenosha Application #: 02011151 Purpose: Refinance note anticipation notes	School Rate: 3.75% Term: 10 years	\$9,500,000.00
4. Randall County of Kenosha Application #: 02011148 Purpose: Finance road construction	Town Rate: 3.75% Term: 10 years	\$2,000,000.00
5. River Falls County of Pierce Application #: 02011146 Purpose: Finance road maintenance and construction	Town Rate: 3.25% Term: 2 years	\$100,000.00

6.	Westby Area Counties of La Crosse, Monroe and Vernon Application #: 02011147 Purpose: Finance softball field renovation	School Rate: 3.75% Term: 10 years	\$438,000.00
TOTAL			\$12,589,000.00

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

ITEM 4. REQUEST FOR MUNICIPAL BOND PURCHASE AUTHORITY

Board Chair La Follette explained that the board had given staff approval at its December 20, 2010, board meeting to purchase State of Wisconsin General Obligation Bonds. This resolution would allow staff to invest in municipal bonds.

MOTION: Commissioner Van Hollen moved to approve the purchase of State of Wisconsin municipal bonds; Commissioner Schuller seconded the motion. The motion passed, 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the purchase of up to Forty Million Dollars (\$40,000,000) of General Obligation Bonds issued by any town, city, county or school district within Wisconsin where the issuer has a Moody's rating of Aa or higher (or the equivalent rating from Standard & Poor's or Fitch) at the time of purchase. These purchases shall be made 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 5. PROPOSED LEGISLATION FOR REVENUE OBLIGATION TRUST FUND LOANS

MOTION: Commissioner Van Hollen moved to reiterate the Board's support for the statutory changes; Commissioner Schuller seconded the motion. The motion passed, 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands reiterates its support for statutory changes which would authorize, but not mandate, the BCPL to invest in revenue-based loans secured by state aid, under terms and conditions established by the Board and authorizes the Executive Secretary and her staff to work with the legislature on bill drafting.

ITEM 6. REQUEST FOR NORMAL SCHOOL FUND LEGISLATION CHANGES

Executive Secretary Nelson explained that the Governor's proposed budget eliminates a position funded by the Normal School Fund earnings thus resulting in the funds being distributed to the state's general fund as General Purpose Revenue. She said staff believes that the provision is inadvertently not in keeping with Article X of the Wisconsin Constitution regarding the Normal School Fund.

She asked permission from the Board to work with the legislature in crafting legislation that would designate Normal School Fund earnings for appropriate higher education purposes in keeping with the original constitutional directive.

MOTION: Commissioner Van Hollen moved to adopt the resolution; Commissioner Schuller seconded the motion. The motion passed, 3-0.

Whereas the Normal School Fund was established in Article X of the Constitution to benefit higher public education in Wisconsin;

Whereas Section 866 of the proposed budget bill would direct more Normal School Fund earnings to the general fund as General Purpose Revenue;

Whereas the Board of Commissioners of Public Lands believes that in keeping with Article X of the State Constitution, the earnings of the Normal School Fund should be dedicated to higher public education in the State of Wisconsin; and

Whereas the legislature has stated a commitment to not raiding segregated funds.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands hereby authorizes and directs the Executive Secretary to work with the legislature to craft legislation that would designate Normal School Fund earnings for appropriate higher education purposes in keeping with the original constitutional directive.

ITEM 7. EXECUTIVE SECRETARY'S REPORT

Nothing to report.

ITEM 8. ADJOURN

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



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
JUNE 7, 2011**

**AGENDA ITEM 3
APPROVE LOANS**

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Menasha Calumet and Winnebago County Application #: 02011154 Purpose: Refinance other outstanding debt	City Rate: 5.00% Term: 19 years	\$1,000,000.00
2. Osceola Polk and St. Croix County Application #: 02011152 Purpose: Refinance prior service pension liability	School Rate: 3.75% Term: 5 years	\$375,000.00
3. Walworth County Walworth County Application #: 02011153 Purpose: Finance aeration system energy efficiency project	Metropolitan Sewerage District Rate: 3.75% Term: 10 years	\$469,500.00
	TOTAL	\$1,844,500.00