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Tia Nelson, *Executive Secretary*

AGENDA

February 3, 2015

4:15 P.M.

Board of Commissioners of Public Lands
101 E. Wilson Street, 2nd Floor
Madison, Wisconsin

- 1) Call to Order
- 2) Approve Minutes – January 20, 2015 (Attachments)
- 3) Approve Loans (Attachments)
- 4) Discuss Trust Land Options with Possible County Partnerships (Attachments)
- 5) Discuss Promotion of the BCPL State Trust Fund Loan Program
- 6) Future Agenda Items
- 7) Discuss Deadline for Board Meeting Materials
- 8) Performance Evaluation Process for Executive Secretary
- 9) Executive Secretary's Report (Attachments)
- 10) Adjourn

**BOARD MEETING
FEBRUARY 3, 2015**

**AGENDA ITEM 3
APPROVE LOANS**

| Municipality | Municipal Type | Loan Type | Loan Amount |
|---|--------------------------------------|--------------------|-----------------------|
| 1. Beaver Dam Dodge County Application #: 02015088 Purpose: Refinance water utility debt | City Rate: 2.50% Term: 2 years | General Obligation | \$1,115,000.00 |
| 2. Clyman Dodge County Application #: 02015086 Purpose: Refinance bank loan | Town Rate: 3.25% Term: 8 years | General Obligation | \$37,641.33 |
| 3. Eagle Waukesha County Application #: 02015087 Purpose: Finance road construction | Town Rate: 3.00% Term: 5 years | General Obligation | \$110,000.00 |
| 4. Lakeside Douglas County Application #: 02015089 Purpose: Refinance backhoe loan | Town Rate: 3.25% Term: 9 years | General Obligation | \$83,555.95 |
| 5. Lakeside Douglas County Application #: 02015090 Purpose: Refinance BCPL loan #2014026 | Town Rate: 3.00% Term: 2 years | General Obligation | \$44,659.98 |
| TOTAL | | | \$1,390,857.26 |

**BOARD MEETING
FEBRUARY 3, 2015**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the January 20, 2015, board meeting.

Board Meeting Minutes
January 20, 2015

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:03 p.m. He said that agenda items 5 through 12 were requested by the State Treasurer.

Present were:

- | | |
|-------------------------------------|--|
| Doug La Follette, Board Chair | Secretary of State |
| Matt Adamczyk, Commissioner | State Treasurer |
| Brad Schimel, Commissioner | Attorney General |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Loan Analyst | Board of Commissioners of Public Lands |
| Randy Bixby, Land Records Archivist | Board of Commissioners of Public Lands |
| Denise Nechvatal, Accountant | Board of Commissioners of Public Lands |
| Patrick Marley | Milwaukee Journal Sentinel |

ITEM 2. APPROVE MINUTES – JANUARY 6, 2015

MOTION: Commissioner Schimel moved to approve the minutes; Commissioner Adamczyk seconded the motion. The motion passed 3-0.

ITEM 3. APPROVE LOANS

Executive Secretary said that the loans had received legal review.

| <u>Municipality</u> | <u>Municipal Type</u> | <u>Loan Type</u> | <u>Loan Amount</u> |
|---|--|--------------------|--------------------|
| 1. Caledonia Racine County Application #: 02015077 Purpose: Finance sanitary sewer costs | Village Rate: 3.25% Term: 10 years | General Obligation | \$150,000.00 |
| 2. Clark Clark County Application #: 02015078 Purpose: Finance public safety communication project | County Rate: 3.25% Term: 10 years | General Obligation | \$3,000,000.00 |
| 3. Clark Clark County Application #: 02015082 Purpose: Finance road construction projects | County Rate: 2.50% Term: 2 years | General Obligation | \$810,000.00 |
| 4. Kiel Area Calumet, Manitowoc and Sheboygan Counties Application #: 02015083 Purpose: Refinance WRS prior service pension liability | School Rate: 3.25% Term: 10 years | General Obligation | \$1,130,000.00 |

| | | | | |
|----|---|---------------------------------------|--------------------|-----------------------|
| 5. | Port Washington Ozaukee County Application #: 02015081 Purpose: Finance TID #2 incentives | City Rate: 3.75% Term: 20 years | General Obligation | \$250,000.00 |
| 6. | Sullivan Jefferson County Application #: 02015084 Purpose: Purchase fire truck | Town Rate: 3.25% Term: 10 years | General Obligation | \$133,000.00 |
| 7. | Sullivan Jefferson County Application #: 02015085 Purpose: Purchase skid loader | Town Rate: 3.00% Term: 5 years | General Obligation | \$37,000.00 |
| 8. | Wisconsin Dells Adams, Columbia, Juneau and Sauk Counties Application #: 02015079 Purpose: Refinance 2006 refunding bonds | City Rate: 3.25% Term: 7 years | General Obligation | \$1,161,000.00 |
| 9. | Wisconsin Dells Adams, Columbia, Juneau and Sauk Counties Application #: 02015080 Purpose: Refinance 2005 CDA lease revenue bonds | City Rate: 3.75% Term: 20 years | General Obligation | \$3,260,000.00 |
| | | TOTAL | | \$9,931,000.00 |

MOTION: Commissioner Adamczyk moved to approve the loans; Commissioner Schimel seconded the motion. The motion passed 3-0.

ITEM 4. PROPOSED LAND BANK SALE TO THE PUBLIC (S1501-O'Brien Road)

Board Chair La Follette explained that approximately 320 acres of isolated School Trust Lands in Iron County would be offered for public sale. The agency's goal is to sell isolated parcels like these.

Commissioner Schimel asked why the parcels are being sold as one large parcel rather than individual parcels.

Deputy Secretary German replied that when School Trust Lands are sold, neighboring land owners are contacted to see if they are interested the property. Typically, parcels are offered for sale in smaller blocks. In this case, a neighboring land owner expressed interest in the parcels because their land holdings are adjacent to all these School Trust Land parcels.

Executive Secretary Nelson added that the appropriate legal notice will be published for this public land sale, which will be sold via sealed bid. Bids must meet or exceed the appraised value in order to be considered and/or awarded.

MOTION: Commissioner Adamczyk moved to approve the public land sale; Commissioner Schimel seconded the motion.

DISCUSSION: Commissioner Schimel asked why these Trust Lands were selected for sale. Board Chair La Follette replied that the parcels are isolated and have limited access so conducting a timber sale on the parcels would not be economic.

Executive Secretary Nelson said that Trust Lands proposed for sale are evaluated against a set of criteria, which include parcel isolation (i.e. limited or no access), non-productive lands (i.e. non-revenue generating timber stands), and lying outside the consolidation zone. She said that District Office staff identifies Trust Lands that meet those criteria and she reviews and approves the recommendation. The proposed land transaction is then presented to the board for consideration.

She said these Trust Lands were inside the consolidation zone and had little or no timber value. She corrected herself and said the property was actually outside the consolidation zone.

VOTE: The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the sale of the Properties pursuant to a sealed bid process. The minimum acceptable bid for the Property shall be the appraised value for the Property determined by the independent appraiser as set forth above. Such sale shall be conducted 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 the transaction.

ITEM 5. DISCUSSION REGARDING BOARD'S RESPONSIBILITY AS PRESCRIBED BY ARTICLE X OF WISCONSIN'S STATE CONSTITUTION

Board Chair La Follette asked Commissioner Adamczyk to lead the discussion.

Commissioner Adamczyk read a portion of Article X that states the Commissioners constitute a Board whose role is to sell school and university lands and invest the funds arising therefrom. He said he sees this as the Board's only mission – to sell land, invest those monies and give the money [earnings] to the beneficiaries. He does not see the Board's role as doing anything else; for example, becoming a Wisconsin version of the federal Environmental Protection Agency.

There was no further discussion.

ITEM 6. DISCUSSION REGARDING AGENCY EXPENDITURES

Board Chair La Follette said there are several items included for discussion and asked Commissioner Adamczyk to share his concerns.

Commissioner Adamczyk feels that the subscription for the New York Times is an unnecessary expense; subscriptions to Wisconsin newspapers seemed appropriate.

Board Chair La Follette asked if Commissioner Adamczyk was interested in taking action on the items. Commissioner Adamczyk replied no but he would like to see some changes.

Board Chair La Follette asked Commissioner Schimel if he had comments.

Commissioner Schimel asked for justification for the New York Times subscription.

Executive Secretary Nelson explained that the New York Times and Wall Street Journal cover national business news, which helps guide our investment policies, procedures, and actions. She said that, in her view, having a diversity of news sources was helpful.

Commissioner Adamczyk said he was also concerned about the monthly broadband connection charges for agency iPads.

Commissioner Adamczyk expressed further concern about the out-of-state travel costs for Board Chair La Follette to attend the Western States Land Commissioners Association's conferences since 2008. He said maybe a member of the staff should attend rather than a Commissioner. He would like to see these costs reduced.

Commissioner Adamczyk questioned the expenditure to the Rainforest Alliance for Forest Stewardship Council [Certification]. He said this certification was optional and that the Executive Secretary made the decision without the Board's approval. Board Chair La Follette replied that he asked staff to pursue certification in past years and the prior board was aware of this expense. He said that companies who purchase timber are requiring this certification. Commissioner Adamczyk said that the Board should approve such expenses.

There was no further discussion.

ITEM 7. DISCUSSION REGARDING SCHOOL TRUST LANDS' REVENUES VS. DISTRICT OFFICE EXPENSES

Commissioner Adamczyk said he has concerns regarding the costs associated with managing the Trust Lands and the income derived from that land from timber sales. He said, at best, the office is breaking even and may even be losing money, based on his analysis of documents provided to him by agency staff. He said that BCPL should pursue other options such as working with county forestry agencies to sell Trust Lands to them.

Board Chair La Follette replied that the Land Bank Program has allowed staff to consolidate the School Trust Lands into larger, more productive blocks of timber land, thereby increasing management efficiencies. He added that BCPL timber sales not only provide revenue for the School Trust Funds but also provide jobs for small loggers and logging mills.

Board Chair La Follette added that agency staff has tried to consolidate land with county forests as well as national forests. He said that these negotiations were not always successful so the willingness of those agencies to purchase Trust Lands is also a factor.

Board Chair La Follette said Commissioner Adamczyk asked a valid question. He said the Board could ask staff to conduct a thorough analysis of Trust Lands investment costs and revenues and make recommendations to the Board at a future meeting.

There was no further discussion.

ITEM 8. DISCUSSION REGARDING EXECUTIVE SECRETARY'S ACTIVITIES OUTSIDE OF BCPL

Commissioner Adamczyk said that the Board's mission is to sell Trust Lands and invest those funds. He believes the current Executive Secretary has strayed from that mission. He questioned why the agency's website included a sentence about global warming. He felt that the Executive Secretary was too "fixated" on environmental issues, which have nothing to do with BCPL. He was concerned that she was using state time to pursue her "passion" on global warming.

Board Chair La Follette asked if he had evidence of this.

Commissioner Adamczyk cited an instance [April 2009] where she gave testimony on global warming to a House Subcommittee in Washington, DC. He questioned why she testified and used state time to do so since this is not part of BCPL's mission.

Commissioner Adamczyk questioned why she served on the Global Warming Task Force. He said that Governor Doyle appointed her to be a co-chair but noted that she does not work for the Governor. He said that this was not BCPL business.

Commissioner Adamczyk also questioned her testifying before the legislature on Assembly Bill 649. He, again, asked why she would testify on a topic that was not a mission of the BCPL.

Board Chair La Follette gave Executive Secretary Nelson an opportunity to respond.

Executive Secretary Nelson said that she did serve as a co-chair on Governor Doyle's Global Warming Task Force. She said she is currently serving on a DNR advisory group at the request of DNR Secretary Cathy Stepp.

In reply to Commissioner Adamczyk's questioning her testimony on Assembly Bill 649 (AB649), she said that she did not testify in favor or opposition of the bill. The recommendations of the Task Force were unanimous and eventually became AB649. Her testimony, as co-chair of Governor Doyle's Global Warming Task Force, was informational only.

Commissioner Adamczyk still questioned these activities. He also questioned her lobbying activities against an Assembly Joint Resolution that would eliminate the offices of the Secretary of State and State Treasurer.

Board Chair La Follette replied that there was concern with the legislation and how it would affect the Board and the management of unclaimed property. He said concerns were raised by not only BCPL but staff attorneys at the Legislative Reference Bureau.

Board Chair La Follette requested that the topic of unclaimed property be added to a future agenda so the Board can discuss it further.

Commissioner Adamczyk said he preferred that he and Board Chair La Follette lobby on the bill since the bill directly affects their offices rather than the BCPL Executive Secretary. Commissioner Adamczyk said he would prefer that the Board approve such activities.

Board Chair said that, in the future, activities such as this would be added to a board agenda so that they can be discussed and voted on.

There was no further discussion.

ITEM 9. DISCUSSION REGARDING BOARD MEETING LOGISTICS

Commissioner Adamczyk said the Board should be given the opportunity to vote on a Board Chair and appoint an Executive Secretary when new Commissioners are elected.

Board Chair La Follette said that, for the record, this discussion related to agenda items 10 and 11.

ITEM 10. DISCUSSION AND POSSIBLE VOTE REGARDING BOARD CHAIR

Commissioner Adamczyk reiterated his comments made earlier under agenda item 9. He noted that the Board Chair has limited duties and asked Board Chair La Follette about the organizational structure of the Board (i.e. secretary or treasurer).

Board Chair La Follette replied that one Commissioner serves as the chair and oversees the meetings.

Commissioner Adamczyk said he did not have a desire to vote on a Board Chair today. He requested that a Board Chair vote be included on the next board agenda so that Commissioners could discuss the topic and vote. *(Commissioner Adamczyk withdrew this request later in the meeting. Please refer to the end of the discussion for Item 11.)*

ITEM 11. DISCUSSION AND POSSIBLE VOTE REGARDING BOARD STAFF

Commissioner Adamczyk again reiterated his comments made earlier under agenda item 9. He did not have a desire to vote on this agenda item today. He requested that the topic be added to the February 3 board meeting agenda.

Board Chair La Follette said that, for the record in defense of Executive Secretary Nelson and staff, the reason agenda items to elect a new Board Chair and appoint a new Executive Secretary were not added to the agenda was not out of neglect. He said that they have never been included on the first meeting agenda with newly elected Commissioners.

Commissioner Adamczyk said that there has been a Democratic majority on the Board many of the years that Board Chair La Follette has served on it, with the exception of the last four years. He wondered if that may be the reason for no change.

Board Chair La Follette asked Commissioner Schimel for his comments.

Commissioner Schimel said he has served on a number of boards and there is some process for a periodic review and evaluation of the executive director. He asked if the Board has had any such process over the years. He said he wanted to participate in an evaluation process prior to voting on retaining the current Executive Secretary.

Executive Secretary Nelson noted that she and Board Chair La Follette meet to discuss her performance on a relatively annual basis. She said she was awarded a discretionary merit compensation award last year and a review was conducted at that time.

Board Chair La Follette said that he agreed with Commissioner Schimel's suggestion to conduct an evaluation. He asked for suggestions on how best to conduct an evaluation.

Commissioner Schimel asked if the Executive Secretary position was appointed and served at the pleasure of the Board. Board Chair La Follette replied yes.

Board Chair La Follette asked if an outside organization should be hired to conduct the evaluation. Commissioner Schimel said performance measures should be identified and the Board should conduct the evaluation. He added that, as a new commissioner, he would prefer not to conduct this evaluation in the first month.

Board Chair La Follette asked if it was adequate to have the Executive Secretary identify a set of metrics that would be appropriate for performance evaluation. He said the metrics would be approved by the Board, and based on those metrics, the Executive Secretary would respond to the Board in writing on how she measures herself against those metrics. Board Chair La Follette asked for suggestions on his proposal.

Commissioner Schimel agreed with the proposal. He said it would give the Executive Secretary an opportunity to self-evaluate her accomplishments, strengths, weaknesses and areas for improvement.

Board Chair La Follette asked Executive Secretary Nelson if she had enough instruction to complete what the Board was asking of her. She said it would be helpful if she was provided specifics on what would be considered an adequate framework for self-evaluation from the Board.

Commissioner Schimel suggested that the discussion be continued at a future board meeting. He said the Board needs to consider the self-evaluation becoming a public record. He said that while the Board would want an Executive Secretary to be candid about their performance, he was unsure whether that document should then become a public record. He said he would want time to think about it.

Board Chair La Follette said, in the past, the Board went in to closed session to discuss matters of this nature.

Board Chair La Follette suggested that the Board direct the Executive Secretary to identify a set of metrics with guidance from the Human Resources division of the Department of Administration. She would then prepare a written self-evaluation to be presented to the Board in closed session at a future board meeting within the next couple months. He said the Board could vote at that time. Commissioner Adamczyk and Commissioner Schimel agreed with Board Chair La Follette's suggestion.

Commissioner Adamczyk also withdrew his request to vote on a new Board Chair at the next board meeting.

ITEM 12. FUTURE AGENDA ITEMS

The Board agreed that future agenda items had already been discussed.

ITEM 13. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that the Board will see record earnings of \$35.5 million in Common School Fund earnings, which is the sole source of state funding for Wisconsin's public school libraries. She said that the Common School Fund assets will exceed \$1 billion in the very near future. She also reported that the agency's operational expenses to manage the Trust Fund assets and distribute those earnings is unmatched in the private or public sector at 0.08%.

ITEM 14. ADJOURN

MOTION: Commissioner Adamczyk moved to adjourn the meeting; Commissioner Schimel 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 recording may do so at the Board of Commissioners of Public Lands, 101 E. Wilson Street, 2nd Floor, Madison, Wisconsin.

**BOARD MEETING
FEBRUARY 3, 2015**

**AGENDA ITEM 4
DISCUSS TRUST LAND OPTIONS WITH POSSIBLE COUNTY PARTNERSHIPS**

Attached for discussion purposes are the following documents:

- Summary of Real Estate Transactions by County
- Counties with School Trust Lands Map
- Oneida County Map



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Summary of Land Bank Real Estate Transactions by County

| Transaction Type | County Name | BCPL Board Resolution Date | Acreage Out | Acreage In | Appraised Value | Result |
|------------------|-------------|----------------------------|-------------|------------|-------------------------------------|---|
| Sale | Sawyer | 01/02/07 | 1,398 | | \$1,027,795 | Sold |
| Exchange | Marinette | 05/16/06 | 80 | 80 | \$220K-outgoing/ \$185K-incoming | Successfully closed |
| Sale | Iron | Not presented | 40 | | | No sale |
| Exchange | Oneida | Not presented | 3,781 | 1,850 | | Voted down by Oneida Co. Forestry Committee in 2009 |
| Sale | Taylor | 10/07/08 | 20 | | \$25,000 | Sold |
| Sale | Oconto | 04/06/10 | 80 | | \$142,500 | Sold |
| Sale | Douglas | 08/03/10 | 80 | | \$40,000 | Sold |
| Sale | Jackson | 09/04/12 | 40 | | \$80,000 | Sold |
| Purchase | Marinette | 07/17/12 | | 120 | \$240,000 | Purchased |
| Sale | Douglas | 02/05/13 | 80 | | \$65,000 | Sold |
| Exchange | Marinette | 11/20/12 | 40 | 40 | \$80k-outgoing/ \$80k-incoming | Successfully closed |
| Sale | Bayfield | 01/07/14 | 40 | | \$20,000 | Sold |
| Sale | Vilas | 05/06/14 | 40 | | \$95,100 | Sold |
| Sale | Forest | | 40 | | \$27,000 | In progress |

Oneida County

BCPL Ownership
with Wisconsin Open Space



- Cities and Villages
- BCPL Ownership
- County Forests
- National Forest
- Interstate Highways
- US Highways
- State Highways

N

0 0.75 1.5 3 Miles

Scale 1:100,000

Projection used: WTM 83/91

The data shown on this map have been obtained from various sources, and use of varying age, reliability and resolution. This map is not an authoritative source of information about legal land ownership or public access. Users of this map should confirm the ownership of land through other means in order to avoid trespassing. No warranty, expressed or implied, is made regarding accuracy, applicability for a particular use, completeness, or legibility of the information depicted on this map.

COUNTY FORESTS: Mapped are public lands that are managed at the county level.

NATIONAL FORESTS: Mapped are public lands that are federally administered and managed as forests.

STATE FORESTS: Mapped are the boundaries of the Northern and Southern Forest lands of public ownership or easement. State forests provide for multiple recreational uses and timber harvest while protecting the natural and scenic value of the land.

STATE WILDLIFE REFUGE AND PARKS: These boundaries include National Park Service and US Fish and Wildlife Service administered areas.

STATE FISHERY AREAS: Mapped are the boundaries of state waters. Also include parcels of public ownership or easement. Fishing grounds for lake fisheries, and protect and manage headwaters and springs that flow from biological base to stream fisheries.

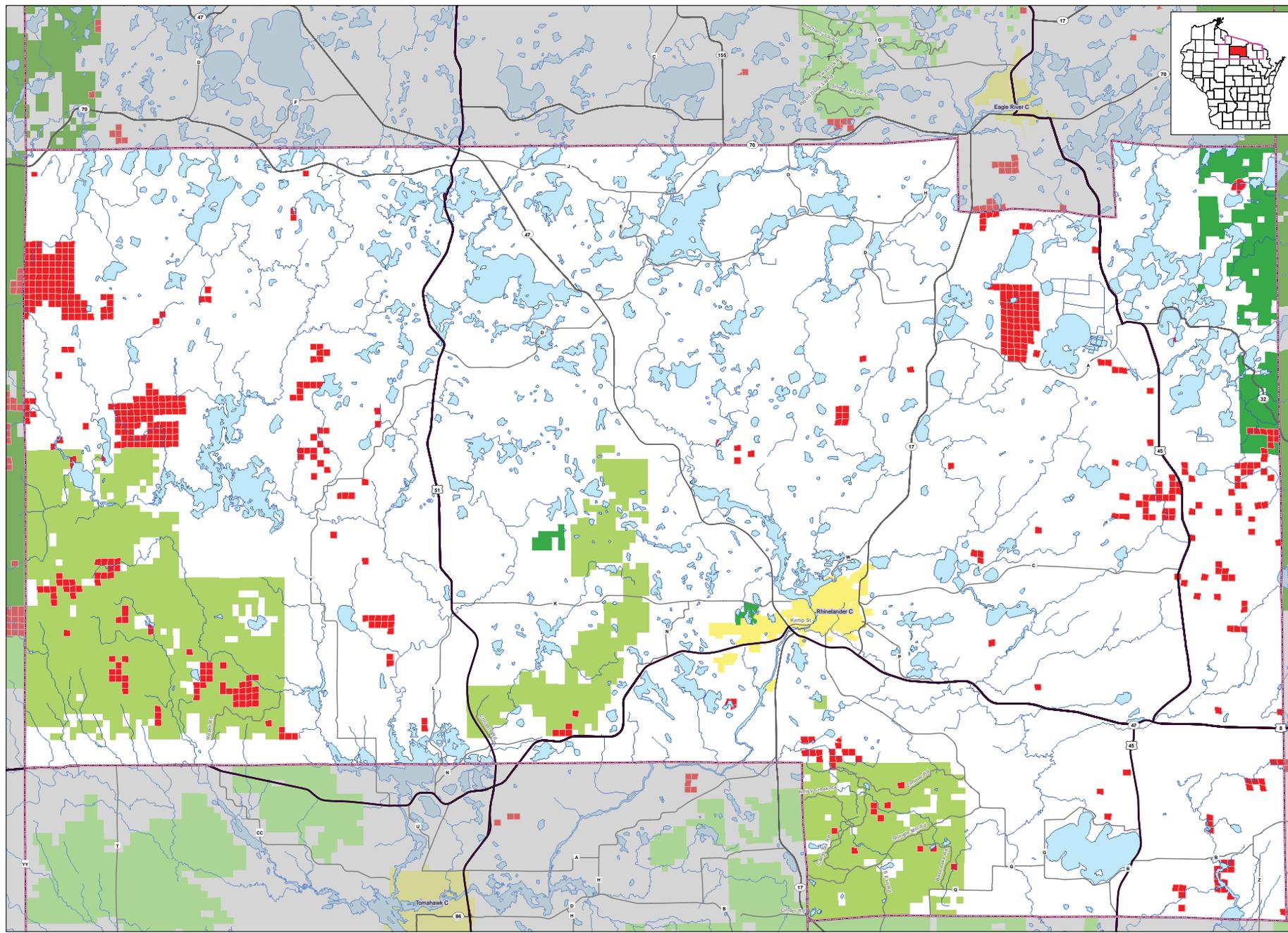
STATE PARKS AND TRAILS: Mapped are the boundaries of state parks and recreational areas parcels of public ownership or easement, along with state trails that contain public ownership.

STATE RIVERS AND TRAILS: Mapped are the boundaries of State Parks and Recreation area parcels of public ownership or easement.

STATE RIVERS AND RESOURCE AREAS: Mapped are the boundaries of state Wild River parcels of public ownership or easement.

STATE NATURAL AREAS: Mapped are the boundaries of State Parks areas parcels of public ownership or easement. Natural Areas are established in order to protect examples of all types of biotic communities and other significant natural resources within the State for education and research, and to secure long term protection for the State's general diverse natural resources.

CORPORATE LANDS: Mapped are other parcels of public ownership which fall under various management programs. These include selected lands administered by the US Army Corps of Engineers, the University of Wisconsin and other state agencies.



**BOARD MEETING
FEBRUARY 3, 2015**

**AGENDA ITEM 9
EXECUTIVE SECRETARY'S REPORT**

Strategic Planning Process

- ❖ Proposed for April

Past Meetings

- ❖ Steigerwaldt Land Services, Inc.
- ❖ US Forest Service
- ❖ Oneida County Economic Development Corporation
- ❖ Wisconsin County Forest Association

Future Meetings

- ❖ Wisconsin Towns Association District Meetings – 13 meetings in 2015

Legislation

- ❖ Changes in federal forfeiture policy and impact on Common School Fund
- ❖ Payment In Lieu of Taxes (PILT) on BCPL land exchanges/trades