

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
Dawn Marie Sass, Commissioner
J.B. Van Hollen, Commissioner
Tia Nelson, Executive Secretary
Tom German, Deputy Secretary
Scott Eastwood, Loan Analyst

Secretary of State
State Treasurer
Attorney General
Board of Commissioners of Public Lands
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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.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
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
TOTAL			\$3,552,164.00

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 Gbler 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.



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.