

Board Meeting Minutes  
June 1, 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 – MAY 18, 2010**

**MOTION:** Commissioner Van Hollen moved to approve the minutes; Commissioner Sass 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. Brown Deer<br>County of Milwaukee<br>Application #: 02010187<br>Purpose: Finance facility upgrades and energy saving projects                | School<br>Rate: 4.25<br>Filed: May 13, 2010  | \$1,200,000.00     |
| 2. Cedarburg<br>County of Ozaukee<br>Application #: 02010183<br>Purpose: Finance street reconstruction project                                  | City<br>Rate: 4.25<br>Filed: May 17, 2010    | \$800,000.00       |
| 3. Green Lake<br>County of Green Lake<br>Application #: 02010179<br>Purpose: Finance street reconstruction and sewer/water system projects      | City<br>Rate: 5.25<br>Filed: May 10, 2010    | \$1,397,094.00     |
| 4. Howard<br>Counties of Brown and Outagamie<br>Application #: 02010181<br>Purpose: Purchase land   | Village<br>Rate: 4.25<br>Filed: May 13, 2010 | \$783,355.75       |
| 5. Knowlton<br>County of Marathon<br>Application #: 02010184<br>Purpose: Purchase new dump truck and plow                                       | Town<br>Rate: 3.50<br>Filed: May 17, 2010    | \$75,000.00        |
| 6. Ladysmith<br>Counties of Price and Rusk<br>Application #: 02010182<br>Purpose: Refinance loans used for middle school boiler system upgrades | School<br>Rate: 4.25<br>Filed: May 10, 2010  | \$500,000.00       |

|              |   |  |                       |
|--------------|---|--|-----------------------|
| 7.           | Merton<br>County of Waukesha<br>Application #: 02010185<br>Purpose: Finance road projects   | Town<br>Rate: 4.25<br>Filed: May 17, 2010  | \$800,000.00          |
| 8.           | New Richmond<br>County of St. Croix<br>Application #: 02010186<br>Purpose: Finance street improvements                                      | City<br>Rate: 5.25<br>Filed: May 17, 2010  | \$1,069,000.00        |
| 9.           | Stratford<br>County of Marathon<br>Application #: 02010171<br>Purpose: Remodel and construct of high school and elementary school buildings | School<br>Rate: 4.25<br>Filed: May 7, 2010 | \$875,000.00          |
| 10.          | West Allis<br>County of Milwaukee<br>Application #: 02010180<br>Purpose: Finance sanitary sewer projects                                    | City<br>Rate: 4.25<br>Filed: May 13, 2010  | \$188,018.00          |
| 11.          | Whitestown<br>County of Vernon<br>Application #: 02010172<br>Purpose: Purchase tractor loader backhoe                                       | Town<br>Rate: 3.50<br>Filed: May 7, 2010   | \$34,000.00           |
| <b>TOTAL</b> |   |  | <b>\$7,721,467.75</b> |

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

**ITEM 4. LOAN LIMIT EXCEPTION – SCHOOL DISTRICT OF WHITEFISH BAY**

Board Chair La Follette explained that the school district is requesting approval to exceed the current \$5 loan limit by \$7 million. The school district currently has a \$1 million loan and the additional \$11 million will be used to renovate and improve the district’s school buildings. The improvements will include upgrading safety and security systems and structures, heating and ventilation systems, utilities, and handicap accessibility. Additionally, funds will be used towards constructing and equipping additions to the high school and elementary schools; and remodeling, equipping, and improving technology infrastructure.

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

**ITEM 5. PROPOSED LAND BANK SALES TO THE DNR – ONE STONE LAKE HEMLOCKS (S0922)**

**MOTION:** Commissioner Sass moved to approve the sale; Board Chair La Follette seconded the motion.

Commissioner Van Hollen noted that the Trust Lands proposed for sale have considerable lake frontage. He expressed concern that the appraisal was based on “raw acreage” rather than the amount and quality of lake frontage and asked about the quality of the lake frontage. Deputy Secretary German replied that the Trust Lands included in the proposed transaction are located on two lakes; Columbus Lake and One Stone Lake. The frontage on Columbus Lake is very swampy; One Stone Lake has good frontage but there is no direct public access. Mr. German noted that this lack of access impairs an owner’s ability to develop the property and significantly affected the appraisal of the property. Mr. German felt that the lack of access would also have a significant negative impact on price if the property was sold at a sealed bid auction.

Commissioner Van Hollen questioned whether access to the Trust Lands could be granted by either of the adjacent land owners (i.e., the DNR to the south and a private owner to the northeast). Deputy Secretary German

replied that it was unlikely the DNR would grant anything other than walk-in access across their property because it is designated as a State Wildlife Area. The private land owner to the northeast was currently unwilling to grant access.

Commissioner Van Hollen questioned whether the private land owner who is currently not willing to grant access to the Board, would be willing to grant access to a private individual. In such a situation, the Trust Land property may have more value to a private individual.

Board Chair La Follette then asked what options were available to the Board should they decide to pursue selling the property to a private entity. Deputy Secretary German replied that it would entail a sealed bid process, which the Board has used a number of times in the past couple of years. However, he also stated that when another governmental entity such as a state agency, county or municipality has expressed that certain Trust Lands are required for their needs, BCPL has worked on selling such lands directly to such governmental entity at or above the appraised value.

Board Chair La Follette asked Commissioner Van Hollen if he would like staff to do more research on the access issue regarding the parcels. Commissioner Van Hollen replied that while he did not want staff to work unnecessarily, he remained skeptical that the proposed purchase price accurately reflected the value of the property. Board Chair La Follette said he was comfortable with selling the property to the DNR at the proposed price because the DNR was willing to pay more than the appraised value despite the access issue.

On a final note, Deputy Secretary German pointed out that only the southern part of the Trust Lands involved in the proposed transaction would be impacted by access from the east because a wetland separated the southern part from the west and northern parcels.

Board Chair La Follette called for a vote on the agenda item.

**VOTE:** Board Chair La Follette and Commissioner Sass voted aye; Commissioner Van Hollen voted nay. The motion passed, 2-1.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the One Stone Lake Hemlocks Property to the Wisconsin Department of Natural Resources at the price of Five Hundred Seventy Eight Thousand One Hundred Fifty Dollars (\$578,150) 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**

Executive Secretary Nelson had nothing to report. Commissioner Sass reported that the State Treasurer's Office would be forwarding \$315,810 to the Common School Fund from the Unclaimed Property Program.

#### **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.