

Board Meeting Minutes
March 15, 2011

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:15 p.m. Commissioner Van Hollen was not available for the meeting.

Present were:

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

Secretary of State
State Treasurer
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands

ITEM 2. APPROVE MINUTES – March 1, 2011

MOTION: Commissioner Schuller moved to approve the minutes; Board Chair La Follette seconded the motion. The motion passed, 2-0.

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. Columbus Counties of Columbia, Dane and Dodge Application #: 02011123 Purpose: Finance school building renovations	School Rate: 3.75% Term: 10 years	\$425,000.00
2. Manawa County of Waupaca Application #: 02011122 Purpose: Purchase HVAC units	School Rate: 3.25% Term: 5 years	\$85,032.91
3. North Freedom County of Sauk Application #: 02011121 Purpose: Finance lagoon sludge removal and sewer pipe lining	Village Rate: 5.00% Term: 20 years	\$150,000.00
4. Waldo County of Sheboygan Application #: 02011119 Purpose: Refinance sewer project debt	Village Rate: 3.75% Term: 10 years	\$280,000.00
5. West Allis - West Milwaukee, Et. Al. County of Milwaukee and Waukesha Application #: 02011120 Purpose: Refinance other outstanding debt	School Rate: 3.25% Term: 5 years	\$2,500,000.00

6.	Wind Lake Management District	Lake District	\$300,000.00
	County of Racine	Rate: 3.75%	
	Application #: 02011118	Term: 10 years	
	Purpose: Finance lake alum treatment		

TOTAL \$3,470,032.91

MOTION: Commissioner Schuller moved to approve the loans; Board Chair seconded the motion. The motion passed, 2-0.

ITEM 4. LOAN LIMIT EXCEPTION FOR KENOSHA UNIFIED SCHOOL DISTRICT #1

The Kenosha School District is requesting an exception to the Board's \$5 million loan limit in order to apply for a \$9.52 million loan. The purpose of the loan is to refinance a general obligation promissory note that funded certain post-employment benefits to the District's employee and former employees.

MOTION: Commissioner Schuller moved to approve the exception; Board Chair La Follette seconded the motion. The motion passed, 2-0.

ITEM 5. PROPOSED LAND BANK SALES TO THE PUBLIC (S1116, S1117 and S1118)

Board Chair La Follette explained that ten parcels of Trust Lands totaling 399 acres in Price County would be made available to the public via sealed bid process.

MOTION: Commissioner Schuller moved to approve the public sales; Board Chair La Follette seconded the motion. The motion passed, 2-0.

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 determined by the independent appraisers as set forth above. Such sale(s) 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 such transaction(s).

ITEM 6. PROPOSED LAND EXCHANGE WITH DOUGLAS WAGNER (E1102)

MOTION: Commissioner Schuller moved to approve the land exchange; Board Chair La Follette seconded the motion.

DISCUSSION: Deputy Secretary German explained that the land exchange would convey an isolated 40 acre parcel of BCPL land in Marinette County to Douglas Wagner in exchange for a 40 acre in-holding within BCPL's main 3,000 acre Marinette County block.

VOTE: The motion passed, 2-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the exchange of the BCPL Property with Mr. Douglas Wagner in return for the Fruit Forty 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 7. PROPOSED SUBMERGED LAND LEASE – WE ENERGIES

MOTION: Commissioner Schuller moved to approve the lease; Board Chair La Follette seconded the motion.

DISCUSSION: Deputy Secretary German explained that WE Energies is the lakefront owner of certain properties on the shore of Lake Michigan in Port Washington. The company previously operated a coal burning power plant on the site and an adjacent portion of the bed of Lake Michigan served as docks for unloading and storing coal. The facility has now been converted into a natural gas plant and no longer needs the area for that purpose. WE Energies can no longer occupy those lakebed areas pursuant to Wis. Stats. 30.21. If those areas are to remain filled and occupied, WE Energies must obtain a submerged lands lease with BCPL.

The city of Port Washington officials have expressed an interest in having access to the lakefront so that a municipal park can be developed and to also provide lakefront access to the public. Now that those docks are no longer needed, WE Energies has agreed to sublease the land to the city for that purpose.

Commissioner Schuller asked if WE Energies had a lease. Deputy Secretary German replied that while they did not have a lease, they did have a license for the docks [pursuant to Wis. Stats. 30.21]. The license has expired since the original purpose for the lease has ended.

Board Chair La Follette asked why the city of Port Washington does not obtain a lease directly from BCPL. Deputy Secretary German explained that only the riparian owner, WE Energies, can obtain a submerged lands lease.

Board Chair La Follette asked what the annual lease amount would be. Deputy Secretary German said that since the property would be used for a city park, the rate would start at \$200 per year for each of the leases, which was a nominal administrative rate. He said it was his understanding that WE Energies would then sublease to the city at a lower rate.

VOTE: The motion passed, 2-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes a two (2) new fifty year Submerged Lands Lease with WE Energies in accordance with Section 24.39 of the Wisconsin Statutes with a beginning rental rate of Two Hundred Dollars (\$200.00) per year for each lease on such other 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 8. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that staff has discussed increasing the loan limit due to high cash reserves. She said staff would provide a resolution for the Board's consideration at the next board meeting that would give the Board Chair and Executive Secretary the authority to adjust the loan limit between board meetings similar to their authority to raise and lower interest rates.

ITEM 9. ADJOURN

MOTION: Commissioner Schuller moved to adjourn the meeting; Board Chair La Follette seconded the motion. The motion passed, 2-0.



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.