

Board Meeting Minutes
July 19, 2011

ITEM 1. CALL TO ORDER

Board Chair La Follette called the meeting of the Board of Commissioners of Public Lands to order at 2:00 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
Board of Commissioners of Public Lands
Board of Commissioners of Public Lands

ITEM 2. APPROVE MINUTES – July 5, 2011

MOTION: Commissioner Van Hollen moved to approve the minutes; Commissioner Schuller 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. Grafton Ozaukee County Application #: 02012001 Purpose: Finance UV disinfection project	Village Rate: 3.75% Term: 10 years	\$600,000.00
2. Greenbush Sheboygan County Application #: 02012002 Purpose: Purchase fire truck	Town Rate: 3.75% Term: 10 years	\$350,000.00
3. Union Grove UHS Kenosha and Racine Counties Application #: 02012003 Purpose: Finance school renovation	School Rate: 3.75% Term: 10 years	\$320,000.00
TOTAL		\$1,270,000.00

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

ITEM 4. EXTENSION OF TIME TO COMPLETE PROPOSED LAND BANK SALE TO THE UNITED STATES FOREST SERVICE (S1001, S1002, S1006, S1007, and S1108)

On August 17, 2010, The Board of Commissioners of Public Lands authorized the sale of approximately 1,253.58 acres of Trust Lands to the Forest Service in two phases for a total price of \$1,473,000. The sales prices were determined pursuant to an appraisal performed by Mr. William Steigerwaldt of Compass Land Consulting.

The Forest Service had proposed that both phases of the sale be completed by the end of September 2011. The first phase included 124.6 acres at a price of \$200,000, which was completed on schedule. The sales price for the Second Phase Property was set at \$1,273,000. However, the sale of the Second Phase Property has not yet been completed and the Forest Service does not believe it will be able to complete the transaction by the end of September 2011. The Forest Service has proposed extending the time to complete the transaction for an additional two years until the end of September 2013.

Pursuant to a request from BCPL staff, Mr. Steigerwaldt, who performed the 2010 appraisal, provided BCPL with an update with respect to local land values in Florence and Forest Counties. He has concluded that there has been no appreciation in the value of local vacant land since the 2010 appraisal. The sale price for the Second Phase Property would remain the same.

The Commissioners discussed the pros and cons of extending the option for two years and the fluctuation in property values that would likely occur during the extension period. Ultimately, the Commissioners agreed to extend the option for one year rather than two years.

MOTION: Commissioner Van Hollen moved to extend the option to September 20, 2012; Commissioner Schuller seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands ratifies the sale of the Second Phase Property to the United States Forest Service at a total purchase price of One Million Two Hundred Seventy-Three Thousand Dollars (\$1,273,000).

BE IT FURTHER RESOLVED, that the sale to the USFS shall be completed by September 30, 2012. 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 such transaction.

ITEM 5. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson reported that loan demand continues to be slow and staff may be requesting additional authority to invest in state and municipal bonds. She also reported that the city of Beloit had received financing from the State Trust Fund Loan Program for capital improvement projects. A check presentation to the city of Beloit was in the planning stages and more details would be forwarded to the Commissioners as they are finalized.

Commissioner Van Hollen excused himself from the meeting prior to adjournment.

ITEM 6. 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.