

Board Meeting Minutes
August 6, 2013

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

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ITEM 2. APPROVE MINUTES – JULY 16, 2013

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.

Municipality	Municipal Type	Loan Amount
1. Colfax Chippewa and Dunn Counties Application #: 02014024 Purpose: Finance energy efficiency projects	School Rate: 3.25% Term: 10 years	\$900,000.00
2. Coloma Waushara County Application #: 02014017 Purpose: Finance road construction	Village Rate: 2.75% Term: 10 years	\$175,000.00
3. Crandon Forest County Application #: 02014020 Purpose: Finance economic development project - Hometown Trolleys	City Rate: 3.75% Term: 19 years	\$400,000.00
4. Crandon Forest County Application #: 02014021 Purpose: Finance economic development project - Infinity Wood Floors	City Rate: 3.75% Term: 19 years	\$730,000.00

5.	Crandon Forest County Application #: 02014018 Purpose: Renovate building	School Rate: 2.75% Term: 10 years	\$977,451.00
6.	Cumberland Barron County Application #: 02014028 Purpose: Finance street reconstruction	City Rate: 2.75% Term: 10 years	\$520,000.00
7.	Eagle River Vilas County Application #: 02014012 Purpose: Refinance bank debt	City Rate: 3.25% Term: 10 years	\$165,000.00
8.	Footville Rock County Application #: 02014019 Purpose: Finance water tower maintenance	Village Rate: 2.75% Term: 10 years	\$225,000.00
9.	Lafayette Chippewa County Application #: 02014023 Purpose: Construct recreation building	Town Rate: 2.00% Term: 1 years	\$70,000.00
10.	Lakeside Douglas County Application #: 02014026 Purpose: Refinance bank debt	Town Rate: 2.00% Term: 2 years	\$44,659.98
11.	Lakeside Douglas County Application #: 02014027 Purpose: Refinance bank debt	Town Rate: 3.25% Term: 6 years	\$57,876.25
12.	Merton Waukesha County Application #: 02014013 Purpose: Finance road construction	Town Rate: 3.00% Term: 5 years	\$200,000.00
13.	Milton Rock County Application #: 02014022 Purpose: Finance highway repair	Town Rate: 2.00% Term: 2 years	\$68,900.00
14.	Montello Green Lake and Marquette Counties Application #: 02014014 Purpose: Finance building projects and van purchases	School Rate: 3.00% Term: 5 years	\$184,710.00

15.	Tomah Monroe County Application #: 02014015 Purpose: Finance ice arena expansion	City Rate: 2.75% Term: 10 years	\$400,000.00
16.	Tomah Monroe County Application #: 02014016 Purpose: Refinance BCPL loan #2005239	City Rate: 2.75% Term: 10 years	\$665,663.61
17.	Verona Dane County Application #: 02014011 Purpose: Finance economic development project	City Rate: 2.75% Term: 10 years	\$600,000.00
18.	Webster Burnett County Application #: 02014025 Purpose: Refinance library construction loan	Village Rate: 4.25% Term: 17 years	\$191,122.15
		TOTAL	\$6,575,382.99

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

ITEM 4. REQUEST TO EXPAND INVESTMENT AUTHORITY

Board Chair La Follette explained that staff was requesting to expand staff Trust Fund investment authority to include investments allowed by statute but not yet authorized by the Board and remove maximum investment amounts within investment categories.

The Board and staff discussed how and why the investment limitations were put in place. Staff explained that sometimes good opportunities arose on short notice to invest in bonds authorized by statute but which had not yet been discussed by the board. The recent offering and issuance of UW Hospital and Clinic bonds was cited as an example. The staff was now seeking authority to invest in other statutorily allowable bonds as long as such bonds had a rating of "A" or better from Moody's or other similar credit rating agencies.

MOTION: Commissioner Van Hollen was agreeable to granting the staff expanded investment authority but wanted the staff to report to the board on trust fund investments made outside the current authorizations for the purchase of state and municipal bonds. Commissioner Van Hollen made the following motion. Commissioner Schuller seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED that the Board of Commissioners of Public Lands authorizes staff to purchase any investment currently allowed for State Trust Fund investments within Section 24.61 of Wisconsin Statutes on condition that investments are limited to issuers or securities with a Moody's rating (or equivalent) of 'A' or better.

BE IT FURTHER RESOLVED that the current maximum bond investment limitations previously adopted by the Board are hereby removed. These expansions of investment authority are conditioned on the staff reporting at the next following board meeting on the purchase of any investment that would fall outside of the previously

adopted bond investment limitations. All purchases shall be made in accordance with Chapter 24 of the Wisconsin Statutes on such terms and conditions as the Executive Secretary determines to be reasonable and necessary. This purchase authority shall also include the authority to sell these bonds prior to maturity. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transactions.

ITEM 5. PROPOSED LAND BANK PURCHASE – CRANDON TIMBER (P1302)

MOTION: Commissioner Van Hollen moved to approve the proposed land bank purchase; Commissioner Schuller seconded the motion. The motion passed 3-0.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the purchase of the Property from Crandon Timber at the price not to exceed One Million Eight Hundred Seventy-Five Thousand Two Hundred Thirty Dollars (\$1,875,230) 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 purchase transaction.

ITEM 6. EXECUTIVE SECRETARY’S REPORT

Nothing to report.

ITEM 7. ADJOURN

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



Thomas P. German, Deputy 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.