

Board Meeting Minutes
July 7, 2015

Present were:

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| Doug La Follette, Commissioner | Secretary of State |
| Matt Adamczyk, Commissioner | State Treasurer |
| Brad Schimel, Board Chair | Attorney General |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Loan Analyst | Board of Commissioners of Public Lands |
| Vicki Halverson, Office Manager | Board of Commissioners of Public Lands |
| Randy Bixby, Land Records Archivist | Board of Commissioners of Public Lands |
| Denise Nechvatal, Accountant | Board of Commissioners of Public Lands |
| John Schwarzmann, Forestry Supervisor | Board of Commissioners of Public Lands |

ITEM 1. CALL TO ORDER

Board Chair Schimel called the meeting to order at 2:00 p.m.

ITEM 2. APPROVE MINUTES – JUNE 16, 2015 and JUNE 30, 2015

MOTION: Commissioner La Follette moved to approve the minutes; Board Chair Schimel seconded the motion.

DISCUSSION: None.

VOTE: Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted nay. The motion passed 2-1.

ITEM 3. APPROVE LOANS

Board Chair Schimel asked if the loans had been reviewed for public purpose. Executive Secretary Nelson confirmed they had.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Baldwin St Croix County Application #: 02015163 Purpose: Refinance GO refunding bonds	Village Rate: 3.25% Term: 9 years	General Obligation	\$440,000.00
2. Delavan-Darien Rock and Walworth Counties Application #: 02015168 Purpose: Finance operations	School Rate: 3.25% Term: 10 years	General Obligation	\$995,000.00
3. Ettrick Trempealeau County Application #: 02015169 Purpose: Purchase fire truck	Town Rate: 3.00% Term: 4 years	General Obligation	\$130,000.00
4. Fall Creek	Village	General Obligation	\$900,000.00

	Eau Claire County Application #: 02015157 Purpose: Finance Business Park East project	Rate: 3.75% Term: 20 years		
5.	Fall Creek Eau Claire County Application #: 02015158 Purpose: Purchase industrial park land	Village Rate: 3.75% Term: 20 years	General Obligation	\$500,000.00
6.	Fall Creek Eau Claire County Application #: 02015159 Purpose: Refinance BCPL loan #2014059	Village Rate: 3.75% Term: 18 years	General Obligation	\$273,853.99
7.	Fall Creek Eau Claire County Application #: 02015160 Purpose: Refinance BCPL loan #2010138	Village Rate: 3.75% Term: 15 years	General Obligation	\$113,397.25
8.	Fall Creek Eau Claire County Application #: 02015161 Purpose: Refinance BCPL loan #2015029	Village Rate: 3.75% Term: 19 years	General Obligation	\$272,175.93
9.	Fall Creek Eau Claire County Application #: 02015162 Purpose: Refinance BCPL loan #2014080	Village Rate: 3.75% Term: 18 years	General Obligation	\$236,649.96
10.	Harmony Rock County Application #: 02015165 Purpose: Finance road construction	Town Rate: 3.00% Term: 3 years	General Obligation	\$220,000.00
11.	La Crosse La Crosse County Application #: 02015164 Purpose: Finance TID #12 property acquisition	City Rate: 3.75% Term: 15 years	General Obligation	\$750,000.00
12.	Neenah Sanitary District #2 Winnebago County Application #: 02015171 Purpose: Finance sanitary sewer installation	Sanitary District Rate: 3.75% Term: 20 years	General Obligation	\$1,100,000.00
13.	Wagner Marinette County Application #: 02015166 Purpose: Purchase fire truck tank and accessories	Town Rate: 3.00% Term: 3 years	General Obligation	\$108,022.00

14.	Wagner Marinette County Application #: 02015167 Purpose: Purchase fire truck chassis	Town Rate: 2.50% Term: 2 years	General Obligation	\$51,978.00
15.	Wyocena Columbia County Application #: 02015170 Purpose: Finance road project	Town Rate: 2.50% Term: 1 year	General Obligation	\$164,000.00
			TOTAL	\$6,255,077.13

MOTION: Commissioner La Follette moved to approve the loans; Board Chair Schimel seconded the motion.

DISCUSSION: None

VOTE: The motion passed 3-0.

ITEM 4. DISCUSS ANNUAL REVIEW OF EXECUTIVE SECRETARY TIA NELSON

Board Chair Schimel said the Commissioners had conducted a closed session annual review of Executive Secretary Tia Nelson [on June 30] and that he had a written document summarizing the review from his perspective. He said he would distribute it to the other Commissioners and that they could submit their own summary if they wished. He added that it was a satisfactory review, again, from his perspective.

Commissioner La Follette commended Executive Secretary Nelson on her accomplishments. He was pleased with the goals she had outlined for the coming year and gave her his support.

Board Chair Schimel added that she had addressed concerns raised about timber management at the agency’s Mud Lake site and had developed an action plan to address them. She had also strengthened the agency’s relationship with SWIB (State of Wisconsin Investment Board) and developed a plan to implement prudent investor standards, should the Legislature grant the agency that authority. Commissioner Adamczyk said he disagreed with “a lot of different things.”

Board Chair Schimel asked that the topic be included on the next agenda to discuss additional comments that may be submitted by the other Commissioners.

ITEM 5. DISCUSS POSSIBLE COUNTY PARTNERSHIP FOR MANAGEMENT OF BCPL TRUST LANDS

Board Chair Schimel said Executive Secretary Nelson had sent the Commissioners a memo relating to conversations she had with some county forest managers, which included the potential for and cost of some counties managing BCPL Trust Lands. The legality of revenue sharing would need to be researched and answered before conversations with Oneida County could continue. He said he would find the answer to that question and distribute it to the Commissioners. He added that Forest County was not interested in managing BCPL’s land at this time. He said that 90% of the Board’s timber in Marinette County had been recently sold or harvested.

Commissioner Adamczyk referred to a 2004 Speaker’s Task Force [on Forestry] report that said BCPL should not be managing land. He said he was open to partnerships with the counties. If the counties were not interested in such an arrangement, he said the DNR could manage the Trust Lands. He felt the agency was spending too much money to manage the lands.

Commissioner La Follette doubted that arrangements could be made with all the counties that have Trust Lands within their borders. If arrangements were made with some counties, BCPL would still need staff to manage the other lands. He said that the counties would likely expect profit sharing [from timber revenue] and expect BCPL to cover costs incurred by county foresters to manage BCPL Trust Lands. He said consolidating the Trust Lands through exchanges and sales with the counties was a reasonable approach to gaining land management efficiencies. He urged the other Commissioners to think it through carefully.

Board Chair Schimel said the counties where BCPL has the most harvestable timberland are most likely the counties that would be interested in such an arrangement. This would result in BCPL managing outlying parcels that are the most difficult and expensive to manage. He said the Board may find this approach ineffective and retaining the most valuable lands and managing them the most efficient option. He said the Board should maintain good records of the process and outcome should future Commissioners ask the same question.

Commissioner Adamczyk asked if the DNR had managed BCPL land in the past. Executive Secretary Nelson believed there was such an arrangement during a two-year period in the 1970s. He said he understood that there would likely be costs associated with a county partnership but he expressed his concern about current agency expenses for the District Office in Lake Tomahawk.

ITEM 6. DISCUSS AND VOTE TO AUTHORIZE EXECUTIVE SECRETARY TO WRITE A REQUEST FOR PROPOSAL (RFP) TO ENGAGE A TIMBERLAND INVESTMENT ADVISOR TO DEVELOP RECOMMENDATIONS FOR OPTIMIZING LAND CONSOLIDATION AND TIMBER MANAGEMENT

Board Chair Schimel said options for optimizing land consolidation and timber management have been the topic of discussion at past board meetings. It may be beneficial for the Board to issue a request for proposal (RFP) to determine what it would cost for such advice.

Commissioner Adamczyk said he would not support a motion for the request for proposal at this time but may support it after more information was provided. Commissioner La Follette said he would support staff writing the RFP but he was reluctant to spend money on an advisor and felt that staff had made progress consolidating the Trust Lands. If hiring someone to manage the Trust Lands would be cost effective, Commissioner La Follette said he would support it.

Executive Secretary Nelson said the challenges with the agency's Land Bank Authority included statutory restraints and the length of time the process is currently taking. Staff estimated it would take perhaps another 15 years to consolidate 417 tracts of Trust Lands into a smaller number of tracts and, thus, a higher percentage of timber revenue-generating property. She said the two questions the agency needs answered include: 1) How to accelerate and optimize Trust Land consolidation to capture the full value of the land prior to sale? 2) How to optimize timber production and revenue generation? She believes that an independent timberland investor could help the agency determine how to achieve those objectives and then make recommendations to the Board.

Board Chair Schimel said he would defer action on the RFP and would discuss its priority with the Executive Secretary after the meeting. The topic may be included on a future agenda based on his conversation with the Executive Secretary.

ITEM 7. FUTURE AGENDA ITEMS

No future agenda items were suggested.

ITEM 8. EXECUTIVE SECRETARY'S REPORT

Executive Secretary Nelson said Deputy Secretary Tom German attended the Joint Finance Committee meeting on Monday where Representative Dale Kooyenga complimented BCPL on their participation in the Bucks Arena discussions and communicated the importance of the prudent investor standard.

ITEM 9. ADJOURN

MOTION: Commissioner La Follette move to adjourn; Board Chair Schimel seconded the motion.

The Board adjourned at 2:38 PM.



Tia Nelson, Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim.
Link to audio recording: ftp://doafpt1380.wi.gov/doadocs/BCPL/2015-07-07_BCPL-BoardMtgRecording.mp3