

Board Meeting Minutes
May 16, 2006

ITEM 1. CALL TO ORDER

Commissioner La Follette called the meeting of the Board of Commissioners of Public Lands to order at 10:45 a.m.. He noted that he and Commissioner Voight were present and that Commissioner Lautenschlager would arrive shortly.

Present were:

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| Doug La Follette, Board Chair | Secretary of State |
| Jack Voight, Commissioner | State Treasurer |
| Peg Lautenschlager, Commissioner | Attorney General (arrived at 11:00 a.m.) |
| Tia Nelson, Executive Secretary | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Michael Paus, District Office Administrator | Board of Commissioners of Public Lands |
| John Rader, Deputy State Treasurer | State Treasurer’s Office |
| Bob Hunter, Assistant Attorney General | Department of Justice |
| Denise Nechvatal | Board of Commissioners of Public Lands |
| Vicki Halverson | Board of Commissioners of Public Lands |

ITEM 2. APPROVE MINUTES - December 20, 2005; January 3 & 17; February 7 & 21; March 7 & 21; April 4 & 18; May 2, 2006

Board Chair La Follette stated that he had looked over the minutes and asked for a motion to approve the.

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

ITEM 3. APPROVE LOAN

<u>Municipality</u>	<u>Municipality Type</u>	<u>Loan Amount</u>
1. Adell	Village	\$600,000.00
County of Sheboygan	Rate: 5.00	
Application #: 02006123	Filed: April 17, 2006	
Purpose: Fund street reconstruction and utilities		

MOTION: Commissioner Voight moved to approve the loan; Board Chair La Follette seconded the motion. Board Chair La Follette asked if the loan had received legal review; Assistant Attorney General Bob Hunter replied that it had. The motion passed, 2-0.

ITEM 4A. TRUST LAND ITEMS – Land Bank Authority Exhibit 1 & 2

Board Chair La Follette explained that the land bank authority had been signed into law. He thanked Executive Secretary Nelson and the staff for their work. The Board’s staff have developed a list of criteria that would be used to purchase and sell land, an option form for land

acquisitions, and a Memorandum of Understanding with the DNR and DOA on the implementation of purchases and sales. They have asked the Board to approve the criteria list, the option form and the Memorandum of Understanding, in addition to directing the Executive Secretary to develop policies and procedures to implement the land bank authority. He asked for a motion.

MOTION: Commissioner Voight moved to approve the criteria list, the option form, the Memorandum of Understanding and to direct the Executive Secretary to develop policies and procedures to implement the land bank authority. Board Chair La Follette seconded the motion.

RESOLVED that the Board of Commissioners of Public Lands (the "Board") approves the criteria set forth in Exhibit 1 for the evaluation of sales and purchase of lands pursuant to the Land Bank Law.

FURTHER RESOLVED that the Board approves the use of the Option Form attached as Exhibit 2 by BCPL staff for the acquisition of land pursuant to the Land Bank Law.

FURTHER RESOLVED that the Board authorizes and directs the Executive Secretary to develop and execute an MOU with the DNR and DOA with respect to the implementation of the Land Bank Law.

FURTHER RESOLVED that the Board authorizes and directs the Executive Secretary to develop policies and procedures for the effective implementation of the Land Bank Law.

Commissioner Voight asked whether the exhibits had been reviewed by the other agencies (i.e., the DNR and DOA). Executive Secretary Nelson replied that the sales and purchase criteria have been shared with both agencies and the option form is very similar to the form used by the DNR. The purpose of the option form is to show BCPL's intent for the land purchase but the Board would have final approval of the purchase.

Board Chair La Follette stated that the list of criteria would be beneficial in helping the Board achieve its land consolidation and management goals. Executive Secretary Nelson added that the documents presented for the Board's review and approval would help establish guidelines, policies and procedures for the purchase and sale of Trust Lands. In addition, these documents would aid staff in prioritizing land to be sold and purchased. The options form will give staff a standard, legal means which can be used when negotiating with land owners. The agency's goal in developing an MOU is to have a framework with guidelines and policies that are clear but would also document how decisions have been made and why. Information can then be provided to the legislature in the future to show the success of the program and how the authority was used responsibly to achieve the objectives of the legislation.

Commissioner Voight asked for a copy of the map showing the nine county consolidation zone and the list of property designated for sale. Executive Secretary Nelson replied that she would forward those documents to him. She added that the concept paper provides a comprehensive overview of the program and its objectives.

Board Chair La Follette noted that Commissioner Lautenschlager had arrived. He gave an update of the meeting proceedings.

Commissioner Voight inquired about the length of time it may take to complete the land bank consolidation in the nine county area and what lands would be sold. Executive Secretary Nelson replied that the legislation was authorized and budgeted for four years at \$2 million per year. The consolidation plan would continue into the future but at some point the broad objectives of the plan will have been met. Board Chair La Follette asked if an update would be provided every six months. Executive Secretary Nelson replied that an activity report would be provided annually. She clarified to Commissioner Voight that land would be sold within the consolidation zone if it is natural quality area land. The goal is to have the DNR manage those lands. The BCPL would then replace those lands with working forests. Natural quality area lands within the consolidation zone would be sold as well as isolated or non-productive lands. All land outside the consolidation zone would be offered for sale.

The resolutions passed on a 3-0 vote.

ITEM 4B. i. SAWYER COUNTY SALE

Board Chair La Follette said he had reviewed the items presented for sale and purchase. He noted that they fit within the criteria. He asked for a motion to approve the Sawyer County sale for approximately 1400 acres.

MOTION: Commissioner Voight moved to approve the sale; Commissioner Lautenschlager seconded the motion. The motion passed, 3-0.

ITEM 4B. ii. FLORENCE COUNTY SALE

Board Chair La Follette said that this sale also fit the criteria and asked for a motion to approve it.

MOTION: Commissioner Lautenschlager moved to approve the sale; Commissioner Voight seconded the motion. The motion passed, 3-0.

ITEM 4B. iii. JACOBSON PROPERTY PURCHASE

ITEM 4B. iv. PLUM CREEK PURCHASE

ITEM 4B. v. AMERICAN TIMBERLANDS PURCHASE

ITEM 4B. vi. TYLER PROPERTY PURCHASE

Board Chair La Follette explained that the items were informational only and may be presented to the Board for approval at a future board meeting. Commissioner Voight asked about the funding source for land purchases. Executive Secretary Nelson replied that there would be two sources of funding. One source would be the DNR. The lands targeted for purchase by the DNR would include natural area lands and other lands within existing DNR project boundaries. The DNR is required by law to purchase \$2 million of the Board's Trust Lands per year for four years using funds from the Knowles-Nelson Stewardship Fund. The other source of funding would be from Trust Land sales.

Commissioner Voight asked if the criteria items listed in Exhibit 1 had equal value in evaluating lands for sale or purchase. Executive Secretary Nelson replied that staff had discussed the topic extensively and had agreed on a minimum threshold for criteria. She felt that the criteria should be weighted equally and that more than 50% of the criteria should be met, although staff had not

finalized that aspect of the evaluation process. She added that the purpose for the screening was to prioritize land acquisitions and sales. She reminded the Board that the legislation included criteria that consisted of increasing management efficiency, reducing forest fragmentation or increasing public access. Commissioner Lautenschlager expressed her desire to meet legislative intent without a burdensome process. She added that developing sub-criteria under the three legislative criteria could be used by staff to weigh the standards used in a land purchase. Board Chair La Follette said he viewed the criteria as a set of guidelines and would give staff discretion when evaluating property for purchase. Executive Secretary Nelson responded that a clear, documented process would be used and that the Board would have final approval on any land acquisitions or sales. The Board agreed that it was important to document all proposals, whether or not they resulted in an acquisition or a sale. They also agreed that any rejected proposals that were controversial should be presented to the Board.

ITEM 4B. vii. MARINETTE COUNTY EXCHANGE

Board Chair La Follette said the exchange allows access to and consolidation of Trust Lands.

MOTION: Commissioner Voight moved to approve the exchange; Commissioner Lautenschlager seconded the motion. The motion passed, 3-0.

ITEM 4C. EXCEPTION TO ATV POLICY FOR HANDICAP ACCESS

Board Chair La Follette gave a brief explanation of the agenda item. The DNR currently has a policy for handicap access on state lands. He said the Board's policy would mirror the DNR's policy and allow ATV access on Trust Lands to those individuals who possess a handicap permit.

MOTION: Commissioner Voight moved to adopt the resolution; Commissioner Lautenschlager seconded the motion.

RESOLVED, that the Board of Commissioners of Public Lands recognizes a limited exception to the general prohibition against All Terrain Vehicles on Trust Lands in favor of disabled persons with a documented disability who have received a permit to use motorized vehicles on DNR Lands.

FURTHER RESOLVED, that the Executive Secretary is authorized and directed to implement this policy with any reasonable restrictions she deems necessary and the Executive Secretary is authorized and directed to develop any forms necessary for the implementation of this policy.

Commissioner Voight asked about the cost of a permit and how long it would be valid. Deputy Secretary Tom German replied that it was an annual permit. He was unsure of the cost but believed it was nominal.

Assistant Attorney General Bob Hunter inquired about the enforcement of the permit and how violations would be managed. Commissioner Lautenschlager replied that local law enforcement authorities would have the power to enforce the permit. Despite the Board's policy of prohibiting ATV's on Trust Lands, she feels that allowing ATV access to individuals with disabilities was important.

Executive Secretary Nelson added that clarification needed to be given on whether the DNR has enforcement authority on BCPL Trust Lands when violations occur. Commissioner Lautenschlager replied that the Attorney General's office could provide a legal opinion if necessary.

The motion passed, 3-0.

ITEM 4D. INCREASE TIMBER PERMIT SALE MAXIMUM

Board Chair La Follette gave an explanation of the timber sale process. Timber sales with a large volume of timber are offered for sale using a sealed bid process. A permit timber sale consists of a smaller volume of timber and are offered directly to loggers. The price limit set for timber permit sales is adjusted in proportion to the market value of timber. Staff are recommending that the Board approve increasing the permit limit from \$9,000 to \$12,000.

MOTION: Commissioner Voight moved to raise the limit on timber permit sales to \$12,000; Commissioner Lautenschlager seconded the motion.

Commissioner Voight asked if the increase would affect the demand. Executive Secretary Nelson replied that timber permit sales are utilized when timber on a small tract of Trust Lands is ready for harvest but, due to the small volume of timber, a sealed bid timber sale may not result in any bids. Commissioner Lautenschlager expressed her aversion to no bid contracts and asked the rationale and justification for the permit. District Office Administrator Michael Paus explained that if a timber sale is being conducted adjacent to Trust Lands, the timber permit sale option gives staff the opportunity to offer timber that is ready for harvest on that parcel to the logger.

The motion passed, 3-0.

ITEM 5. ADJOURN

Commissioner Lautenschlager moved to adjourn the meeting; Commissioner Voight 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.