



Douglas La Follette, *Secretary of State*
Kurt Schuller, *State Treasurer*
J.B. Van Hollen, *Attorney General*
Tia Nelson, *Executive Secretary*

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Managing Wisconsin's trust assets for public education.

AGENDA

December 20, 2011

2:00 P.M.

Board of Commissioners of Public Lands
125 S. Webster Street, Room 200
Madison, Wisconsin

1. Call to Order
2. Approve Minutes – December 5, 2011
3. Approve Loans
4. Request to Increase Bond Purchase Authority
5. Proposed Land Sale to Greg Misfeldt (S0937)
6. Proposed Property Gift from Judith & David Robertson (G1201)
7. Executive Secretary's Report
8. Adjourn

**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 2
APPROVE MINUTES**

Attached for approval are the minutes from the December 5, 2011, board meeting.

Board Meeting Minutes
December 5, 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 | Secretary of State |
| Kurt Schuller, Commissioner | State Treasurer |
| J.B. Van Hollen, Commissioner | Attorney General |
| Tom German, Deputy Secretary | Board of Commissioners of Public Lands |
| Richard Sneider, Loan Analyst | Board of Commissioners of Public Lands |

ITEM 2. APPROVE MINUTES – November 15, 2011

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

ITEM 3. APPROVE LOANS

Deputy Secretary German said the loans had received legal review.

Municipality	Municipal Type	Loan Amount
1. Crawford Crawford County Application #: 02012050 Purpose: Finance courthouse remodeling	County Rate: 3.75% Term: 10 years	\$375,000.00
2. Dunn Dane County Application #: 02012051 Purpose: Finance road reconstruction	Town Rate: 3.25% Term: 5 years	\$240,000.00
3. Germantown Washington County Application #: 02012052 Purpose: Finance razing of old school building	School Rate: 3.25% Term: 2 years	\$100,000.00
4. Howards Grove Sheboygan County Application #: 02012057 Purpose: Finance TID #2 projects	Village Rate: 3.75% Term: 10 years	\$414,000.00
5. Lakeshores Library System Racine and Walworth Counties Application #: 02012054 Purpose: Finance lease termination payment	Federated Library System Rate: 3.25% Term: 5 years	\$150,000.00
6. Mukwonago Waukesha County Application #: 02012058 Purpose: Construct salt shed	Town Rate: 3.75% Term: 10 years	\$230,000.00

7.	Pecatonica Area Dane, Iowa and Lafayette Counties Application #: 02012061 Purpose: Refinance prior service pension liability	School Rate: 4.25% Term: 10 years	\$900,000.00
8.	Reedsburg Sauk County Application #: 02012056 Purpose: Finance TIF #5 projects	City Rate: 3.75% Term: 10 years	\$300,000.00
9.	River Falls Pierce and St. Croix Counties Application #: 02012059 Purpose: Finance land purchases and building renovations	City Rate: 3.75% Term: 10 years	\$2,420,000.00
10.	Summit Waukesha County Application #: 02012055 Purpose: Refinance prior service pension liability	Village Rate: 3.75% Term: 5 years	\$72,290.00
11.	Vinland Winnebago County Application #: 02012060 Purpose: Purchase fire truck	Town Rate: 3.75% Term: 10 years	\$290,000.00
12.	Waupaca Waupaca County Application #: 02012053 Purpose: Finance road reconstruction	City Rate: 3.75% Term: 10 years	\$710,000.00
TOTAL			\$6,201,290.00

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

ITEM 4. DEPUTY SECRETARY'S REPORT

Deputy Secretary German reported that two land transactions would likely be on the next board agenda – a gift of property from an individual and a Trust Land sale.

ITEM 5. 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 tape may do so at the Board of Commissioners of Public Lands, 125 S. Webster Street, Suite 200, Madison, Wisconsin.

**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 3
APPROVE LOANS**

Municipality	Municipal Type	Loan Amount
1. Brown Deer Milwaukee County Application #: 02012066 Purpose: Purchase plow truck	Village Rate: 3.25% Term: 5 years	\$277,000.00
2. Combined Locks Outagamie County Application #: 02012065 Purpose: Purchase capital equipment and vehicles	Village Rate: 3.75% Term: 10 years	\$630,000.00
3. Menasha Calumet and Winnebago Counties Application #: 02012064 Purpose: Refinance other outstanding debt	City Rate: 3.75% Term: 10 years	\$900,000.00
4. Saukville Ozaukee County Application #: 02012063 Purpose: Purchase dump truck and HVAC equipment	Village Rate: 3.75% Term: 10 years	\$233,000.00
5. Sheboygan Falls Sheboygan County Application #: 02012062 Purpose: Refinance other outstanding debt	Town Rate: 3.25% Term: 5 years	\$533,922.04
TOTAL		\$2,573,922.04

**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 4
REQUEST TO INCREASE BOND PURCHASE AUTHORITY**

Description of Request

BCPL staff is requesting that the Board increase the staff investment authority in State of Wisconsin general obligation bonds from \$125 million to \$150 million.

Summary Explanation

The Board previously granted BCPL staff the authority to invest up to \$125 million in State of Wisconsin General Obligation Bonds, \$25 million in State of Wisconsin Revenue Bonds, and \$75 million in bonds issued by Wisconsin municipalities and school districts rated Aa or higher.

Staff has been successful in purchasing approximately \$121 million State General Obligation Bonds and there is \$4 million remaining in this specific investment authority. Increasing staff authority for bond investments will provide BCPL with the ability to take advantage of additional opportunities to reduce cash holdings and improve portfolio returns within acceptable risk parameters.

Analysis

BCPL currently manages approximately \$875 million in trust fund assets – of which approximately \$588 million is invested in BCPL State Trust Fund Loans to municipalities and school districts, \$212 million is invested in bonds, and \$75 million is invested in State Investment Fund (SIF).

The addition of state and municipal bonds to the Trust Fund investment portfolios has improved earnings and increased diversification. One measure of this diversification is that BCPL now holds 92 separate municipal bonds issued by 40 different communities throughout Wisconsin.

Demand for State Trust Fund Loans continues to be limited, with average demand during the last 6 months of 2011 at \$4.7 million per month. While staff is currently developing programs to utilize the new revenue loan authority provided BCPL, the overall impact of this new loan type on production volume is unknown. If demand remains stable at the reduced levels of today, new loans originated during 2012 will likely total less than \$60 million.

There is currently about \$75 million of Trust Fund principal held in SIF earning nominal interest. Staff expects \$30 million in Trust Fund Loan prepayments during January 2012 and \$50 million in scheduled loan principal payments in March 2012. These figures indicate that total funds available for investment may reach \$150 million during the first quarter of 2012. Purchasing additional state general obligation bonds is an appropriate and prudent investment that will make funds (that would otherwise be invested in SIF) work harder for Trust Fund beneficiaries.

Proposed Resolution

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands authorizes the purchase of up to Twenty-Five Million Dollars (\$25,000,000) of additional State of Wisconsin General Obligation Bonds 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 be in addition to any previous authority granted by the Board of Commissioners of Public Lands and 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

**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 5
PROPOSED LAND SALE TO GREG MISFELDT (S0937)**

Staff is requesting authority to convey a 40 acre landlocked parcel of BCPL land in Chippewa County through private sale to Mr. Greg Misfeldt.

BCPL staff recommends the sale of the Property to Greg Misfeldt for the following reasons:

- The Property was offered for sale by sealed bid on November 10, 2009, in accordance with ss24.10 (2) and had no bidder; it remains unsold.
- Mr. Misfeldt has made application to purchase the Property under ss24.15.
- Mr. Misfeldt has offered to pay the appraised value for the Property.
- The sale of the Property to Mr. Misfeldt would allow BCPL to convey one of the last three remaining properties in Chippewa County, which would help BCPL reduce its ownership in one more county outside of the Consolidation Zone.
- Sale of the Property would provide BCPL with funds to purchase other lands that would provide better access to its existing lands, produce timber revenue, improve management efficiency, reduce forest fragmentation, or all of the above;

Attachments:

Resolution w/Exhibits

Exhibit A - BCPL Sale Criteria

Exhibit B - Appraisal Certificate

Exhibit C – Brod Appraisal Services letter

BCPL Project Map

**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 5
PROPOSED LAND SALE TO GREG MISFELDT (S0937)**

RECITALS

- A. BCPL owns a 40 acre landlocked parcel of land located in the Town of Eagle Point, Chippewa County described as the SW ¼ of the NW ¼ (SWNW) of Section Thirteen (13), Township Thirty (30) North, Range Eight (8) West (Parcel "A").
- B. Parcel A is one of three remaining BCPL parcels in Chippewa County. Chippewa County is outside of BCPL's Consolidation Zone.
- C. Parcel A has been evaluated by BCPL staff against criteria previously adopted by the Board and has been determined by BCPL staff to be appropriate for sale according to such criteria. A copy of the summary analysis for Parcel A is attached to this resolution as Exhibit A.
- D. Parcel A was independently appraised in June 2009 by Brod Appraisal Services, LLC at a value of \$1,100 per acre for a total value of \$44,000. A copy of the Certification of Appraisal of Parcel A is attached as Exhibit B.
- E. At its October 6, 2009, board meeting, the Board of Commissioners of Public Lands authorized the public sale of Parcel A by sealed bid at a minimum price of \$44,000.
- F. Parcel A was offered for sale to the public via a sealed bid auction on November 10, 2009, in accordance with Chapter 24 of the Wisconsin Statutes.
- G. BCPL received no sealed bids on Parcel A at that time and it remains the property of BCPL today.
- H. Since BCPL had offered Parcel A for sale by sealed bid but received no offers at that time, BCPL may, pursuant to Wis. Stats. Section 24.15, sell Parcel A to a private person offering to pay the minimum purchase price and comply with the terms of the public sale.
- I. Mr. Greg Misfeldt has applied to BCPL to purchase Parcel A at the price of \$44,000 which was the minimum bid price in public sale in 2009.
- J. Brod Appraisal Services, LLC has issued a letter to BCPL opining that the fair market value of Parcel A has not increased since the date of the 2009 appraisal. A copy of the letter is attached as Exhibit C.
- K. BCPL staff recommends the sale of Parcel A to Mr. Greg Misfeldt at the price of \$44,000.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the sale of Parcel A to Mr. Greg Misfeldt at the price of \$44,000 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.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property Sale

Item 5
Exhibit A

Common Name for Land Parcel Howe Lake

County Chippewa Township Eagle Point

Legal Description SWNW, S13, T30N, R8W

Eagle Point Township, Chippewa County, Wisconsin

Transaction ID# (from Accountant) S0937

Sale Criteria

1. Title

- Ownership verified with Register of Deeds
 Title appears merchantable

2. Timber Management

- Parcel is located outside of Consolidation Zone
 Parcel is an isolated or unproductive parcel within the Consolidation Zone
 Parcel is a deferred natural area

3. Access

- Parcel does not provide the only reasonable access to other BCPL parcels that will be retained.
 If parcel does provide the only reasonable access to other BCPL parcels to be retained, a public access easement across the parcel has been reserved.
 Parcel has no current access

4. Parcel Required By Other Government Entity

- The parcel is located within a project boundary of another government agency or adjacent to a parcel of land owned by another unit of government.
 Parcel is otherwise required by another unit of government.

I recommend that BCPL sell the above property on terms and conditions acceptable to BCPL:

- Yes
 No


Signature of Forest Land Supervisor

3/12/09
Date

I accept the recommendation of the Trust Lands Forestry Supervisor and direct the staff to proceed accordingly.

- Yes
 No


Executive Secretary

April 21, 09
Date

CERTIFICATION OF THE APPRAISAL

The undersigned appraiser does hereby certify that, except as otherwise noted in the appraisal report:

The subject property was inspected on June 04, 2009. The subject property and all sales are land locked parcels. All sales were inspected by aerial photography and topography mapping.

To the best of my knowledge and belief, the facts and data cited in this report, upon which the analysis, conclusions and opinions expressed herein are based, are true and correct.

The reported analyses, opinions and conclusions represent my best and unbiased judgment and the reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and legal instructions.

I have no present or contemplated future interest in the real estate that is the subject matter of this appraisal report or personal interest or bias with respect to the parties involved. Also, I have not discussed the matter of price or value with the owner or his/her representative.

Neither the employment nor the compensation for this report is contingent upon the analyses, opinions and conclusions contained within this report.

The appraisal was made and the appraisal report prepared in accordance with Standards 1 and 2 of the Uniform Standards of Appraisal Practice (USPAP).

The interest appraised in this report is fee simple. Subject to known reversions and/or limiting conditions as stated in this report.

I did not receive any significant professional assistance in the development of the analyses, opinions and conclusions contained in this report.

Terry Hess, Real Estate Specialist and Forester, accompanied the appraiser during an inspection of the property. The subject property was inspected on June 04, 2009.

In my opinion, the market value of the described real estate, subject to conditions stated in the legal description, is:

\$44,000 as of June 04, 2009.

Appraised Subject Value/Valuation Date

Signed: Jolene M. Brod 8/5/09
Jolene M. Brod Date Report Submitted
Wisconsin Certified General Appraiser #1339

December 5, 2011

To: Terry Hess, Real Estate Specialist/Forester
From: Jolene Brod, WCGA #1339
Subject: Update to the original appraisal of a 40 acre tract owned by WBCPL

The original appraisal dated June 4, 2009 consisted of 40 unimproved acres with the following legal description:

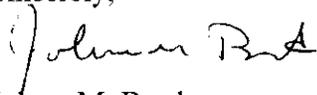
Township 30 North, Range 8 West, Township of Eagle Point, Chippewa County, Wisconsin
Section 13: The SW $\frac{1}{4}$ NW $\frac{1}{4}$

On December 2, 2011 you requested that I review my report in light of current market conditions. I searched for land locked sales in Chippewa County and the surrounding counties of Barron, Dunn, Eau Claire, Clark, Taylor and Rusk. Two sales were found that have occurred since the original appraisal. Both sales showed a decrease in the per acre value of land locked sales since the June 4, 2009 effective date.

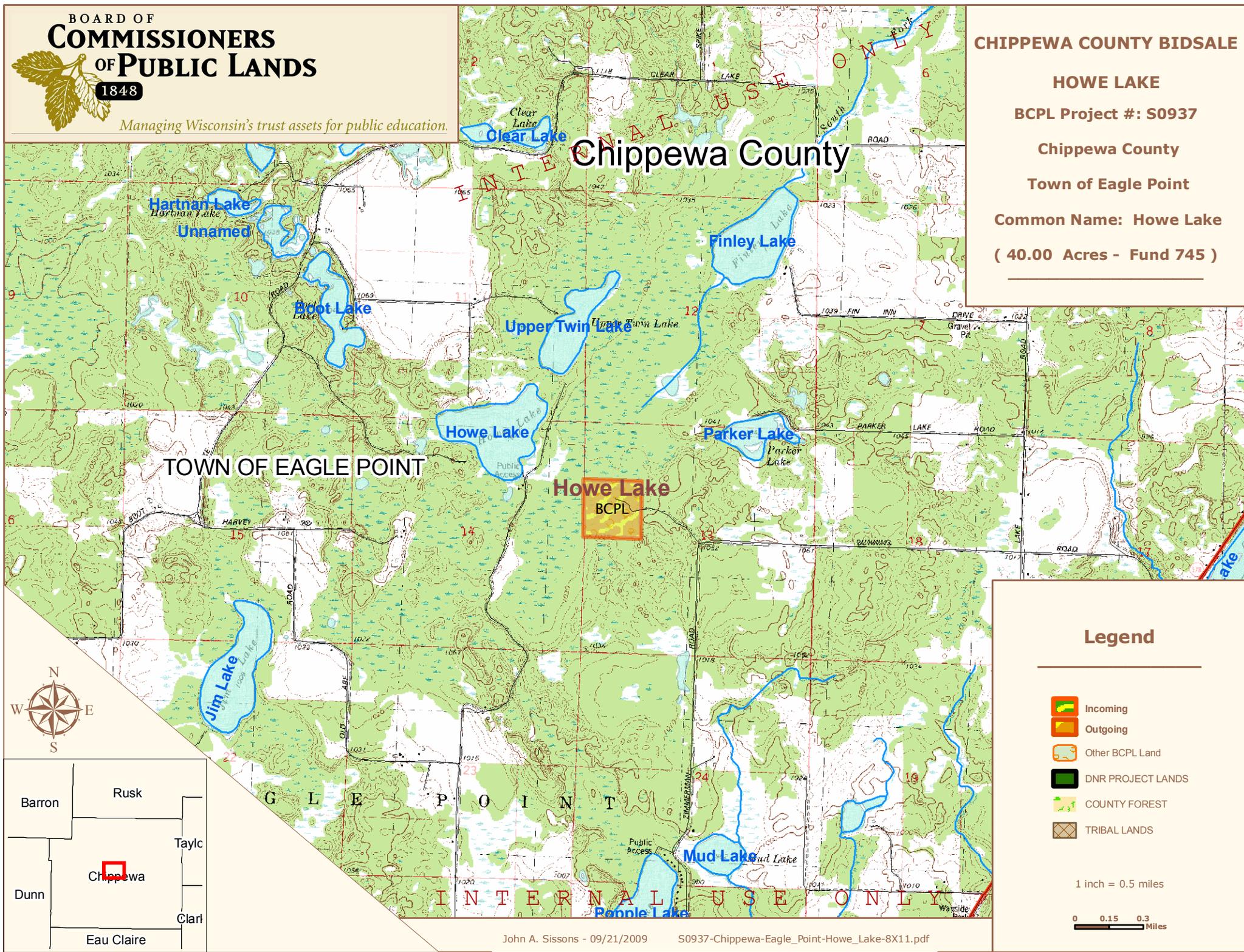
I then analyzed the two new sales and new market data along with Sales 1, 2 and 4 of the original report of the subject property. The estimated value of \$44,000 falls within the upper range of the adjusted market sales.

If you have any further questions please feel free to contact me.

Sincerely,



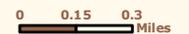
Jolene M. Brod
Brod Appraisal Service, LLC



Legend

-  Incoming
-  Outgoing
-  Other BCPL Land
-  DNR PROJECT LANDS
-  COUNTY FOREST
-  TRIBAL LANDS

1 inch = 0.5 miles



**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 6
PROPOSED PROPERTY GIFT
FROM JUDITH AND DAVID ROBERTSON (G1201)**

Staff is requesting authority to accept a gift of 1.8 acres of land located in Oneida County for the benefit of the Normal School Fund.

BCPL staff recommends the receipt of the property from Judith and David Robertson for the following reasons:

- The incoming property is adjacent to 80 acres of existing BCPL property. The incoming property would block well with BCPL's existing property and would improve management efficiency by reducing boundary line work.
- This property gift would provide BCPL with the ownership of the entire lakeshore of Lassig Lake and improve public access to a 6 acre drainage lake.
- The gift would enhance the value of existing BCPL property at very little expense to the agency.

Attachments:

Resolution

Gift Summary Analysis

BCPL Project Map

**BOARD MEETING
DECEMBER 20, 2011**

**AGENDA ITEM 6
PROPOSED PROPERTY GIFT
FROM JUDITH AND DAVID ROBERTSON (G1201)**

RECITALS

- A. BCPL owns an 80 acre parcel of land located in Oneida County described as the NE ¼ of the NW ¼ (NENW) and the NW ¼ of the NW ¼ (NWNW) of Section thirty-one (31), Township thirty-six (36) North, Range Nine (9) East (the BCPL Parcel). The BCPL Parcel is Normal School Property and contains most of the frontage on Lassig Lake.
- B. Judith and David Robertson (Collectively, “Robertson”) own an adjoining 1.8 acre parcel which also contains frontage on the Southern shore of Lassig Lake (the “Robertson Parcel”). The Robertson Parcel is described as part of the SE ¼ of the NW ¼ (SE ¼ of the NW ¼) of Section Thirty-one (31), Township Thirty-six (36) North, Range Nine (9) East.
- C. Robertson has proposed to gift the Robertson Parcel to BCPL for the benefit of the Normal School Fund.
- D. The Robertson Parcel would block well with the BCPL Parcel and give BCPL ownership of the entire Lassig Lake shore line and provide additional public access opportunities.
- E. The Robertson Parcel has been assessed by Oneida County at a value of \$6,300.
- F. The gift of the Robertson Parcel to BCPL would allow Robertson to take a charitable deduction to offset capital gains income.
- G. BCPL staff has determined that accepting the Robertson Parcel as a gift to the Normal School Fund would be appropriate as the Parcel would block well with existing BCPL lands, improve public access and reduce management expenses. For these reasons, BCPL staff recommends approval of this proposed gift.

NOW, THEREFORE BE IT RESOLVED, that the Board of Commissioners of Public Lands approves the gift of the Robertson Parcel from Judith and David Robertson to BCPL for the benefit of the Normal School Fund 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.

Board of Commissioners of Public Lands
Summary Analysis of Potential Property ~~Purchase~~ *GIFT*
Transaction ID#: Y61201

County: Oneida Township: Pelican
Legal Description: Part of the SENW, of Section 31, T36N, R9E, Lying North of Lassig Road
Acres: 1.8
Parcel ID Number: PE-439
Previous Year Tax Levy: \$84.63
Name(s) of Seller(s): Judith & David Robertson
Address of Seller(s): 1110 W Beal Road
Flagstaff, AZ 86001
Seller Phone #: (928) 649-5815
Seller's Attorney or Agent: _____
Contact Information: _____

Seller's Attorney or Agent Phone Number(s): (_____) _____
Asking Price: \$0.00

Summary Analysis of Potential Property ~~Purchase~~ *Gift*
Transaction ID#: 161201

Acres of productive forest land in parcel(s): 0 acres
Acres of non productive land in parcel(s): 1.8 acres
Acres of land with public access in parcel(s): 1.8 acres
Acres of land without public access in parcel(s): 0 acres
Acres of current BCPL land that will become accessible to the public through parcel(s): 0 acres
Acres of our current BCPL land that will become accessible for timber management purposes through parcel(s): 0 acres

Comments (parcel cover type or other attributes of parcel or transaction):
This parcel blocks well with BCPL's existing 80 tract to the north, it transfers ownership of the remainder of the lake frontage of Lassig Lake, a 6 acre lake, to BCPL, providing the public an easy access point to the lake, and it will decrease line work on future timber sales.

Summary Analysis of Potential Property Purchase *GIFT*
Transaction ID#: *#G1201*

Purchase Criteria

1. Forest Fragmentation

- Average tract size increases
- The ratio of perimeter to area decreases
- There is a clear reduction of the threat for conversion from forest to non-forest use

2. Access

- Management access to our existing timber tracts is improved
- There is an increase in the number of BCPL acres open to the public

3. Management Efficiency

- The percentage of upland on BCPL properties increases
- The amount of line work per acre decreases
- The average distance from the tracts to the BCPL field office decreases

4. Timber Character and Value

- The average site index of forest soils on BCPL property increases
- Within one cutting cycle there is an increase in the potential high value sawlog volume and growth, on the tract
- There is an increase in the forest types and species that diversify the BCPL's timber portfolio
- There is an increase in the number of acres and size of tracts where the BCPL has summer logging opportunities

I recommend that BCPL purchase the above property on terms and conditions acceptable to BCPL:

- Yes
- No


Trust Lands Forestry Supervisor

11/14/11
Date

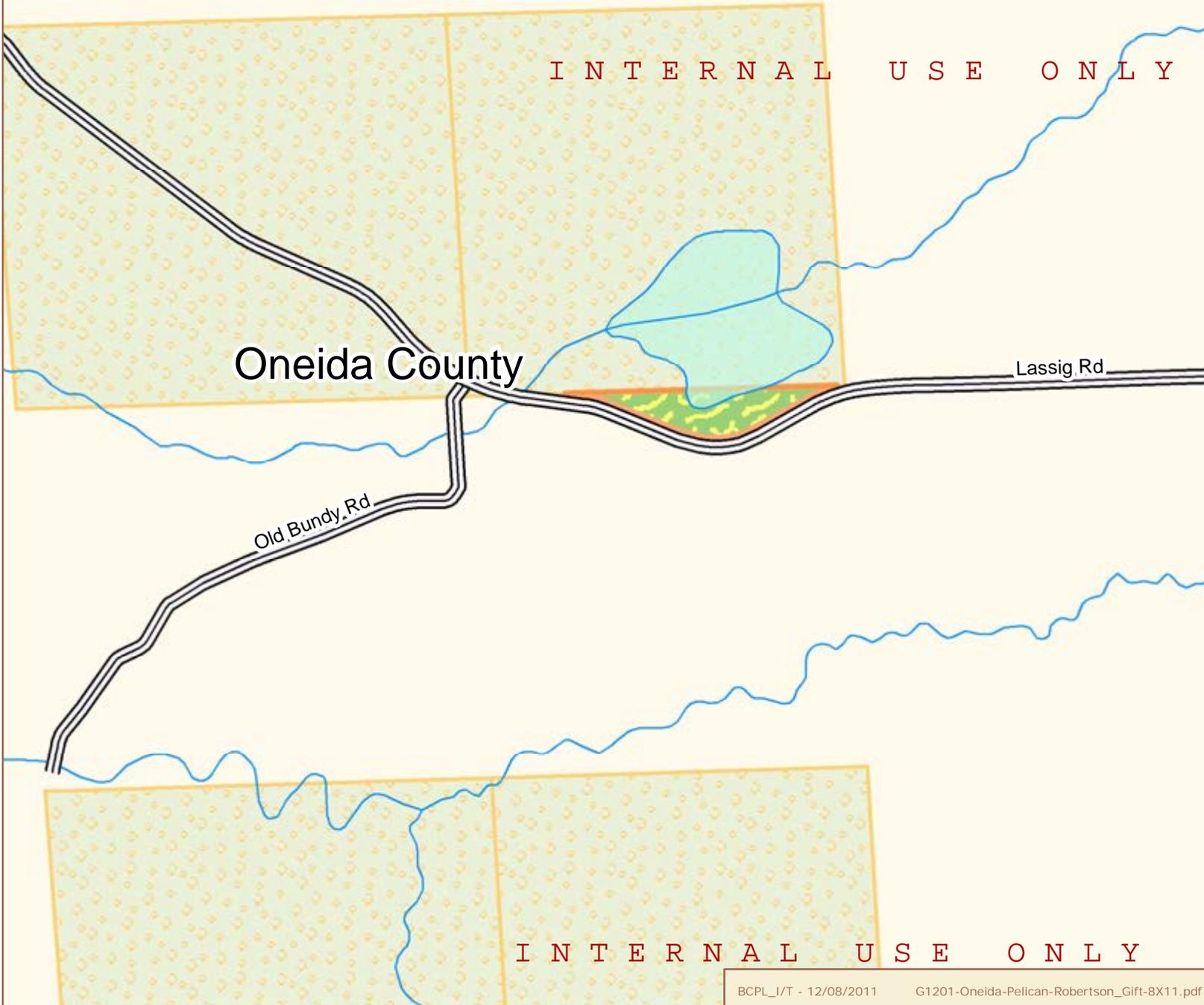
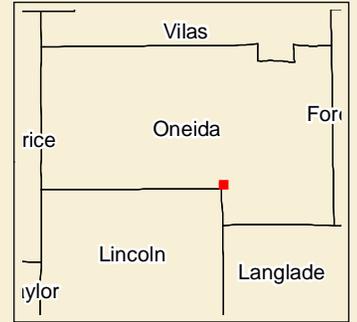
I accept the recommendation of the Trust Lands Forestry Supervisor and direct the staff to proceed accordingly.

- Yes
- No


Executive Secretary

12/7/11
Date

ROBERTSON GIFT



BCPL Project #: G1201

County: Oneida

Town: Pelican

Common Name

Robertson Gift

Acres - 1.8

Fund 745



-  Incoming
-  Other BCPL Land

