

Board Meeting Minutes  
October 20, 2009

**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:

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| Doug La Follette, Board Chair          | Secretary of State                     |
| J.B. Van Hollen, Commissioner          | Attorney General                       |
| Dawn Marie Sass, Commissioner          | State Treasurer                        |
| Bob Hunter, Assistant Attorney General | Department of Justice                  |
| Tia Nelson, Executive Secretary        | Board of Commissioners of Public Lands |
| Tom German, Deputy Secretary           | Board of Commissioners of Public Lands |
| Scott Eastwood, Loan Analyst           | Board of Commissioners of Public Lands |

**ITEM 2. APPROVE MINUTES – October 6, 2009**

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

**ITEM 3. APPROVE LOANS**

Bob Hunter said that the loans had received legal review.

<u>Municipality</u>	<u>Municipal Type</u>	<u>Loan Amount</u>
1. Raymond County of Racine Application #: 02010065 Purpose: Purchase end loader	Town Rate: 3.50 Filed: October 6, 2009	\$50,000.00
2. Suring County of Oconto Application #: 02010067 Purpose: Finance public works project	Village Rate: 3.50 Filed: October 6, 2009	\$300,000.00
3. Town of Rubicon Sanitary District # 1 County of Dodge Application #: 02010066 Purpose: Construct pump station, forcemains and sewer mains	Sanitary District Rate: 5.50 Filed: October 6, 2009	\$1,000,000.00
4. Waterloo County of Jefferson Application #: 02010068 Purpose: Finance public works project	City Rate: 4.50 Filed: October 6, 2009	\$1,220,000.00
5. Watertown County of Dodge and Jefferson Application #: 02010069 Purpose: Fund TID #5 development	City Rate: 5.50 Filed: October 13, 2009	\$2,500,000.00
<b>TOTAL</b>		<b>\$5,070,000.00</b>

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

**ITEM 4. LOAN LIMIT EXCEPTION REQUEST – City of Menasha**

Commissioner Van Hollen asked why the Board recently lowered the loan limit and now staff is recommending granting an exception to that limit. Executive Secretary Nelson said that this was an unusual circumstance in that the city needed to secure financing by November 2009 but would not draw the funds until March 2010, at which time annual payments on Trust Fund Loans would be received; thus, ensuring adequate funds for the draw. In addition, it is likely that the loan limit would be increased in March because Trust Fund Loan payments would raise available funds for lending. She was comfortable recommending the exception to the Board given those factors.

Commissioner Van Hollen asked about the risk to the Board should the city default on the loan. Staff explained that the law allows the interception of state aid in the case of default.

Commissioner Van Hollen expressed concern that a previously approved loan for the city totaling \$7 million had not yet been drawn and they were requesting more funds. These funds were being held for them at a time when they could have been loaned out to other entities and earning a higher rate of return. Executive Secretary Nelson replied that the city would be required to draw those funds as a condition of the loan limit exception request. Board Chair La Follette asked if a policy was in place that imposes a time limit for withdrawal of approved loans. Executive Secretary Nelson replied that current guidelines require a loan to be drawn with 12 months. She and staff are deliberating shortening the withdrawal period due to increased loan demand.

**MOTION:** Commissioner Sass moved to approve the exception; Board Chair La Follette seconded the motion. The motion passed, 2-1.

**NOW, THEREFORE BE IT RESOLVED,** that the Board of Commissioners of Public Lands authorizes the City of Menasha to exceed the annual loan limit to apply for a new loan in an amount up to \$6.93 million on condition that such loan, if approved, may only be disbursed between March 16, 2010, and March 31, 2010, and it is further conditioned upon Menasha drawing its previously approved \$7 million loan on or before December 1, 2009.

**ITEM 5. LAKEBED LEASE REQUEST – Town of Liberty Grove**

Commissioner Van Hollen questioned the amount of the lease and whether the earnings were adequate for the Trust Funds. Executive Secretary Nelson replied that the Board has historically charged a nominal fee for leases to municipalities. Deputy Secretary German added that lakebed lease payments are not deposited into any of the funds that the Board manages but rather the State's General Fund, per statute. Commissioner Van Hollen asked whether the Board's responsibility in granting a lease was environmental or fiduciary. Deputy Secretary German said that there is a shared jurisdiction between the Board and the Department of Natural Resources. The environmental determination lies with the DNR. Only three reasons exist for leasing a lakebed; improving a harbor, improving navigation or recreation purposes related to navigation if a municipality is the riparian owner. The DNR has determined that the public health of the beach would be improved by adding coarse sand and changing the slope of the beach. There is no statutory guidance on what fees the Board should assess for leases. Historically, the Board has charged a nominal fee if the lease was issued to a municipality for public purpose but commercial rates are charged if the lease is issued to a commercial entity or individual for private use.

**MOTION:** Commissioner Van Hollen moved to approve the lease; Commissioner Sass seconded the motion. The motion passed, 3-0.

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands authorizes a Submerged Lands Lease with the Town of Liberty Grove in accordance with Section 24.39 of the Wisconsin Statutes on substantially the terms and conditions set forth in Exhibit A. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

**ITEM 6A-D. PROPOSED LAND BANK SALES TO THE DNR (S0923, S0926, S0927 and S0928)**

**MOTION:** Commissioner Van Hollen moved to approve the four Land Bank sales; Commissioner Sass seconded the motion. The motion passed, 3-0.

**6A. NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Hawkins Hemlocks Property to the Wisconsin Department of Natural Resources at the price of Forty-four Thousand Dollars (\$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.

**6B. NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Kimberly Clark Wildlife Area Property to the Wisconsin Department of Natural Resources at the price of Fifty-two Thousand Dollars (\$52,000) 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.

**6C. NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Newman Lake Property to the Wisconsin Department of Natural Resources at the price of Two Hundred and Eighty-eight Thousand Dollars (\$288,000) 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.

**6D. NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the McKenzie Creek Property to the Wisconsin Department of Natural Resources at the price of Fifty-two Thousand Dollars (\$52,000) 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.

**ITEM 7. PROPOSED LAND BANK SALE TO THE TOWN OF WEBB LAKE (S0921)**

**MOTION:** Commissioner Van Hollen moved to approve the sale; Commissioner Sass seconded the motion. The motion passed, 3-0

**NOW, THEREFORE BE IT RESOLVED**, that the Board of Commissioners of Public Lands approves the sale of the Property to the Town of Webb Lake at the price of Ninety-Six Thousand Seven Hundred Ninety-Six Dollars (\$96,796). 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. Any transaction conducted under this approval shall be closed no later than December 31, 2009. The Executive Secretary is authorized and directed to execute any documents reasonably necessary to complete such transaction.

**ITEM 8. EXECUTIVE SECRETARY'S REPORT**

Executive Secretary Nelson said that she would be giving a report to the Natural Resources Board on Wednesday, October 21, on the successes of the Land Bank program.

**ITEM 9. ADJOURN**

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

A handwritten signature in black ink, appearing to read "Tia Nelson", written over a horizontal line.

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.