

MINUTES OF  
BUDGET AND CONTROL BOARD  
MEETING

March 25, 1988

State of South Carolina  
**State Budget and Control Board**

CARROLL A. CAMPBELL, JR., CHAIRMAN  
GOVERNOR  
GRADY L. PATTERSON, JR.  
STATE TREASURER  
EARLE E. MORRIS, JR.  
COMPTROLLER GENERAL



Box 12444  
Columbia  
29211

JAMES M. WADDELL, JR.  
CHAIRMAN, SENATE FINANCE COMMITTEE  
ROBERT N. McLELLAN  
CHAIRMAN, WAYS AND MEANS COMMITTEE

JESSE A. COLES, JR., Ph.D.  
EXECUTIVE DIRECTOR

March 25, 1988

MEMORANDUM

TO: Budget and Control Board Division Directors  
FROM: William A. McInnis, Deputy Executive Director *WAM*  
SUBJECT: Summary of Board Actions at March 25, 1988, Meeting

This listing of actions is not the minutes of the referenced meeting. It is an unofficial (meaning it has not been approved by the Board) summary of the Board actions taken at that meeting. The minutes of the meeting are presented in a separate, much more detailed document which becomes official when approved by the Board at a subsequent meeting.

By a vote of four to one, upon a motion by Mr. Morris, seconded by Mr. McLellan, the Board approved the Development Agreement between the College of Charleston and the Keenan/Way Corporation dated March 14, 1988, and authorized the College to proceed with the acquisition of a 666-student dormitory, subject to Joint Bond Review Committee approval and to the following conditions recommended by the Division of General Services:

- (1) that controversies arising under the Agreement be made subject to the procedures of Code Section 11-35-4230 rather than arbitration under rules of the American Arbitration Association;
- (2) that Section 4.1 of the Agreement be amended to cross-reference Section 4.4, which contains the limitations of the guarantee by the College, to make clear that the College's guarantee is limited to unencumbered amounts in the Auxiliary Enterprise Fund;
- (3) that Section 9.3 of the original Agreement, requiring the College to return all documents in the event closing did not occur and to keep all information contained in those documents confidential, be deleted to avoid conflict with the Freedom of Information Act, as amended; and
- (4) that Section 11.8, which describes the documents forming the Agreement, be amended to include the RFP and the Developer's response.

/dw

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

MARCH 25, 1988

4:30 P. M.

The Budget and Control Board met via a telephone conference call at 4:30 p.m. on Friday, March 25, 1988, originating from Room 620, Wade Hampton Office Building.

The following Board members participated:

Governor Carroll A. Campbell, Jr., Chairman;  
Mr. Grady L. Patterson, Jr., State Treasurer;  
Mr. Earle E. Morris, Jr., Comptroller General;  
Senator James M. Waddell, Jr., Chairman, Senate Finance Committee;  
Representative Robert N. McLellan, Chairman, House Ways & Means Committee.

Mr. Patterson participated in the meeting from Room 620 of the Wade Hampton Building. Other Board members participated by phone from other locations.

The following staff members were present in Room 620, Wade Hampton Building:

Jesse A. Coles, Jr., Ph.D.	Executive Director
William A. McInnis	Secretary
Philip G. Grose, Jr.	Assistant Executive Director
Donna K. Williams	Assistant to Board Secretary
Joseph A. Wilson, II	Chief Deputy Attorney General
Richard W. Kelly	Director, Division of General Services
Jack Sprott	General Services
Helen Zeigler	General Services

Governor Campbell advised that the following staff members were present in his office during the conference call:

Q. Whitfield Ayres, Ph.D.	Director, Budget & Social Policy
Luther F. Carter, Ph.D.	Executive Assistant, Finance & Planning

**Adoption of Agenda**

Dr. Coles advised that one contractual item had been proposed for consideration during executive session. He advised Board members that College of Charleston President Harry Lightsey was available to join the telephone conference call meeting should the Board desire.

Upon a motion by Mr. McLellan, seconded by Mr. Patterson, the Board agreed to consider this item in executive session and to hear from President Lightsey who shortly thereafter joined the conference call meeting.



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[Secretary's Note: The meeting was delayed somewhat because of technical problems encountered in assembling the participants. Also, because of technical difficulties, Senator Waddell could not participate fully in the conference call meeting during part of the proceedings.]

**Vote on Matter Discussed in Executive Session**

Following consideration of the executive session item, the meeting was opened, and the Board voted on the following item which had been discussed during executive session:

**General Services: College of Charleston Dormitory Agreement (XI)**

By a vote of four to one, upon a motion by Mr. Morris, seconded by Mr. McLellan, the Board approved the Development Agreement between the College of Charleston and the Keenan/Way Corporation dated March 14, 1988, and authorized the College to proceed with the acquisition of a 666-student dormitory, subject to Joint Bond Review Committee approval and to the following conditions recommended by the Division of General Services: (1) that controversies arising under the Agreement be made subject to the procedures of Code Section 11-35-4230 rather than arbitration under rules of the American Arbitration Association; (2) that Section 4.1 of the Agreement be amended to cross-reference Section 4.4, which contains the limitations of the guarantee by the College, to make clear that the College's guarantee is limited to unencumbered amounts in the Auxiliary Enterprise Fund; (3) that Section 9.3 of the original Agreement, requiring the College to return all documents in the event closing did not occur and to keep all information contained in those documents confidential, be deleted to avoid conflict with the Freedom of Information Act, as amended; and (4) that Section 11.8, which describes the documents forming the Agreement, be amended to include the RFP and the Developer's response.

Mr. Patterson voted against the motion. He questioned the College's authority to enter this type of agreement. He objected to the additional project expenses incurred by the College by financing the project in the fashion proposed. He also expressed the view that this type of arrangement is debt according to GAAP and that incurring it should have legislative approval.

Governor Campbell said he assumed this agreement would not go forward unless the College has the authority to enter into it and that it is legal. He advised that he had voted in favor of the agreement on the assumption that it is legal. Mr. McLellan, Mr. Morris and Senator Waddell expressed similar sentiments.

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Adjournment

The meeting was adjourned at 5:35 p.m.

[Secretary's Note: In compliance with Code §30-4-80, public notice of and the agenda for this meeting were posted on bulletin boards in the office of the Governor's Press Secretary and in the Press Room in the State House, near the Board Secretary's office in the Wade Hampton Building, and in the lobby of the Wade Hampton Office Building at 10:45 a.m. on Thursday, March 24, 1988.]