

AGENDA MATERIALS
AND SUPPORTING DOCUMENTS
FOR THE MEETING OF
MAY 13, 1971

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MINUTES OF BUDGET AND CONTROL BOARD MEETING

MAY 13, 1971

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The Budget and Control Board meeting was held in the Conference Room of the Governor's Office at 10:00 a. m., Thursday, May 13, 1971. All Board members were present except Senator Edgar A. Brown, who was ill. Also present were Messrs. P. C. Smith and W. T. Putnam.

The following business was transacted.

CAPITOL CITY DEVELOPMENT FOUNDATION, INC.

Mr. Lester Bates, former Mayor of the city of Columbia and Mr. Joe C. Norman appeared before the Board to discuss the financing of Capitol City Development Foundation, Inc. They were accompanied by Messrs. Furman McEachern, Harold Brunton and Steve Mayfield.

Mr. Norman, Executive Director of the Capitol City Development Foundation, Inc. requested a contribution from the State of South Carolina in the amount of \$12,500.00 to add to the funding of the Organization which he represents. Mr. Norman indicated that the amount requested was one-fourth of the total budget and would be needed during the current fiscal year. He further indicated that the Organization would be continued, and State funds would be requested on a year-to-year basis.

Governor West asked if the State of South Carolina could furnish "in-kind" assistance rather than furnishing money at this particular time. He was advised that the Planning and Grants Division was cooperating with the Foundation, but that the immediate need was for monetary funding.

The Board agreed that this was a worthy project, and that the State should participate in providing funds for its operation but that such moneys were not presently available in the Civil Contingent Fund. Mr. Grady L. Patterson agreed to contact the Highway Department, and Mr. P.

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C. Smith agreed to approach the University of South Carolina to attempt to obtain funds for this project.

UNIVERSITY OF SOUTH CAROLINA - Capital Improvements

Mr. Harold Brunton, Vice President in charge of Business Affairs for the University of South Carolina requested that the University be permitted to acquire additional land in the Wheeler Hill area and asked Board approval for the construction of a building for the School of Nursing. The Wheeler Hill property will cost \$500,000.00 and will be financed through the issuance of Institution Bonds. The total cost for the School of Nursing will be \$3,400,000.00 and will be financed as follows:

Capital Improvement Bonds	\$ 800,000.00
Bequests	500,000.00
Institution Bonds	525,000.00
Federal Grant	<u>1,575,000.00</u>
	\$ <u>3,400,000.00</u>

The Board approved both projects.

PORTS AUTHORITY - Grain Elevator Operation

Captain Capers Barr appeared before the Board to discuss the future of the grain elevator operation of the State Ports Authority. He was accompanied by Drs. W. J. Lanham, Charles Edwards and James S. Lytle who had prepared a report on the operation of the grain elevator and a recommendation for its operation after the termination of the present contract with the Farm Bureau Marketing Association.

Dr. Edwards gave a brief resume of the study in which he pointed out that over an eight year period the State of South Carolina and the Farm Bureau Marketing Association suffered a combined loss of \$1,500,000.00. However, he indicated that the State of South Carolina had received an indirect benefit during the same period of 1.4 times the cost of the facility and estimated an additional indirect benefit totaling \$7,000,000.00 during the next ten years. Dr. Edwards closed his presentation with the following recommendations:

- 1). That the State lease its grain facility to an international trade firm.

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2). That the facility be leased at a fixed price rather than on a "per bushel" basis.

3). That certain dockage fees be waived as an inducement in the contract negotiations.

It was called to the attention of the Board that the proposed lease (approximately \$50,000.00 annually) would not cover the yearly depreciation of the facility (approximately \$150,000.00) and that at some point in time the State of South Carolina may be called upon for a subsidy.

The Board gave its assent to the implementation of the recommendations in the report and to the prompt receipt of bids for the operation of the grain elevator. However, Governor West requested that written reports be furnished to Mr. P. C. Smith keeping the Board abreast of further developments.

PORTS AUTHORITY - Victoria Bluff Property

The Board was advised that the BASF Corporation had offered to sell its property at Victoria Bluff in Beaufort County to the Ports Authority. The acquisition of this property was approved based upon Legislative authorization for the using of certain bond moneys for this purpose.

CHEM-NUCLEAR CONTRACT

Dr. Henry Schultze representing Chem-Nuclear Services, Inc. appeared before the Board to discuss a proposed contract between his firm and the State of South Carolina relating to the burial of low-level atomic waste in Barnwell County. Also appearing were Dr. Kenneth Aycock, Mr. Heyward Shealy and Dr. Lamar Priester of the State Board of Health.

Dr. Schultze stated that his company is presently storing low-level waste in an above-ground facility, but that his company feels that it is desirable to immediately begin the burial of this waste.

The Board took note of the fact that the House of Representatives had recently indicated a desire to study the problem of nuclear waste and felt that it would be inappropriate at this particular time to enter into [REDACTED]

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the requested contract. However, Governor West asked Dr. Schultze furnish him with a letter setting forth all of the facts surrounding the current status of this matter and also stating the position of Chem-Nuclear Services, Inc., with respect to the immediate need for the burial of the waste in question. Governor West also requested a statement from the officials of the State Board of Health as to their findings in this matter.

PERSONNEL DIVISION - Salary Increments

Mr. Earl Ellis, Director of the Personnel Division, reported to the Board that he had received a request for approval for a salary increment for Dr. C. F. Jacobs of the State Board of Health which, if granted, would authorize a salary in excess of that of Dr. Kenneth Aycock, the Department head. Mr. Ellis asked for the Board's advice concerning the specific request and also for policy guidelines in any case where the subordinate's increment would cause his total salary to exceed that of the Agency head.

The Board recommended that a subordinate should not earn more than the Agency head except in very rare instances where circumstances make such a situation imperative. The Board also indicated that the Department head should approve of such an increment before it is granted.

The Board recommended that the salary of Dr. C. F. Jacobs be increased to \$30,700.00, which is less than that of Dr. Aycock.

PERSONNEL DIVISION - Operations

Mr. Earl Ellis reported that his Division had prepared preliminary proposals concerning the regulation of hours of work and leave time for State employees, and that these proposals had already been reviewed by the Office of the Attorney General. The proposals are to be referred to the members of the Board for further discussion and consideration.

Mr. Ellis reported that the Personnel Division had recently taken over the administration of the Merit Systems of the Board of Health and the Mental Health Commission. He also advised the Board that a Grievance Committee

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had been formally constituted and that at a later date he would like for this Committee to have the opportunity of meeting with the Board.

UNCLASSIFIED POSITIONS

The Board took note of the fact that salary approvals for unclassified positions were creating serious problems and deserved immediate attention. Messrs. P. C. Smith and Earl Ellis were requested to devise a system exercising greater control over these unclassified positions.

MEDICAL UNIVERSITY - Salary Request

Mr. P. C. Smith advised the Board that the Medical University had requested the approval of a salary for Joseph C. Ross in the amount of \$40,000.00 per year and further advised that the request was made after the new salary was already being paid. The Board expressed serious concern over the salary and the manner in which it was requested and postponed its approval pending further investigation by Mr. P. C. Smith.

STATE DEVELOPMENT BOARD

The Board approved the trading of three 1968 model automobiles by the Development Board.

CIVIL CONTINGENT FUND

The Board approved the following expenditures from the Civil Contingent Fund:

- 1). Purchase of automobile for Lieutenant Governor - \$5,421.16
- 2). Purchase of automobile for Commissioner of Labor - \$4,053.32

STATE BOARD OF EDUCATION

Mr. P. C. Smith presented a request from the State Board of Education that the Budget and Control Board reconsider its order for a six percent reduction of the current year's appropriation to school districts for maintenance and operation and for supervision and overhead.

The Board agreed that this request should be carried over to a subsequent meeting.

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PARKING - Capitol Complex

The Board agreed that the lease for the "Bowling Alley" parking lot located on Park Street between College and Pendleton Streets should be terminated as soon as practicable but not later than September 1, 1971.

The Board agreed to postpone a discussion of the rental of parking spaces.

STATE INSURANCE PROGRAM

Because of the high incidence of vandalism claims involving relatively small amounts of money, the Board approved a recommendation by Mr. Furman McEachern that a \$50.00 deductible clause be applied to claims of this nature after July 1, 1971.

The Board approved a recommendation by Mr. McEachern that the State's boiler insurance be renewed with the American Motorists Insurance Company effective July 1, 1971, at a premium of approximately \$100,000.00.

INSURANCE SINKING FUND - Aeronautics Commission Default

Mr. Furman McEachern reported to the Board that in January and April, 1969, the Aeronautics Commission executed notes to the Insurance Sinking Fund totaling \$235,000.00 but that as of April, 1971, the Commission was in arrears by the sum of \$60,000.00.

The Board directed Mr. McEachern to write to Mr. V. D. Ramseur, Jr., Chairman of the South Carolina Aeronautics Commission advising him of the amount which is past due and asking for a statement of the intentions of the Commission.

GENERAL SERVICES - Cost of Electrical Services

As a matter of information Mr. Furman McEachern reported to the Board that approximately one year ago the South Carolina Electric and Gas Company was permitted to add a fuel charge to the normal rate of electrical service. At that time, it was estimated that the increase would not exceed six percent, whereas it now appears that the increase is approximately twenty-five percent. The matter was reported to the Board merely as in-

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formation, but with the advice that such an increase could result in deficits in electrical services for the current fiscal year.

GENERAL SERVICES - Purchase and Trade of Automobiles

Mr. Furman McEachern presented the Board with a list of automobiles purchased since the last meeting and also with a list of requested trades.

The Board approved the trading of all automobiles on the list except where the mileage on the automobile to be traded is less than 50,000 miles.

There being no further business, the meeting was adjourned at 1:15 p. m.

AGENDA

MEETING OF BUDGET AND CONTROL BOARD

10:00 A. M., THURSDAY, MAY 13, 1971

CONFERENCE ROOM, GOVERNOR'S OFFICE

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1. UNIVERSITY OF SOUTH CAROLINA

Representatives of the University will appear before the Board to discuss the following two permanent improvement proposals:

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| (1) Acquisition of Additional Land in the
Wheeler Hill Area | - | \$ 500,000.00 |
| (2) Construction of School of Nursing
Building | - | \$ 3,400,000.00 |

2. PORTS AUTHORITY

Representatives of the Ports Authority will appear before the Board for a discussion of the following items:

(1) Grain Elevator Operation -

In the fall of 1970, the Board arranged with Drs. W. J. Lanham, of Clemson, and Charles Edwards, of the University of South Carolina, to make a study of the operation of the Authority's Grain Elevator, and to recommend a plan for its operation after termination of the present contract with the Farm Bureau Marketing Association on June 30, 1971.

Drs. Lanham and Edwards will be present to comment on their report.

(2) Victoria Bluff Property -

The Authority has received a proposed contract for the sale, to the State, of the property purchased by BASF at Victoria Bluff, in Beaufort County. The Board's approval of the proposed contract is requested.

3. CHEM-NUCLEAR CONTRACT

Dr. Henry Schultze (formerly with the State Development Board), representing Chem-Nuclear Services, Inc., will appear before the Board to discuss a proposed contract between the State and Chem-Nuclear, relating to the operation

of a low-level waste burial facility in Barnwell County.

The proposed contract involves a permanent arrangement and is an additional step in a series of negotiations, exting over approximately a year, regarding this operation.

4. PERSONNEL DIVISION

Earl Ellis will appear before the Board for a discussion of the following items:

(1) Grievance Committee -

In accord with Board action, a Grievance Committee has been formally constituted in connection with the handling of personnel matters throughout the State Government.

Personnel of the Committee will attend this Board meeting for such discussion as may appear appropriate.

(2) Merit Systems -

The Personnel Division has recently taken over the administration of the Merit Systems for the Board of Health and the Mental Health Commission. Mr. Ellis will report on this item.

(3) Work Hours and Leave -

Mr. Ellis will present preliminary proposals for regulating hours of work and leave time for employees.

5. MEDICAL UNIVERSITY

The Medical University has requested the Board to approve a salary of \$40,000.00 per year for Dr. Joseph C. Ross, as Chairman and Professor of the Department of Medicine.

6. STATE DEVELOPMENT BOARD

The Development Board has requested Board approval to trade three 1968 model automobiles.

7. CIVIL CONTINGENT FUND

The Board is requested to approve the following expenditures from the Contingent Fund:

- (1) Purchase of automobile for Lieutenant Governor - \$ 5,421.16
- (2) Purchase of automobile for Commissioner of Labor - \$ 4,053.32

8. STATE BOARD OF EDUCATION

The Board of Education has requested re-consideration of the action of the Budget and Control Board in its 6% reduction of the current year appropriations to School Districts for Maintenance and Operation, and Supervision and Overhead.

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