

MINUTES OF
BUDGET AND CONTROL BOARD
MEETING

January 12, 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

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 12, 1988

MEMORANDUM

TO: Budget and Control Board Division Directors
FROM: William A. McInnis, Deputy Executive Director *WAM*
SUBJECT: Summary of Board Actions at January 12, 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.

1. Adopted the agenda as proposed by staff after agreeing to add item 17A, a Department of Agriculture foreign travel request, to the regular session agenda and to carry over to a future meeting a College of Charleston salary matter proposed for consideration in executive session;
2. Approved the minutes of the December 8 (regular business portion) and December 18, 1987, Budget and Control Board meetings;
3. Received as information the FTE position operating report for the month of December 1987 which shows that a net of 186.25 FTE positions were added to bring the base total to 66,459.39 FTE positions at the end of the month of which 61,115.10 FTE positions were filled and 5,344.29 were vacant;
4. Received as information a Budget Division report that the transfer of \$1,099 of personal service funds was approved during December to bring the total approved for transfer during the fiscal year to \$1,751,313;
5. Received as information a report that \$49,884,350 of the 1987 State Ceiling on the issuance of private activity bonds were allocated and issued and that the balance of \$203,465,650 were allocated and carried forward for possible use in 1988 and after;
6. Received as information a report that, on January 5, 1988, the 1988 State Ceiling for the State of South Carolina, as established in the Tax Reform Act of 1986, was calculated and certified to be \$171,250,000;

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7. Received as information a report that the Division of General Services, due to the findings of the follow-up review by the audit staff, cannot recommend procurement certification by the College at this time; and directed staff to advise agencies that the Board is considering implementing penalties for failure to comply with procurement requirements;
8. Received as information reports on the reimbursement of interviewee travel expenses by Mental Health (5) and Clemson University (13);
9. Received as information a Division of General Services response to a Senate request for information on the school bus lease purchase arrangement approved by the Budget and Control Board at its meeting on August 25, 1987;
10. Received as information a report that removal of south walls of the Governor's conference room, which are load-bearing, would be complicated and costly;
11. Approved unencumbering \$100,000 of the Civil Contingent Fund now earmarked for Attorney General/Catawba Indian/Legal Fees and allocated it to the Attorney General's Office to help finance the asbestos litigation effort in 1987-88;
12. Approved the issuance of the Board's Order and Permit in response to the Litchfield By The Sea application;
13. In accord with Section 24-3-2050, certified 10,636 as the safe and reasonable operating capacity of facilities of the Department of Corrections as of January 8, 1988;
14. Agreed without objection to add a legal matter to the executive session agenda;
15. Approved the following veto-related transfer requests for the third quarter:
 - (a) Technical Education: \$46,311 from special items, contractual services and temporary positions to supplies, fixed charges and equipment;
 - (b) ETV: \$19,744 from contractual services to travel and transportation;
 - (c) School for the Deaf and the Blind: \$7,500 from special items, track field to travel;
 - (d) Health and Human Services Finance Commission: \$287,718 from public assistance payments to contractual services, supplies, travel and case services;
 - (e) Mental Health: \$237,500 from classified positions and contractual services to supplies, travel, equipment and contractual services;
 - (f) Alcohol and Drug Abuse: \$6,401 from aid to entities to travel;

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- (g) Land Resources: \$5,381 from contractual services to supplies;
 - (h) Forestry Commission: \$37,338.25 from fixed charges and equipment to contractual services, supplies and light/power/heat;
 - (i) Insurance Department: \$1,250 from travel, property and travel division, to travel, market conduct division;
 - (j) Agriculture: \$5,988 from supplies and transportation to travel and transportation;
 - (k) Opportunity School: \$3,458.75 from other operating expenses, light, power and heat to equipment.
16. Approved a Division of General Services request to transfer \$3,500 from light, power and heat to travel for the first two quarters of the year;
17. Authorized the Division of General Services to award the automobile reinsurance contract to the Davis-Garvin Agency on the condition that:
- (a) the Davis-Garvin Agency's national reinsurer provides the Division with written verification of its reinsurance commitment;
 - (b) the reinsurer agrees to notify the Division in the event its agreement with the Agency is cancelled;
 - (c) the Insurance Commissioner gives written assurance of the Agency's sound condition and status; and
 - (d) the Division notifies all entities covered of the strong probability that rates for this coverage will increase substantially above the level provided under this contract for the first year;
18. Asked Executive Director Coles to propose a means for handling the auto insurance premiums, estimated at \$2.4 million, to be retained by State agencies in the current year;
19. In accord with Code Section 11-35-710, exempted procurements of US Department of Education certified National Diffusion Network programs and related costs to include materials and those contractual consultant services necessary to provide the professional instruction;
20. Deferred action on a request to declare 116 acres adjacent to the Charwood Golf Club in the Pineridge Section of Lexington County surplus to the needs of the Board pending receipt of information on the origin of ownership;
21. Authorized the Employment Security Commission to purchase an office building at 1100 Legion Street in Myrtle Beach for \$195,000 and approved the permanent improvement project (#9405) involved subject to its favorable review by the Joint Bond Review Committee;
22. Authorized the Division of General Services, on behalf of the Department of Mental Retardation, to sell a portion of the Department's property on Jenkins Spring Road in Greenwood to the Piedmont Multi-County Mental

Retardation Board at the appraised value of \$6,000 with the proceeds to be returned to the general fund;

23. Authorized the Forestry Commission to sell the abandoned fire tower residence in Aiken County through the competitive bid process to avoid the cost of demolition and exempted this transaction from the standard surplus property procedures;
24. In accord with Code Sections 1-11-80 and 1-11-100, granted a utility easement to SCE&G to relocate an existing overhead powerline across Filbin Creek at the intersection of the proposed Mark Clark Expressway and Virginia Avenue in North Charleston;
25. In accord with Code Sections 1-11-90 and 1-11-100, rescinded an easement granted March 10, 1987, and approved an easement which reconveys the original easement to the State and which grants a new easement to the Commissioners of Public Works, Charleston County, to install a ductile iron water main across Fiddler Creek;
26. In accord with Code Section 10-1-130, concurred and acquiesced in the granting of the following easements: (1) from Clarks Hill-Russell Authority to Department of Highways and Public Transportation to relocate the intersection of Highways 7 and 378; and (2) from Clemson University to Richland County, drainage easement required by the County for proposed development of surrounding properties;
27. Approved for publication in the State Register revisions to State Personnel Regulations 19-700 and 19-708.06;
28. Adopted resolutions approving proposals to issue the following revenue bonds, on the condition that the required reviews are completed with satisfactory results, and allocated a portion of the State Ceiling to each project:
 - (a) Issuing Authority: Greenville County
Amount of Issue: \$6,000,000 Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds
Name of Project: National Electrical Carbon Corporation
Employment Impact: 45
Project Description: Manufacture carbon brushes
 - (b) Issuing Authority: Laurens County
Amount of Issue: \$4,000,000 Industrial Development Revenue Note
Name of Project: Dispoz-o Plastics, Inc.
Employment Impact: 20
Project Description: Manufacture disposable cutlery and related products

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| (c) Issuing Authority: | Spartanburg County |
| Amount of Issue: | \$2,000,000 Industrial Development Revenue Note |
| Name of Project: | Alkahn Labels Incorporated |
| Employment Impact: | 15 |
| Project Description: | Manufacture woven labels |
| | |
| (d) Issuing Authority: | Darlington County |
| Amount of Issue: | \$3,600,000 Industrial Development Revenue Bond (Approved 11/25/87 in amount of \$3,200,000) |
| Name of Project: | Hobart Corporation |
| Employment Impact: | 200 additional |
| Project Description: | Manufacture food preparation equipment |

29. In accord with Code Section 8-11-135, authorized the Department of Mental Retardation to pay \$668.56 to Dr. Steven Neff as a reimbursement for the costs incurred in moving personal and household effects from Athens, Georgia to Columbia;
30. Approved the travel of Department of Agriculture staff members Richard Jesse and Norwood McLeod to Australia, New Zealand and Tahiti during the February 17-28, 1988 period at an estimated cost of \$3,943 to be paid from the Foreign Trade Missions appropriation;
31. Approved the travel of Commission of Agriculture Chairman Larry L. Yonce to Australia, New Zealand and Tahiti during the February 17-29, 1988, period at an estimated cost of \$2,641 to be paid from the Foreign Trade Missions appropriation;
32. Approved the travel of Bobby G. Wixson, Dean, Clemson University College of Sciences, to Hong Kong, China and Japan during the March 10-25, 1988, period at an estimated cost of \$3,000 to be paid from State-appropriated funds;
33. Agreed to hold a regular meeting at 9:30 a.m. on Tuesday, January 26, 1988, in the Governor's conference room in the State House;
34. Approved additional salary increases ranging from 4.2% to 31.8% for 13 Medical University faculty members, effective January 12, 1988;
35. Approved additional salary increases ranging from 1.81% to 5.21% for five unclassified Technical and Comprehensive Education employees, effective January 12, 1988;
36. Received as information a briefing on matters relating to the procurement of maintenance for the State's telephone system; and

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37. Received as information a briefing on legal matters related to a recent ruling on double-celling of inmates in the State's prisons.

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MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

JANUARY 12, 1988

10 A. M.

The Budget and Control Board met at 9:30 A. M. on Tuesday, January 12, 1988, in the Governor's conference room in the State House, with the following members in attendance:

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., Vice Chairman, Senate Finance Committee;
Representative Robert N. McLellan, Chairman, House Ways & Means Committee.

Also attending were:

| | |
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| Jesse A. Coles, Jr., Ph.D. | Executive Director |
| William A. McInnis | Secretary |
| J. Samuel Griswold, Ph.D. | Deputy Executive Director |
| Philip G. Grose, Jr. | Assistant Executive Director |
| Charles H. Smith | Special Projects Administrator |
| Donna K. Williams | Assistant to Board Secretary |
| Other Board staff | |
| Joseph A. Wilson, II | Chief Deputy Attorney General |
| Q. Whitfield Ayres, Ph.D. | Governor's Dir., Budget & Social Policy |
| Luther F. Carter, Ph.D. | Governor's Exec. Asst. Finance & Planning |
| Mark R. Elam | Governor's Legal Counsel |
| George M. Lusk | Senior Assistant Comptroller General |
| William Jordan | Finance Committee Director of Research |
| Scott R. Inkley, Jr. | Ways & Means Committee Dir. of Research |
| Susan K. Hooks | Ways & Means Committee Research Analyst |

Adoption of Agenda

Dr. Coles asked that the Board add as item 17-A a regular session item relating to a Department of Agriculture foreign travel request. He also advised that executive session item 3, relating to a College of Charleston salary request, had been withdrawn.

Mr. Morris asked that a contractual matter be added to the executive session agenda, but then withdrew his request.

Upon a motion by Senator Waddell, seconded by Mr. Patterson, the Board adopted the agenda as proposed by staff after agreeing to add item 17A, a Department of Agriculture foreign travel request, to the regular session agenda and to carry over to a future meeting a College of Charleston salary matter proposed for consideration in executive session.

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Minutes of Previous Meeting (Regular #1)

Board members previously had been furnished a draft version of the minutes of the December 8, 1987, (regular business portion) and December 18, 1987, Budget and Control Board meetings.

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board approved the minutes of the December 8 (regular business portion) and December 18, 1987, Budget and Control Board meetings.

Blue Agenda

Dr. Coles advised that the eight items included on the blue agenda are for information only and do not require Board action.

[Secretary's Note: Details are included in the descriptions of the individual items.]

Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board approved the blue agenda.

Budget Division: FTE Operating Report, December (Blue #1)

The Budget Division reported that a net of 186.25 full-time-equivalent positions (-273.98 State, +32.84 federal and +427.39 other) were added to the authorized base during December, 1987, which brought the base to a total of 66,459.39 FTE positions.

At the end of the month, 61,115.10 of the authorized positions were filled and 5,344.29 were vacant, according to the Division.

Mr. McLellan observed that the vacancy rate is about 5.8% for State-funded positions, about 10% for federal positions and about 11.6% for other-funded positions. He commented that the General Assembly builds in a 2.5% vacancy factor and he asked Senator Waddell his thinking as to why we seem to run so high on vacancies.

In response, Senator Waddell advised that agencies are sending in justifications and explanations of their vacancies, noting that the funding is not there for many. He observed that most vacancies are in the large agencies such as DSS which have constant turnover. He advised Mr. McLellan that some of these will be affected by the 9-month limitation and that others won't be.

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The Board received as information the FTE position operating report for the month of December 1987 which shows that a net of 186.25 FTE positions were added to bring the base total to 66,459.39 FTE positions at the end of the month of which 61,115.10 FTE positions were filled and 5,344.29 were vacant.

Information relating to this matter has been retained in these files and is identified as Exhibit 1.

Budget Division: 1986-87 Authorized Transfers Report, December (Blue #2)

The Budget Division reported that the transfer of \$1,099 of State-appropriated personal service funds (to other operating expenses) was approved during December which brought the total of personal service funds approved for transfer during the fiscal year to \$1,751,313.

The Board received as information a Budget Division report that the transfer of \$1,099 of personal service funds was approved during December to bring the total approved for transfer during the fiscal year to \$1,751,313.

Information relating to this matter has been retained in these files and is identified as Exhibit 2.

Executive Director: 1987 State Ceiling Carryforwards (Blue #3)

The Board was advised that the 1987 private activity bond State Ceiling of \$253,350,000 was disposed of as follows:

Allocated and issued. \$ 49,884,350
Allocated and carried forward . . . 203,465,650

The Board also was advised that the carryforwards include the following:

Education Assistance Authority (for student loans). . . \$117,465,650
State Housing Authority (for rental housing). 75,000,000
Spartanburg County (for rental housing) 11,000,000
Total. \$203,465,650

Extracts from the carryforward election statements filed with the Internal Revenue Service were provided to Board members.

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The Board received as information a report that \$49,884,350 of the 1987 State Ceiling on the issuance of private activity bonds were allocated and issued and that the balance of \$203,465,650 were allocated and carried forward for possible use in 1988 and after.

Information relating to this matter has been retained in these files and is identified as Exhibit 3.

Executive Director: 1988 State Ceiling Certification (Blue #4)

The Board received as information a report that, on January 5, 1988, the 1988 State Ceiling for the State of South Carolina, as established in the Tax Reform Act of 1986, was calculated and certified by the Board Secretary, in accord with Section 1 of Act 117 of 1987 to be \$171,250,000.

Information relating to this matter has been retained in these files and is identified as Exhibit 4.

General Services: Horry-Georgetown TEC Audit Certification Report (B#5)

The Division of General Services advised that, due to the findings of the follow-up review by the audit staff, it cannot recommend procurement certification by the College at this time. The College requested \$15,000 certification.

The Division indicated that the report was submitted for information and that, since the Division does not recommend certification, Board action is not required.

Mr. McLellan observed that penalties should be imposed for failure to comply with the requirements of the Code. He suggested that the Board consider taking steps to take something away from agencies which do not comply with Code requirements.

Division of General Services Director Richard Kelly advised that the Procurement Code grants agencies procurement certification at the \$2,500 level and that the Board must certify levels over that amount. He indicated that the Board has never taken away the \$2,500 level and some doubt was expressed about the Board's authority to do so.

Mr. McLellan asked that the Board think about penalizing agencies to make the certification process work. He noted that few agencies are complying. He suggested that the Board could cut the \$2,500 in half or take it away.

Governor Campbell suggested that, where problems exist, the Board could give notice by writing the agency advising that the Board will consider reducing procurement authority.

The Board received as information a report that the Division of General Services, due to the findings of the follow-up review by the audit staff, cannot recommend procurement certification for Horry-Georgetown College at this time; and directed staff to advise agencies that the Board is considering implementing penalties for failure to comply with procurement requirements.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

Executive Director: Interviewee Travel Expense Reimbursement (Blue #6)

The Board received as information reports on the reimbursement of interviewee travel expenses by Mental Health (5) and Clemson University (13).

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

General Services: School Bus Lease Purchase Arrangement (Blue #7)

The Board received as information a Division of General Services response to a Senate request for information on the school bus lease purchase arrangement approved by the Budget and Control Board at its meeting on August 25, 1987.

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

General Services: Governor's Conference Room Enlargement (Blue #8)

At the November 25, 1987, Board meeting, comments were made regarding the adequacy of the Governor's conference room to accommodate large crowds.

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The possibility of removing the south walls of the room was mentioned so as to extend it to include what now serves as an anteroom. Division staff advised that the walls involved are load-bearing which would make their removal complicated and costly.

The Board received as information a report that removal of south walls of the Governor's conference room, which are load-bearing, would be complicated and costly.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

Attorney General's Office: Funding for Asbestos Litigation Effort (Reg#2)

Attorney General's Office staff members Nathan Kaminski and David Eckstrom appeared before the Board on this matter.

Dr. Coles reviewed the item noting that the Attorney General's Office had estimated that asbestos litigation costs for 1987-88 will be \$240,000 and that that \$100,000 are needed to supplement the \$140,000 that Office already has for this purpose.

He noted that the Office has indicated that the \$100,000 could come from the \$125,000 now encumbered for the Catawba Indian suit. He called Board members' attention to a status report on the Civil Contingent Fund included in the agenda materials.

Mr. McLellan asked about the number and types of staff covered by the personnel item. Mr. Kaminski indicated that one attorney is to start this month and one is to start later in the year. He also said a legal secretary and a paralegal are to start in mid-April.

Mr. McLellan also inquired into the additional space needed by the effort and Mr. Kaminski advised him that 1,200 square feet are to be provided for the staff and storage space. Mr. Kaminski also said that furniture and a computer terminal and printer are to be provided which are not recurring expenses. Mr. Kaminski also advised Mr. McLellan that computer support will be a recurring cost and that the contractual services item covers the costs of acquiring depositions, expert witnesses, and telephone and copying services.

Following a brief discussion, upon a motion by Mr. Morris (and later by Mr. Patterson), seconded by Senator Waddell, the Board approved unencumbering \$100,000 of the Civil Contingent Fund now earmarked for Attorney General/Catawba Indian/Legal Fees and allocated it to the Attorney General's Office to help finance the asbestos litigation effort in 1987-88.

Information relating to this matter has been retained in these files and is identified as Exhibit 9.

Attorney General: Board Order/Permit (Litchfield By The Sea) (Reg. #3)

The Attorney General's Office had provided the Board with a proposed Order and Permit in reference to the application by Litchfield By The Sea (P/N 85-32-019).

Governor Campbell asked if the documents make clear the Board's stipulation that provision be made for additional high ground mitigation area if the mitigation effort were fail at the initial location. Mr. Wilson advised the Board that staff had followed the Board's minutes in drafting the documents and assured Governor Campbell that the stipulation he inquired about is included.

Following a brief further discussion, the Board, upon a motion by Mr. Patterson, seconded by Mr. McLellan and Senator Waddell, approved the issuance of the Board's Order and Permit in response to the Litchfield By The Sea application (P/N 85-32-019).

In response to Mr. McLellan, Mr. Wilson advised that staff is working on draft regulations to eliminate the Board from this permitting process.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

Dept. of Corrections: Safe and Reasonable Operating Capacity (Reg #4)

Department of Corrections staff member Jerry Edwards appeared before the Board on this matter.

The Board was advised in the agenda materials that, in accord with Section 24-3-2050 which requires that the capacity of the facilities under the

Department be certified quarterly, the Department of Corrections, on January 8, 1988, was scheduled to adopt 10,636 as the safe and reasonable operating capacity of Department of Corrections facilities. The Department advised the Board that the 10,636 figure is the safe and reasonable operating capacity of the Department's facilities as agreed upon in the Nelson Consent Decree. Commissioner Evatt, in his January 4 letter to Dr. Coles, advised that this figure represents a temporary increase of 434 beds.

In response to Governor Campbell's inquiry about the status of the effort to double cell some facilities, Mr. Edwards advised that the Department yesterday afternoon had received an Order from federal Judge Houck in response to the Attorney General's motion for modification of the Consent Decree. He said that he was not prepared to discuss that Order but he noted that its impacts are not addressed in the operating capacity certification.

Upon a motion by Mr. McLellan, seconded by Mr. Patterson and Senator Waddell, in accord with Section 24-3-2050, the Board certified 10,636 as the safe and reasonable operating capacity of facilities of the Department of Corrections as of January 8, 1988.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

Revision to Proposed Agenda

At Governor Campbell's request, the Board without objection agreed to add consideration of one legal item to the proposed executive session agenda.

Budget Division: Veto-related Transfer Requests (3rd Quarter) (Reg. #5)

Upon a motion by Mr. McLellan, seconded by Mr. Morris, the Board approved the following veto-related transfer requests for the third quarter as recommended by the Budget Division which assured the Board that the amounts do not exceed 25% of the vetoed amounts:

- (a) Technical Education: \$46,311 from special items, contractual services and temporary positions to supplies, fixed charges and equipment;
- (b) ETV: \$19,744 from contractual services to travel and transportation;

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- (c) School for the Deaf and the Blind: \$7,500 from special items, track field to travel;
- (d) Health and Human Services Finance Commission: \$287,718 from public assistance payments to contractual services, supplies, travel and case services;
- (e) Mental Health: \$237,500 from classified positions and contractual services to supplies, travel, equipment and contractual services;
- (f) Alcohol and Drug Abuse: \$6,401 from aid to entities to travel;
- (g) Land Resources: \$5,381 from contractual services to supplies;
- (h) Forestry Commission: \$37,338.25 from fixed charges and equipment to contractual services, supplies and light/power/heat;
- (i) Insurance Department: \$1,250 from travel, property and travel division, to travel, market conduct division;
- (j) Agriculture: \$5,988 from supplies and transportation to travel and transportation;
- (k) Opportunity School: \$3,458.75 from other operating expenses, light, power and heat to equipment.

Information relating to this matter has been retained in these files and is identified as Exhibit 12.

Budget Division: Veto-related Transfer Request (1st and 2nd Quarters) (Reg #6)

Upon a motion by Mr. McLellan, seconded by Mr. Morris, the Board approved a Division of General Services request to transfer \$3,500 from light, power and heat to travel for the first two quarters of the year. The Budget Division recommended approval of the request after assuring the Board that the amount does not exceed 25% of the vetoed amount for the two quarters.

Information relating to this matter has been retained in these files and is identified as Exhibit 13.

General Services: Automobile Reinsurance Contract Bid (Reg #7)

General Services Division Director Richard Kelly and Insurance Reserve Fund Officer James Bennett appeared before the Board on this matter.

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The Division advised the Board in the agenda materials that the existing automobile reinsurance contract expires February 1, 1988. It also advised that bids for a replacement contract were solicited and were opened on December 14, 1987.

The Division reported in the agenda materials that letters announcing the solicitation were sent to 104 insurance companies of which approximately 40 requested copies of the complete solicitation package. The Division further reported that four bids were received and that two of them were found to be responsive to the requirements set forth in the solicitation. Bids from the Anderson Insurance Agency and Grier-Sullivan were found non-responsive.

The Board was advised that the low bid of \$5,902,278 was submitted by the Davis-Garvin Agency through America Southern and that Division staff had concluded that this was the lowest responsive and responsible bid.

The Board also was advised in the agenda materials that the second low bid of \$6,195,476 was submitted by the Thomas Brown Agency through Michigan Mutual Insurance Company.

In response to Governor Campbell's inquiry, Mr. Bennett said he did not know if any of the same principals were involved in the two agencies which submitted responsive bids. Governor Campbell congratulated Division staff for the savings of about \$8 million as compared with the current premium. He said good competitive bids had been secured in this instance.

In the ensuing discussion, Senator Waddell asked if the Davis-Garvin Agency is the same one which had cancelled coverage on two prior occasions and he expressed strong feelings about that practice. Mr. Bennett said the company did cancel coverage on school buses after the passage of the tort claims act which significantly changed the situation.

Mr. Morris asked about the involvement of the Department of Insurance and Mr. Bennett reported that Commissioner Richards had given a positive verbal opinion on the firm.

Mr. McLellan asked who reinsures the Davis-Garvin Agency and Senator Waddell, recalling a prior experience, strongly urged that formal verification of the reinsurance commitment be secured.

Mr. Bennett advised Senator Waddell that the contract is for five years and that it includes an experience rating formula which means that the \$5.9 million premium for the first year will not hold.

Mr. Kelly stated that this premium will go back up next year and Mr. Bennett estimated that the premium next year will be about \$12.5 million.

Mr. Bennett advised Mr. Morris that either party may cancel the coverage after giving 90 days' notice.

Mr. Patterson commented that the bid is not realistic in light of the experience rating formula in the contract.

Mr. Bennett commented that the Division's actuary had developed the rating mechanism. He said staff had estimated that self insurance of the program would cost \$10.5 million. He said he had expected bids to range between \$8.5 million and \$12 million and that he had been shocked and pleased to see the two bids in the \$6 million range.

Governor Campbell noted that, even if the premium goes to \$12.5 million in the second year, the State would save about \$9 million over the two years as compared with the current rate.

Mr. McLellan asked staff to include a requirement that the Division be notified if the reinsurer cancels its agreement with the Agency.

Following this discussion, upon a motion by Mr. McLellan, seconded by Mr. Patterson, the Board authorized the Division of General Services to award the automobile reinsurance contract to the Davis-Garvin Agency on the following conditions:

- (a) the Davis-Garvin Agency's national reinsurer provides the Division with written verification of its reinsurance commitment;
- (b) the reinsurer agrees to notify the Division in the event its agreement with the Agency is cancelled;
- (c) the Insurance Commissioner gives written assurance of the Agency's sound condition and status; and
- (d) the Division notifies all entities covered of the strong probability that rates for this coverage will increase substantially above the level provided under this contract for the first year.

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Dr. Coles observed that this reduction in premium will impact all levels of government throughout the State. Mr. Kelly indicated that he wants all to know that this is a one-year premium reduction and that rates will go back up next year.

Mr. McLellan asked Executive Director Coles to propose a means for handling the auto insurance premiums, estimated at \$2.4 million, to be retained by State agencies in the current year.

Senator Waddell asked that a letter be secured from the Insurance Commissioner giving assurance to the Board that the Davis-Garvin Agency is sound and capable. He also asked that the bid process be arranged so that bids are sent out earlier to allow the Board at least one month to make decisions.

Mr. Morris asked that the State's experience with any company bidding on coverage be submitted to the Board in the future along with any bid that company might make.

Information relating to this matter has been retained in these files and is identified as Exhibit 14.

General Services: Procurement Code Exemption (Regular #8)

General Services Division Director Richard Kelly appeared before the Board on this matter.

The Division advised the Board in the agenda materials that, through the National Diffusion Network, the US Department of Education makes available to state departments of education, school districts and post secondary institutions proven educational programs it has determined to be exemplary. The only source for each program is the school district which developed it.

In accord with Code Section 11-35-710, the Division recommended that the Board exempt procurements of US Department of Education certified National Diffusion Network programs and related costs to include materials and those contractual consultant services necessary to provide the professional instruction.

Upon a motion by Mr. Patterson, seconded by Mr. Morris, in accord with Code Section 11-35-710, the Board exempted procurements of US Department of Education certified National Diffusion Network programs and related costs to include materials and those contractual consultant services necessary to provide the professional instruction.

Information relating to this matter has been retained in these files and is identified as Exhibit 15.

General Services: Sale of Board Property in Pineridge, Lexington County (Reg #9)

General Services Division Director Richard Kelly appeared before the Board on this matter.

The Division advised the Board in the agenda materials that the Board is the owner of a vacant 116-acre parcel of land which joins the Charwood Golf Club in the Pineridge Section of Lexington County.

The Division also advised that the tract is traversed by a 200-foot wide SCE&G power line right-of-way. It also reported that a recent appraisal values the property at \$1,000 per acre. Property Management staff indicated that it is not aware of any past use of the property or of any plans for its future use.

The Division informed the Board that the owner of the Charwood Country Club has expressed an interest in obtaining the property. A copy of his letter in which he proposed the exchange of certain property he owns in Gaston for this 116-acre tract was included in the agenda materials.

The Division recommended that the property be declared surplus to the needs of the Board and that it be offered for sale under the standard surplus property procedures with the proceeds from the sale, less 4% to Property Management for appraisal and administrative costs, to be deposited in the general fund.

Mr. Kelly advised that the Division currently is reviewing all State-owned property and is 12 to 18 months away from completing a proposed use policy for the properties. In the meantime, he said requests involving certain of the properties continue to be received. He said staff had checked the files for

background on this property. He pointed out that the road right-of-way shown on the map in the agenda materials is misleading and that the actual roadway has been relocated so that the property does not now literally have frontage though it is accessible. He said he is not aware of any current or long-term need for this property and he recommended that it be declared surplus for disposition through the Board's regular procedure. He noted that that process would afford an opportunity for other State agencies to express any interest that they may have in the property.

Mr. McLellan observed that the land exchange as proposed by the Club owner might be more advantageous to the State and he asked why not consider it.

Senator Waddell, noting that he would prefer seeing an exchange of properties, asked how the State obtained such a large tract of land.

Following this discussion, the Board deferred action on the request to declare 116 acres adjacent to the Charwood Golf Club in the Pineridge Section of Lexington County surplus to the needs of the Board pending receipt of information on the origin of ownership.

Information relating to this matter has been retained in these files and is identified as Exhibit 16.

General Services: Purchase ESC Building in Myrtle Beach (Regular #10)

General Services Division Director Richard Kelly and Employment Security Commission staff member Michael Mungo appeared before the Board on this matter.

The Division advised the Board in the agenda materials that the Employment Security Commission has a ten-year lease on a 3,570 square foot office building at 1100 Legion Street, Myrtle Beach. The yearly lease payment is \$16,080; the lease expires January 31, 1988.

The Division further advised in the agenda materials that, in response to a phone call from ESC, the owner of the building offered to sell the property for \$230,000. It further reported that, in February of 1987, ESC received approval of a permanent improvement project which authorized it to obtain an appraisal of the property.

The Division advised that an appraisal estimate of \$162,000 was submitted to Property Management in March of 1987. Based on appraisal date, Property Management determined the property value should be \$182,000 and advised ESC to reject the owner's offer of \$230,000.

In December of 1987, the Division advised that the owner lowered his offer to \$195,000 and that a new appraisal estimates the value at \$205,000. Staff of Property Management indicated that it agrees with this later estimate.

The Division recommended that the Employment Security Commission be authorized to purchase the property for \$195,000. Mr. Kelly pointed out that the project is subject to action by the Joint Bond Review Committee.

In response to Mr. McLellan who asked how the value would go up so much in just eight months, Mr. Kelly advised that the 1987 MAI appraisal had been very restrictive and that the values given were very limited. He noted that the first offer was made prior to appraisals. Mr. Kelly also advised Mr. McLellan that his Division does not have any MAI-certified staff but that it does have certified property managers and appraisers.

In response to Mr. Wilson who asked if ESC had ever offered \$162,000 for the property, Mr. Mungo said it had but that the offer had been refused.

Following this discussion, upon a motion by Mr. McLellan, seconded by Mr. Morris, the Board authorized the Employment Security Commission to purchase a 3,570 square foot office building at 1100 Legion Street in Myrtle Beach for \$195,000 and approved the permanent improvement project (#R60-9405) involved subject to its favorable review by the Joint Bond Review Committee.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

General Services: Mental Retardation Greenwood Property Sale (Reg #11)

General Services Division Director Richard Kelly appeared before the Board on this matter.

The Division advised the Board in the agenda materials that the Department of Mental Retardation has requested authorization to sell a portion of its property on Jenkins Spring Road in Greenwood to the Piedmont Multi-County

Mental Retardation Board. It also reported that the County Board, formed in accord with Section 44-21-830, will use the property as a site for the construction of a community residence for clients certified by the Department. The Division also pointed out that this proposal is in keeping with the Department's goal to strengthen local services through county boards.

The Board was advised in the agenda materials that the parcel to be sold has been appraised at \$6,000 and that Property Management agrees with that estimate. The Division indicated that proceeds from the sale will be returned to the general fund.

According to the Division, authority to approve the sale of this property is vested in the Budget and Control Board by Sections 1-11-65 and 11-9-630.

The Division recommended that this property be exempted from the surplus property procedures since it will be used by the purchaser as a community residence for the mentally-retarded and because the County Board donated the property to the Department initially. The Division indicated that the limited warranty deed to be given if the proposal is approved will have a right of reversion should the purchaser not construct and operate a community residence on the site for the mentally retarded within five years.

It was noted in the discussion that the proposal is that the Board authorize the Division of General Services, acting on behalf of the Department of Mental Retardation, to sell the property in question rather than to authorize the Department to sell it.

Following a brief discussion, upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board authorized the Division of General Services, on behalf of the Department of Mental Retardation, to sell a portion of the Department's property on Jenkins Spring Road in Greenwood to the Piedmont Multi-County Mental Retardation Board at the appraised value of \$6,000 with the proceeds to be returned to the general fund.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

General Svcs.: Forestry Silverton Fire Tower Residence Sale (Aiken Co.) (R#12)

General Services Division Director Richard Kelly appeared before the Board on this matter.

The Division advised the Board in the agenda materials that the Forestry Commission has requested approval to sell an abandoned fire tower residence in Aiken County known as the Silverton residence.

The Division also advised that it does not deem this house to be surplus property even though it technically is defined as real estate and that it feels that it would be impractical to follow the standard procedure in this case as the house is 40 to 50 years old and beyond repair. The house will not be replaced.

The Division advised that the State Engineer's Office has reviewed the request and agrees that the residence should be removed from the property.

The Division recommended that the Board authorize the sale and removal of the house to avoid the cost of demolition. The Division also recommended that this disposition be exempted from the standard surplus property procedures.

Upon a motion by Mr. Morris, seconded by Senator Waddell, the Board authorized the Forestry Commission to sell an abandoned fire tower residence in Aiken County known as the Silverton residence through the competitive bid process to avoid the cost of demolition and exempted this transaction from the standard surplus property procedures.

Information relating to this matter has been retained in these files and is identified as Exhibit 19.

General Services: Easements (Regular #13)

General Services Division Director Richard Kelly appeared before the Board on this matter.

The Division of General Services recommended that the Board approve the following easement in accord with Code Sections 1-11-80 and 1-11-100:

Minutes of State Budget and Control Board Meeting
Regular Session -- January 12, 1988 -- Page 18

County Location: Charleston County
From: State of South Carolina
To: SCE&G Company
Description/Purpose: relocate existing overhead power line across Filbin Creek at intersection of proposed Mark Clark Expressway and Virginia Avenue, North Charleston
Consideration: \$164

The Division recommended that the Board approve the following conveyance and reconveyance of easements in accord with Code Sections 1-11-90 and 1-11-100:

County Location: Charleston County
From: Budget and Control Board
To: Commissioners of Public Works
Description/Purpose: reconvey original easement granted 3/10/87 to Board and grant new easement to install a ductile iron water main across Fiddler Creek on west side of O'Hear Avenue

At the meeting, Mr. Kelly noted that the Commissioners of Public Works had discovered asbestos in the adjoining property and, because of the potential problems, had decided to relocate the water main. He advised that the proposed easement in effect rescinds the one granted by the Board on March 10, 1987, by reconveying that easement and conveys a new easement.

The Division recommended that the Board concur and acquiesce in the granting of the following easements in accord with Code Section 10-1-130:

1. County Location: McCormick
From: Clarks Hill-Russell Authority
To: Department of Highways & Public Transportation
Description/Purpose: Relocate intersection of Highway 7 and 378 in conjunction with the development of the Indian Hill project
Consideration: Highway Department will provide a quit claim deed to the Authority for the portion of Road 7 being abandoned as a result of the relocation
2. County Location: Richland County
From: Clemson University
To: Richland County
Description/Purpose: Drainage easement required by the County for proposed development of surrounding properties
Consideration: None

Upon a motion by Mr. Patterson, seconded by Senator Waddell and Mr. McLellan, the Board approved the referenced easements as recommended.

Information relating to this matter has been retained in these files and is identified as Exhibit 20.

Human Resource Management: State Personnel Regulations Revision (Reg #14)

Division Director Phyllis Mayes appeared before the Board on this matter.

The Division requested Board approval of proposed revisions to State Personnel Regulations to bring Sections 19-700 (Definitions) and 19-708.06 (Personnel Programs and Records) into compliance with Freedom of Information Act requirements.

The Division advised the Board that a notice of drafting period was published in the November 27 State Register and that no comments were received.

Upon approval by the Board, the proposed regulations will be published in the State Register.

Upon a motion by Mr. Patterson, seconded by Senator Waddell, the Board approved for publication in the State Register revisions to State Personnel Regulations 19-700 and 19-708.06.

Information relating to this matter has been retained in these files and is identified as Exhibit 21.

Mr. Morris: Comment About State Personnel

Mr. Morris noted that many persons often express the view that State employees have too many holidays. He noted, however, that for the past five days following the winter storm which covered portions of the State with snow and ice State employees have been scraping roads and working in hospitals and correctional facilities. He pointed out that State government does not close because of the weather and that many employees have worked late and come in early to get the job done. He expressed the view that unsung State employees deserve public commendation and that appreciation for their efforts should not go unnoticed and unspoken.

Governor Campbell observed that State government offices opened late on Monday due to safety considerations. He, too, observed that many employees had come in early and were to be commended. He advised that closing State offices was done for the safety of the people. He noted that essential workers made an extra effort to get to work.

Governor Campbell also noted that Ms. Mayes and the Human Resource Management Division had done an outstanding job during this time and he commended her performance.

Executive Director: Revenue Bond Issues; State Ceiling Allocations (R#15)

Board Secretary William A. McInnis appeared before the Board on this matter.

Mr. McInnis advised the Board that the required reviews on the following proposals to issue revenue bonds have not yet been completed and he asked that the Board grant conditional approval to each. He also advised that each of the projects requires approval under State law and requested that the Board allocate a portion of the Ceiling to each project.

- (a) Issuing Authority: Greenville County
Amount of Issue: \$6,000,000 Multi-Modal Interchangeable Rate
Industrial Development Revenue Bonds
Name of Project: National Electrical Carbon Corporation
Employment Impact: 45
Project Description: Manufacture carbon brushes
(Exhibit 22)
- (b) Issuing Authority: Laurens County
Amount of Issue: \$4,000,000 Industrial Development Revenue Note
Name of Project: Dispoz-o Plastics, Inc.
Employment Impact: 20
Project Description: Manufacture disposable cutlery and related
products
(Exhibit 23)
- (c) Issuing Authority: Spartanburg County
Amount of Issue: \$2,000,000 Industrial Development Revenue Note
Name of Project: Alkahn Labels Incorporated
Employment Impact: 15
Project Description: Manufacture woven labels
(Exhibit 24)

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Regular Session -- January 12, 1988 -- Page 21

(d) Issuing Authority: Darlington County
Amount of Issue: \$3,600,000 Industrial Development Revenue Bond
(Approved 11/25/87 in amount of \$3,200,000)
Name of Project: Hobart Corporation
Employment Impact: 200 additional
Project Description: Manufacture food preparation equipment
(INCOMPLETE) (Exhibit 25)

Mr. McInnis noted that item (d) was classified as incomplete at meeting time because the executed Petition and Resolution had not yet been received. He advised that bond counsel has given assurance that the Petition and Resolution have been executed but that, due to the weather conditions, the documents have not yet arrived in Columbia. Mr. McInnis asked that the Board make an exception to its policy of not considering incomplete items and to grant this item conditional approval on the understanding that the required executed documents would be received before final sign-off on the project on behalf of the Board is granted.

Upon a motion by Senator Waddell, seconded by Mr. Patterson, the Board adopted resolutions approving proposals to issue the referenced revenue bonds, on the condition that the required reviews are completed with satisfactory results, and allocated a portion of the State Ceiling to each project.

Information relating to this matter has been retained in these files and is identified as Exhibits 22 through 25, respectively.

Mental Retardation: Moving Expenses (Regular #16)

In accord with Code Section 8-11-135, the Department of Mental Retardation requested approval of the payment of \$668.56 to Dr. Steven Neff as a reimbursement for the costs incurred in moving personal and household effects from Athens, Georgia to Columbia.

Dr. Neff has been recruited for the position of Physician II (MD) at the Whitten Center in Clinton.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board, in accord with Code Section 8-11-135, authorized the Department of Mental Retardation to pay \$668.56 to Dr. Steven Neff as a reimbursement for the costs incurred in moving personal and household effects from Athens, Georgia to Columbia.

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Regular Session -- January 12, 1988 -- Page 22

Information relating to this matter has been retained in these files and is identified as Exhibit 26.

Department of Agriculture: Foreign Travel (Regular #17 and #17-A)

The Department of Agriculture requested approval of the travel of Dr. Richard Jesse and Norwood McLeod to Australia, New Zealand and Tahiti during the February 17-28, 1988 period to coordinate and direct a group of SC farmers to study production, technology, packaging and marketing of kiwi and fruit crops in New Zealand. The estimated cost of this travel is \$3,943 and will be paid from the Foreign Trade missions appropriation.

In item 17-A which the Board added to the agenda at the beginning of the meeting, the Department also requested approval of the travel of Commission Chairman Larry L. Yonce to Australia, New Zealand and Tahiti during the February 17-29, 1988, period to study production, technology, packaging and marketing of kiwi and fruit crops in New Zealand. The estimated cost of this travel is \$2,641 and will be paid from the Foreign Trade missions appropriation.

Upon a motion by Senator Waddell, seconded by Mr. Morris, the Board approved the travel of Department of Agriculture staff members Richard Jesse and Norwood McLeod to Australia, New Zealand and Tahiti during the February 17-28, 1988 period at an estimated cost of \$3,943 to be paid from the Foreign Trade Missions appropriation; and approved the travel of Commission of Agriculture Chairman Larry L. Yonce to Australia, New Zealand and Tahiti during the February 17-29, 1988, period at an estimated cost of \$2,641 to be paid from the Foreign Trade Missions appropriation.

Information relating to this matter has been retained in these files and is identified as Exhibit 27.

Clemson University: Foreign Travel (Regular #18)

Clemson University requested approval of the travel of Bobby G. Wixson, Dean, College of Sciences, to Hong Kong, China and Japan during the March 10-25, 1988, period to renew coop agreements between Clemson and Chinese

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Regular Session -- January 12, 1988 -- Page 23

universities in Beijing and Nanjing and to develop coop agreements with Kumamoto and other cities in Japan under the U.S. branch campus program. The estimated cost of this travel is \$3,000 and will be paid from State-appropriated funds.

Upon a motion by Mr. Morris, seconded by Mr. Patterson, the Board approved the travel of Bobby G. Wixson, Dean, Clemson University College of Sciences, to Hong Kong, China and Japan during the March 10-25, 1988, period at an estimated cost of \$3,000 to be paid from State-appropriated funds.

Information relating to this matter has been retained in these files and is identified as Exhibit 28.

Future Meeting

The Board agreed to hold a regular meeting at 9:30 a.m. on Tuesday, January 26, 1988, in the Governor's conference room in the State House.

Executive Session

Dr. Coles advised that two personnel items, one contractual item and one legal matter had been proposed for consideration during executive session.

Upon a motion by Mr. Morris, seconded by Senator Waddell, the Board agreed to consider these items in executive session whereupon Governor Campbell declared the meeting to be in executive session.

Vote on Matters Discussed in Executive Session Actions

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

(a) Human Resource Management: Unclassified Salary Increases, MUSC (X#1)

Upon a motion by Senator Waddell, seconded by Mr. Morris, the Board approved additional salary increases ranging from 4.2% to 31.8% for 13 Medical University faculty members, effective January 12, 1988, after agreeing that the Division of Human Resource Management should disclose details as required by the Freedom of Information Act.

(b) Human Resource Management: Unclassified Salary Increases, TEC (X#2)

Upon a motion by Mr. Morris, seconded by Mr. McLellan, the Board approved additional salary increases ranging from 1.81% to 5.21% for five unclassified Technical and Comprehensive Education employees, effective January 12, 1988, after agreeing that the Division of Human Resource Management should disclose details as required by the Freedom of Information Act.

(c) Executive Director: Telephone System Maintenance (X#4)

The Board received as information a briefing on matters relating to the procurement of maintenance for the State's telephone system.

(d) Ruling on Double-celling of Inmates

In the item added to the agenda by the Board, the Board received as information a briefing on legal matters related to a recent ruling on double-celling of inmates in the State's prisons.

Adjournment

Upon a motion by Senator Waddell, the meeting was adjourned at 11:35 a.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 8:45 a.m. on Monday, January 11, 1988.]

EXHIBIT

JAN 12 1988

NO. 1

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

BLUE AGENDA

ITEM NUMBER

1

AGENCY: Budget Division

SUBJECT: FTE Operating Report, December

The Budget Division reports that a net of 186.25 full-time-equivalent positions (-273.98 State, +32.84 federal and +427.39 other) were added to the authorized base during December, 1987. This brought the base to a total of 66,459.39 FTE positions.

At the end of the month, 61,115.10 of the authorized positions were filled and 5,344.29 were vacant.

BOARD ACTION REQUESTED:

Receive as information the FTE position operating report for the month of December 1987 which shows that net of 186.25 FTE positions were added to bring the base total to 66,459.39 FTE positions at the end of the month of which 61,115.10 FTE positions were filled and 5,344.29 were vacant.

ATTACHMENTS:

Agenda item worksheet and referenced report.

11022

EXHIBIT

JAN 12 1988

NO. 1

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84) STATE BUDGET & CONTROL BOARD

88-143

Meeting Scheduled for: January 12, 1988

Blue Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

1987-88 FTE Operating Report for the Month of December, 1987

3. Summary Background Information:

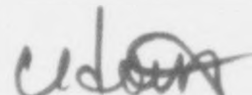
The attached report is submitted in accordance with Section 129.23 of the 1987-88 Appropriation Act. The report exempts all Legislative Employees (726.00) and Judicial Employees (399.22) which totals (1,125.22). Attached also is a copy of a year-to-date summary reflecting, by month, all authorized adjustments.

4. What is Board asked to do?

Information only

5. What is recommendation of Board Division involved?

Information only



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Authorized FTE Position Operating Report
2. Year-to-Date Monthly Summary FTE Position Operational Report

(b) List Those Not Attached But Available From Submitter:

11023

EXHIBIT

JAN 12 1988 NO. 1

STATE BUDGET DIVISION
FULL-TIME EQUIVALENT POSITION STATE BUDGET & CONTROL BOARD
OPERATIONAL REPORT
FOR THE MONTH OF DECEMBER, 1987

| SECTION NO. | AGENCY | TOTAL FTE POSITIONS | STATE FTE POSITIONS | FEDERAL FTE POSITIONS | OTHER FTE POSITIONS |
|---|---------------------------|---------------------------|---------------------------|-----------------------------|---------------------------|
| Total Operational FTE Position Base 11/30/87 | | 66,273.14 | 38,508.19 | 8,023.58 | 19,741.37 |
| DECEMBER <u>Authorized Adjustments</u> | | | | | |
| 5C | Governor's Office-OEPP | 3.00 | 3.00 | | |
| 5C | Governor's Office-OEPP | 1.00 | - | 1.00 | |
| 10 | Attorney General | 1.00 | 1.00 | | |
| 15 | Election Commission | 1.00 | - | - | 1.00 |
| 16F | BCB-IRM | 2.00 | - | - | 2.00 |
| 16I | BCB-Local Government | 1.75 | 1.75 | | |
| 27 | Medical University | - | (275.00) | - | 275.00 |
| 33 | Vocational Rehabilitation | 12.00 | - | 12.00 | |
| 34 | Deaf & Blind School | - | (4.23) | (0.16) | 4.39 |
| 44 | Alcohol & Drug Abuse | (1.00) | (1.00) | | |
| 45 | DSS | 40.00 | - | 20.00 | 20.00 |
| 50 | Aging | 2.00 | - | 2.00 | |
| 89 | Employment Security Comm. | (2.00) | - | (2.00) | |
| 100 | Land Surveyors Board | 0.50 | 0.50 | | |
| 126 | Highways & Public Transp. | 125.00 | - | - | 125.00 |
| Total Net Adjustment | | 186.25 | (273.98) | 32.84 | 427.39 |
| Total Operational FTE Position Base 12/31/87 | | 66,459.39 | 38,234.21 | 8,056.42 | 20,168.76 |

11024

| | | | | |
|--|-----------|-----------|----------|-----------|
| Total Filled FTE Positions 12/31/87 | 61,115.10 | 36,002.79 | 7,243.74 | 17,868.57 |
|--|-----------|-----------|----------|-----------|

| | | | | |
|--|----------|----------|--------|----------|
| Total Vacant FTE Positions 12/31/87 | 5,344.29 | 2,231.42 | 812.68 | 2,300.19 |
|--|----------|----------|--------|----------|

Prepared:
January 5, 1988

EXHIBIT

JAN 12 1988 NO. 1

STATE BUDGET & CONTROL BOARD

EXHIBIT

STATE BUDGET DIVISION
FTE POSITIONS AUTHORIZED ADJUSTMENTS
TO DATE
12/31/87

JAN 12 1988

NO. 1

STATE BUDGET & CONTROL BOARD

| | TOTAL FTE POSITIONS | STATE FTE POSITIONS | FEDERAL FTE POSITIONS | OTHER FTE POSITIONS |
|---|---------------------------|---------------------------|-----------------------------|---------------------------|
| Total Authorized FTE Position Base per 1987-88 Appropriation Act | 67,426.09 | 39,675.99 | 8,062.24 | 19,687.86 |
| Monthly Adjustments | | | | |
| July | (45.18) | (40.73) | (19.75) | 15.30 |
| August | (6.00) | 0.00 | (21.00) | 15.00 |
| September | 55.45 | 19.05 | 10.70 | 25.70 |
| October | (32.00) | (23.90) | (12.10) | 4.00 |
| November | - | - | 3.49 | (3.49) |
| December | 186.25 | (273.98) | 32.84 | 427.39 |
| Total Net Adjustments | 158.52 | (319.56) | (5.82) | 483.90 |
| Total Authorized FTE Position Base 12/31/87 | 67,584.61 | 39,356.43 | 8,056.42 | 20,171.76 |
| Less: | | | | |
| 1987-88 Legislative Employees | 726.00 | 723.00 | - | 3.00 |
| 1987-88 Judicial Employees | 399.22 | 399.22 | | |
| Total Operational FTE Position Base 12/31/87 | 66,459.39 | 38,234.21 | 8,056.42 | 20,168.76 |

Prepared
January 5, 1988

11026

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
532 EDGAR BROWN BUILDING, 1205 PENDLETON STREET
COLUMBIA, S.C. 29201
(803) 734-2280

EXHIBIT

JAN 12 1988

NO. 1

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

January 5, 1988


The Honorable James M. Waddell
Joint Legislative Committee on Personal
Service, Financing and Budgeting
213 Gressette Building
Columbia, SC 29201

Dear Senator Waddell:

Attached please find a copy of the December 1987-88 Authorized FTE
Position Operating Report. I have approved and adjusted the Authorized FTE
Position Base accordingly.

If you should have any questions, please feel free to call.

Sincerely,


Charles A. Brooks, Jr.
Director

CAB/dc

Attachment

11027

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD

STATE BUDGET DIVISION
532 EDGAR BROWN BUILDING, 1205 PENDLETON STREET
COLUMBIA, S.C. 29201
(803) 734-2280

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



REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *LCH*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: D17 Governor's Office-OEPP (5C)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | | 12/8/87 | 260.00 | 123.23 | 131.27 | 5.50 |
| | Adjusted FTE Position Base | | | 263.00 | 126.23 | 131.27 | 5.50 |
| | Authorized Adjustment | | | 3.00 | 3.00 | | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-31) with the following condition:
Recommend approval with the condition that there is a reduction in the proposed salary of the Director of the School.

11028

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
532 EDGAR BROWN BUILDING, 1205 PENDLETON STREET
COLUMBIA, S.C. 29201
(803) 734-2280

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



REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: D17 Governor's Office-OEPP (5C)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 259.00 | 123.23 | 130.27 | 5.50 |
| | Adjusted FTE Position Base | | | 260.00 | 123.23 | 131.27 | 5.50 |
| | Authorized Adjustment | | | 1.00 | - | 1.00 | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-22) with the following condition:
Recommend approval with the condition that the Governor's Office supply a letter to both the Senate Finance Committee and the Ways & Means Committee indicating the reduction to be made in their budget for temporary positions as a result of establishing the FTE.

11029

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION

532 EDGAR BROWN BUILDING, 1205 PENDLETON STREET
COLUMBIA, S.C. 29201
(803) 734-2280

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



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CHAIRMAN, WAYS AND MEANS COMMITTEE
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DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: E20 Attorney General (10)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | | 12/8/87 | 141.75 | 141.75 | | |
| | Adjusted FTE Position Base | | | 142.75 | 142.75 | | |
| | Authorized Adjustment | | | 1.00 | 1.00 | | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-34, transferred from Alcohol and Drug Abuse).

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CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: E28 Election Commission (15)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | | 11/1/87 | 17.50 | 17.50 | | |
| | Adjusted FTE Position Base | | | 18.50 | 17.50 | - | 1.00 |
| | Authorized Adjustment | | | 1.00 | - | - | 1.00 |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item #88-21).

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD

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JESSE A. COLES, PH.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *CH*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

X Action represents a net increase in authorized F.T.E. Positions

--- Action represents a net decrease in authorized F.T.E. Positions

--- Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: F12 Budget & Control Board-IRM (16F)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 153.70 | 30.00 | - | 123.70 |
| | Adjusted FTE Position Base | | | 155.70 | 30.00 | - | 125.70 |
| | Authorized Adjustment | | | 2.00 | - | - | 2.00 |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting,
and the Budget and Control Board (Item 88-33).

11032

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
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COMPTROLLER GENERAL



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CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *C. Holt*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: F26 BCB-Local Government (161)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | | 12/1/87 | 3.00 | 3.00 | | |
| | Adjusted FTE Position Base | | | 4.75 | 4.75 | | |
| | Authorized Adjustment | | | 1.75 | 1.75 | | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-28).

11C33

STATE OF SOUTH CAROLINA
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STATE BUDGET DIVISION
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JESSE A. COLES, PH.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

 Action represents a net increase in authorized F.T.E. Positions
 Action represents a net decrease in authorized F.T.E. Positions
 X Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H51 Medical University of South Carolina (27)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 5,089.53 | 2,269.08 | 187.75 | 2,632.70 |
| | Adjusted FTE Position Base | | | 5,089.53 | 1,994.08 | 187.75 | 2,907.70 |
| | Authorized Adjustment | | | - | (275.00) | - | 275.00 |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-30).

11034

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
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CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *CH*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H73 Vocational Rehabilitation (33)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 1,150.70 | 460.40 | 663.90 | 26.40 |
| | Adjusted FTE Position Base | | | 1,162.70 | 460.40 | 675.90 | 26.40 |
| | Authorized Adjustment | | | 12.00 | - | 12.00 | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-23).

11035

STATE OF SOUTH CAROLINA
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JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: December 15, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

 Action represents a net increase in authorized F.T.E. Positions

 Action represents a net decrease in authorized F.T.E. Positions

 X Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: H75 School for the Deaf & Blind (34)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 352.95 | 309.62 | 13.76 | 29.57 |
| | Adjusted FTE Position Base | | | 352.95 | 305.39 | 13.60 | 33.96 |
| | Authorized Adjustment | | | - | (4.23) | (0.16) | 4.39 |

Authorization/Explanation:
Requested by the agency. Increase in EIA funding.

11C36

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
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CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director 
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

☐ Action represents a net increase in authorized F.T.E. Positions
☒ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: J20 Alcohol & Drug Abuse (44)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 76.51 | 70.85 | 0.66 | 5.00 |
| | Adjusted FTE Position Base | | | 75.51 | 69.85 | 0.66 | 5.00 |
| | Authorized Adjustment | | | (1.00) | (1.00) | | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-34, transferred to the Attorney General's Office).

11C37

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
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JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

M E M O R A N D U M

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Edson*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L04 Department of Social Services (45)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 4,295.70 | 1,871.41 | 2,399.28 | 25.01 |
| | Adjusted FTE Position Base | | | 4,335.70 | 1,871.41 | 2,419.28 | 45.01 |
| | Authorized Adjustment | | | 40.00 | - | 20.00 | 20.00 |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-24).

11038

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
STATE BUDGET DIVISION
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CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

- ☒ Action represents a net increase in authorized F.T.E. Positions
☐ Action represents a net decrease in authorized F.T.E. Positions
☐ Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: L28 Commission on Aging (50)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | | 12/1/87 | 28.01 | 16.49 | 11.52 | |
| | Adjusted FTE Position Base | | | 30.01 | 16.49 | 13.52 | |
| | Authorized Adjustment | | | 2.00 | - | 2.00 | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-25).

11039

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
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JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *Curtis Holt*
DATE: November 23, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

 Action represents a net increase in authorized F.T.E. Positions

 X Action represents a net decrease in authorized F.T.E. Positions

 Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R60 Employment Security Commission (89)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|------------------------------|-------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| Authorized FTE Position Base | | 11/15/87 | | 1,219.33 | - | 1,101.33 | 118.00 |
| Adjusted FTE Position Base | | | | 1,217.33 | - | 1,099.33 | 118.00 |
| Authorized Adjustment | | | | (2.00) | - | < 2.00 > | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board in accordance with Section 129.23 of the 1987-88 Appropriation Act, Authorized FTE Positions vacant for nine (9) months.

11040

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
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EXECUTIVE DIRECTOR

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DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *CH*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

 X Action represents a net increase in authorized F.T.E. Positions

 Action represents a net decrease in authorized F.T.E. Positions

 Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: R92 Engineers and Land Surveyors Board (100)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | | 12/1/87 | 6.50 | 6.50 | | |
| | Adjusted FTE Position Base | | | 7.00 | 7.00 | | |
| | Authorized Adjustment | | | 0.50 | 0.50 | | |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-29).

11041

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
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CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, Ph.D.
EXECUTIVE DIRECTOR

A. BARON HOLMES, IV, Ph.D.
DIVISION DIRECTOR

MEMORANDUM

TO: Mr. George Harris, Manager of Operations
FROM: Curtis Holt, Jr., Assistant Director *CH*
DATE: December 8, 1987
SUBJECT: Adjustments to Agency Authorized F.T.E. Positions

X Action represents a net increase in authorized F.T.E. Positions

 Action represents a net decrease in authorized F.T.E. Positions

 Action represents a change in Source of Funding

Please take the necessary action to adjust the Agency Authorized F.T.E. Positions as follows:

Agency: UL2 Department of Highways & Public Transportation (126)

| CLASS CODE | CLASS TITLE | SLOT # | INCREASE DECREASE | TOTAL FTE ADJUSTMENT | STATE FTE ADJUSTMENT | FEDERAL FTE ADJUSTMENT | OTHER FTE ADJUSTMENT |
|---------------|------------------------------|-----------|----------------------|-------------------------|-------------------------|---------------------------|-------------------------|
| | Authorized FTE Position Base | 12/1/87 | | 7,147.50 | 2.72 | 5.73 | 7,139.05 |
| | Adjusted FTE Position Base | | | 7,272.50 | 2.72 | 5.73 | 7,264.05 |
| | Authorized Adjustment | | | 125.00 | - | - | 125.00 |

Authorization/Explanation:

Approved by the Joint Legislative Committee on Personal Service, Financing and Budgeting, and the Budget and Control Board (Item 88-27).

11042

EXHIBIT

JAN 12 1988

NO. 2

STATE BUDGET AND CONTROL BOARD AGENDA
MEETING OF January 12, 1988

ITEM NUMBER

2

AGENCY: Budget Division

SUBJECT: 1986-87 Authorized Transfers Report, December

The Budget Division reports that the transfer of \$1,099 of State-appropriated personal service funds was approved during December (to other operating expenses).

This brought the total of personal service funds approved for transfer during the fiscal year to \$1,751,313.

BOARD ACTION REQUESTED:

Receive as information a Budget Division report that the transfer of \$1,099 of personal service funds was approved during December to bring the total approved for transfer during the fiscal year to \$1,751,313.

ATTACHMENTS:

Agenda item worksheet and attachment

11043

JAN 12 1988

NO. 2

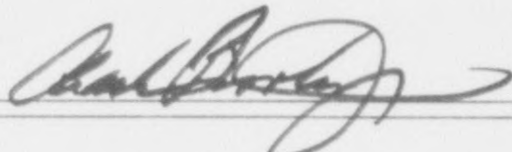
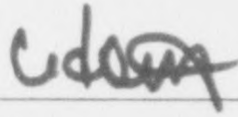
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-144

Meeting Scheduled for: January 12, 1988

Blue Agenda

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: 
2. Subject:
1987-88 Authorized Transfers Report for the Month of December, 1987
3. Summary Background Information:
The State Budget Division's Monthly Authorized Transfer Operating Report
4. What is Board asked to do?
Information only
5. What is recommendation of Board Division involved?
Information only

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____
(b) Division/Agency Name: _____
7. Supporting Documents:
(a) List Those Attached:
1. Authorized Transfers Operating Report

(b) List Those Not Attached But Available From Submitter:

STATE BUDGET DIVISION
ANALYSIS OF 1987-88 AUTHORIZED PERSONAL SERVICE
TRANSFER REQUESTS

| DATE | REQUEST NO. | AGENCY | SOURCE OF FUNDS | FROM PERSONAL SERVICE | TO OTHER OPERATING EXPENSES | EQUIPMENT |
|---|----------------|------------------------|--------------------|-----------------------------|-----------------------------------|-----------|
| Total Authorized Transfers 11/30/87 (27) | | | | \$1,751,313 | \$1,433,442 | \$317,871 |
| <hr/> | | | | | | |
| December Authorized Transfers | | | | | | |
| 11/17/87 | - | H63 Dept. of Education | State | \$ 1,099 | \$ 1,099 | |
| <hr/> | | | | | | |
| Total Authorized Transfers For December (1) | | | | \$ 1,099 | \$ 1,099 | -0- |
| <hr/> | | | | | | |
| Total Authorized Transfers Year-To-Date (28) | | | | \$1,752,412 | \$1,434,541 | \$317,871 |
| <hr/> | | | | | | |

| | | |
|---------------|----------------------|---------------------|
| NOTE: | <u>Current Month</u> | <u>Year-To-Date</u> |
| State Funds | \$ 1,099 | \$1,513,330 |
| Federal Funds | 0 | 168,022 |
| Other Funds | 0 | 69,961 |
| TOTAL FUNDS | <u>\$ 1,099</u> | <u>\$1,751,313</u> |

Prepared
January 5, 1988

EXHIBIT
JAN 12 1988 NO. 2
STATE BUDGET & CONTROL BOARD

11045

EXHIBIT

JAN 12 1988

NO. 3

STATE BUDGET AND CONTROL BOARD
MEETING OF JANUARY 12, 1988

BLUE AGENDA
ITEM NUMBER

3

AGENCY: Executive Director

SUBJECT: 1987 State Ceiling Carryforwards

The 1987 State Ceiling of \$253,350,000 was disposed of as follows:

Allocated and issued.....\$ 49,884,350

Allocated and carried forward..... 203,465,650

The carryforwards include the following:

Education Assistance Authority (for student loans). . . . \$117,465,650

State Housing Authority (for rental housing). 75,000,000

Spartanburg County (for rental housing) 11,000,000

Total. \$203,465,650

Extracts from the carryforward election statements filed with the Internal Revenue Service are attached.

BOARD ACTION REQUESTED:

Receive as information a report that \$49,884,350 of the 1987 State Ceiling on the issuance of private activity bonds were allocated and issued and that the balance of \$203,465,650 were allocated and carried forward for possible use in 1988 and after.

ATTACHMENTS:

McInnis December 22, 1987 letter to Internal Revenue Service Center plus extracts from carryforward election statements.

11046

EXHIBIT

JAN 12 1988

NO. 3

State of South Carolina

State Budget and Control Board BUDGET & CONTROL BOARD

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

Box 12444
Columbia
29211

December 23, 1987

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

CERTIFIED - RETURN RECEIPT

Section 146(f) Carryforward Election Statements
Internal Revenue Service Center
Philadelphia, PA 19255

Gentlemen:

Re: Carryforward Election Under Section 146(f)
by South Carolina Issuing Authorities

Enclosed are carryforward election statements by South Carolina issuing authorities containing the information required by federal regulations, in the amounts and for the purposes indicated, as follows:

| | |
|---|----------------------|
| (1) South Carolina Education Assistance Authority Student Loan Revenue Bonds | \$117,465,650 |
| (2) South Carolina State Housing Authority Qualified Residential Rental Projects | 75,000,000 |
| (3) Spartanburg County, Skylyn Associates Qualified Residential Rental Project | <u>11,000,000</u> |
| TOTAL. | <u>\$203,465,650</u> |

The State Ceiling for South Carolina under the Tax Reform Act of 1986 was \$253,350,000. Of that amount, \$49,884,350 have been certified for issue.

Should you have any questions about any of these documents, call me at 803-734-2320 or write to me at the above address.

Sincerely,

William A. McInnis
William A. McInnis
Deputy Executive Director

WAM:dw
Enclosures

11047

EXHIBIT

JAN 12 1988

NO. 3

STATE OF SOUTH CAROLINA
CARRYFORWARD ELECTION #1 UNDER SECTION 146(f)
RELATING TO CALENDAR YEAR 1987

STATE BUDGET & CONTROL BOARD

Issuing Authority:

Name: South Carolina Education Assistance Authority

Address: Box 21337
Columbia, SC 29221

Tax Identification Number: 69-057-0001

Private Activity Bond Limit..... \$117,465,650
Private Activity Bonds Certified for Issue..... \$ -0-
Unused Private Activity Bond Limit..... \$117,465,650
=====

CARRYFORWARD PROJECTS

| <u>Description/Address/ Type Facility</u> | <u>Initial Owner/Operator/Manager/ Tax Identification Number</u> | <u>Amount</u> |
|---|--|---------------|
| Issuance of Student Loan Bonds | S. C. Education Assistance Authority 69-057-0001 | \$117,465,650 |

Sworn to and subscribed
before me this 22nd day
of December, 1987.

Gordon H. Williams
Notary Public

My commission expires

May 3, 1989.

Grady L. Patterson, Jr.
Grady L. Patterson, Jr., Member
State of South Carolina
Budget and Control Board

William A. McInnis
William A. McInnis, Secretary
State of South Carolina
Budget and Control Board

11048

EXHIBIT

JAN 12 1988

NO. 3

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA
CARRYFORWARD ELECTION #2 UNDER SECTION 146(f)
RELATING TO CALENDAR YEAR 1987

Issuing Authority:

Name: South Carolina State Housing Authority

Address: 1710 Gervais Street
Columbia, SC 29201

Tax Identification Number: 54-1440820

Private Activity Bond Limit..... \$75,000,000
Private Activity Bonds Certified for Issue..... \$ -0-
Unused Private Activity Bond Limit..... \$75,000,000
=====

CARRYFORWARD PROJECTS

| <u>Description/Address/ Type Facility</u> | <u>Initial Owner/Operator/Manager/ Tax Identification Number</u> | <u>Amount</u> |
|--|--|---------------|
| Qualified residential rental housing projects at various locations throughout the State | Owners to be determined at later date | \$75,000,000 |

Sworn to and subscribed
before me this 22nd day
of December, 1987.

Donna K. Williams
Notary Public

My commission expires
May 2, 1989.

Grady L. Patterson, Jr.
Grady L. Patterson, Jr., Member
State of South Carolina
Budget and Control Board

William A. McInnis
William A. McInnis, Secretary
State of South Carolina
Budget and Control Board

11C49

EXHIBIT

JAN 12 1988

NO. 3

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA
CARRYFORWARD ELECTION #3 UNDER SECTION 146(f)
RELATING TO CALENDAR YEAR 1987

Issuing Authority:

Name: Spartanburg County
Address: P. O. Box 5666
Spartanburg, SC 29304
Tax Identification Number: 57-6000-401

Private Activity Bond Limit..... \$13,915,000
Private Activity Bonds Certified for Issue..... \$ 2,915,000
Unused Private Activity Bond Limit..... \$11,000,000
=====

CARRYFORWARD PROJECTS

| Description/Address/ Type Facility | Initial Owner/Operator/Manager/ Tax Identification Number | Amount |
|--|---|--------------|
| 18-acre tract of land, approximately 240 residential medically- assisted living units with related facilities located on Skylyn Drive | Skylyn Associates, limited partnership. General Partners: Pulliam Retirement Associates, # applied for Robert E. Tracy, # applied for Charles Ervin, Jr., # applied for Never M. Fail, # applied for | \$11,000,000 |

Sworn to and subscribed
before me this 23rd day
of December, 1987.

Anna F. Williams
Notary Public

My commission expires

May 3, 1989

Grady L. Patterson, Jr., Member
State of South Carolina
Budget and Control Board

William A. McInnis
William A. McInnis, Secretary
State of South Carolina
Budget and Control Board

11050

STATE CEILING

| | 1984 | 1985 | 1986 Prior to 8/15/86 | 1986 After 8/15/86 | 1986 Total | 1987 |
|------------------------------|--------------------|--------------------|--------------------------|-----------------------|--------------------|--------------------|
| State Pool (40%) | 192,180,000 | 198,000,000 | 200,820,000 | 100,410,000 | 301,230,000 | 101,340,000 |
| Reallocations | +205,268,000 | +11,875,178 | 0 | -8,545,000 | -8,545,000 | 107,725,650 |
| Total State Pool | <u>397,448,000</u> | <u>209,875,178</u> | <u>200,820,000</u> | <u>91,865,000</u> | <u>292,685,000</u> | <u>209,065,650</u> |
| # Projects | 12 | 37 | 16 | 17 | 33 | 11 |
| Total State Pool Allocations | 397,448,000 | 184,950,100 | 5,490,000 | 91,865,000 | 97,355,000 | 209,065,650 |
| State Pool Not Allocated | -0- | 24,925,078 | 195,330,000 | -0- | 195,330,000 | -0- |
| State Pool Issued | 85,503,078 | 32,450,100 | 5,490,000 | 28,860,000 | 34,350,000 | 16,600,000 |
| Amount Carried Forward | 311,944,922 | 152,500,000 | -0- | 63,005,000 | 63,005,000 | 192,465,650 |
| Local Pool (60%) | 288,270,000 | 297,000,000 | 301,230,000 | 150,615,000 | 451,845,000 | 152,010,000 |
| Reallocations | -205,268,000 | -11,875,178 | 0 | +8,545,000 | +8,545,000 | -107,725,650 |
| Total Local Pool | <u>83,002,000</u> | <u>285,124,822</u> | <u>301,230,000</u> | <u>159,160,000</u> | <u>460,390,000</u> | <u>44,284,350</u> |
| # Projects | 31 | 128 | 22 | 25 | 47 | 14 |
| Total Local Pool Allocations | 83,002,000 | 237,131,561 | 42,152,670 | 159,160,000 | 201,312,670 | 44,284,350 |
| Local Pool Not Allocated | -0- | 47,993,261 | 259,077,330 | -0- | 259,077,330 | -0- |
| Local Pool Issued | 83,002,000 | 237,131,561 | 42,152,670 | 147,160,000 | 189,312,670 | 33,284,350 |
| Amount Carried Forward | -0- | -0- | -0- | 12,000,000 | 12,000,000 | 11,000,000 |
| Total State Ceiling | <u>480,450,000</u> | <u>495,000,000</u> | <u>502,050,000</u> | <u>251,025,000</u> | <u>753,075,000</u> | <u>253,350,000</u> |
| # Projects | 43 | 165 | 38 | 42 | 80 | 25 |
| Total Ceiling Allocations | 480,450,000 | 422,081,661 | 47,642,670 | 251,025,000 | 298,667,670 | 253,350,000 |
| Total Amount Not Allocated | -0- | 72,918,339 | 454,407,330 | -0- | 454,407,330 | -0- |
| Total Amount Issued | 168,505,078 | 269,581,661 | 47,642,670 | 176,020,000 | 223,662,670 | 49,884,350 |
| Total Amount Carried Forward | 311,944,922 | 152,500,000 | -0- | 75,005,000 | 75,005,000 | 203,465,650 |

EXHIBIT
JAN 12 1988 NO. 3
STATE BUDGET & CONTROL BOARD

EXHIBIT

JAN 12 1988

NO. 4

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

BLUE AGENDA
ITEM NUMBER

4

AGENCY: Executive Director

SUBJECT: 1988 State Ceiling Certification

On January 5, 1988, the 1988 State Ceiling for the State of South Carolina, as established in the Tax Reform Act of 1986, was calculated and certified to be \$171,250,000.

BOARD ACTION REQUESTED:

Receive as information a report that, on January 5, 1988, the 1988 State Ceiling for the State of South Carolina, as established in the Tax Reform Act of 1986, was calculated and certified to be \$171,250,000.

ATTACHMENTS:

Certification of 1988 State Ceiling on Issuance of Private Activity Bonds

11052

EXHIBIT

JAN 12 1988

NO. 4

State of South Carolina

State Budget and Control Board BUDGET & CONTROL BOARD

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



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. MCLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 5, 1988

CERTIFICATION OF 1988 STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS ESTABLISHED IN TAX REFORM ACT OF 1986

In accord with Section 1 of Act 117 of 1987 which proclaims a plan for allocating the State Ceiling on the issuance of tax exempt private activity bonds, I have determined that the most recent census estimate of the resident population of the State of South Carolina published by the Bureau of the Census before the beginning of 1988 is 3,425,000.

That population estimate is included in Census Bureau release CB87-205 dated for release December 30, 1987.

On that basis, I have calculated and I certify the 1988 State Ceiling for the State of South Carolina, as established in the Tax Reform Act of 1986, to be \$171,250,000.

William A. McInnis

William A. McInnis, Secretary

11053

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

BLUE AGENDA

ITEM NUMBER

5

AGENCY: General Services

SUBJECT: Horry-Georgetown Technical College Audit Certification Report

The Division of General Services advises that, due to the findings of the follow-up review by the audit staff, it cannot recommend procurement certification by the College at this time. The College requested \$15,000 certification.

The report is submitted for information. Since the Division does not recommend certification, Board action is not required.

BOARD ACTION REQUESTED:

Receive as information a report that the Division of General Services, due to the findings of the follow-up review by the audit staff, cannot recommend procurement certification by the College at this time.

ATTACHMENTS:

Kelly January 4 letter to Coles

11054

EXHIBIT

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD W. KELLY
DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

January 4, 1988

RECEIVED

JAN - 5 1988

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

Jesse A. Coles, Jr., Ph.D.
Executive Director
Budget and Control Board
612 Wade Hampton office Building
Columbia, S.C. 29211

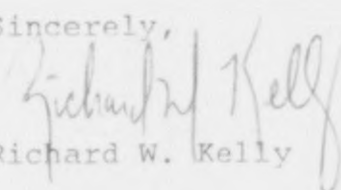
Dear Dr. Coles:

Please find attached, a copy of the final Horry-Georgetown Technical College audit report as prepared by the Office of Audit and Certification.

Due to the findings of the follow-up review by the audit staff, the Division of General Services cannot recommend procurement certification for the college at this time. A request for \$15,000 certification was made by the college.

Since we cannot recommend certification, Budget and Control Board action is not required. I submit the report to you for your information.

Sincerely,


Richard W. Kelly

/ab

attachment
cc. Mr. Voight Shealy

11055

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, S.C. 29201
(803) 737-0600



RICHARD J. CAMPBELL
ASSISTANT DIVISION DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

Attachment 5

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

DR. JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

November 25, 1987

Mr. Richard W. Kelly
Division Director
Division of General Services
1201 Main Street
Columbia, South Carolina 29201

Dear Rick:

Attached is the final Horry-Georgetown Technical College audit report and recommendations made by the Office of Audit and Certification.

Due to the findings of the follow-up review by the Audit and Certification staff, I am disturbed that the College has taken no action to correct the exceptions noted in the original audit report. I therefore, am unable to recommend certification above the \$2,500 limit allowed by law.

I recommend that this report be presented to Dr. Coles for his information.

Sincerely,

D. L. McMillin
Acting Materials Management Officer

Attachment

MATERIALS MANAGEMENT OFFICE

11056

State Supply & Surplus Property Management
Surplus Property
Boston Avenue
W. Cola, S.C. 29169
734-4335

Supply, Warehousing & IMS
1942 Laurel Street
Cola, S.C. 29201
734-7919

Training & Research
300 Gervais Street
Annex 3
Cola, S.C. 29201
737-2060

State Procurements &
Information Technology Management Office
1201 Main Street
Suite 600
Cola, S.C. 29201
737-0600

Office of Audit & Certification
1201 Main Street
Suite 600
Cola, S.C. 29201
737-0600

Installment Purchase Program
1201 Main Street
Suite 600
Cola, S.C. 29201
737-0600

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, S.C. 29201
(803) 737-0600

Attachment 6

EXHIBIT

JAN 12 1988

NO. 5

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD J. CAMPBELL
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN
STATE BUDGET & CONTROL BOARD
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

DR. JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

December 30, 1987

Jesse A. Coles, Jr. Ph.D
Executive Director
Budget and Control Board
612 Wade Hampton Office Building
Columbia, South Carolina 29211

Dear Dr. Coles:

Please find attached, a copy of the final Horry-Georgetown Technical College audit report as prepared by the Office of Audit and Certification.

Due to the findings of the follow-up review by the audit staff, the Division of General Services cannot recommend procurement certification for the college at this time. Corrective action has not been taken.

Since we cannot recommend certification, Budget and Control Board action is not required. I submit the report to you for their information.

Sincerely,

Richard W. Kelly

Attachment
cc: Voight Shealy

MATERIALS MANAGEMENT OFFICE

11057

State Supply & Surplus Property Management
Surplus Property
Boston Avenue
W. Cola, S.C. 29169
734-4335

Supply, Warehousing & IMS
1942 Laurel Street
Cola, S.C. 29201
734-7919

Training & Research
300 Gervan Street
Annex J
Cola, S.C. 29201
737-2060

State Procurements &
Information Technology Management Office
1201 Main Street
Suite 600
Cola, S.C. 29201
737-0600

Office of Audit & Certification
1201 Main Street
Suite 600
Cola, S.C. 29201
737-0600

Installment Purchase Program
1201 Main Street
Suite 600
Cola, S.C. 29201
737-0600

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

Horry-Georgetown Technical College

Sequence of Events

July 7-16, 1986

Audit performed

Oct. 22, 1986

First draft mailed to college. This indicated that we could not certify without corrective action and a track record of compliance. See attachment 1.

Nov. 13, 1986

Exit conference

Nov. 17, 1986

Second draft mailed with request for response by 12/19/86. See attachment 2.

Nov., 1986 - March, 1987

Holding period as indicated in the report conclusion.

April, 1987

Response requested verbally.

April - August, 1987

No response received. Response requested verbally on several occasions.

Aug. 20 & 21, 1987

Follow-up performed. Results were poor.

Aug. 27, 1987

Follow-up letter mailed indicated our disappointment. See attachment 3.

Sept. 10, 1987

President Sharples called to indicate response would be forwarded ASAP. See attachment 4.

11058

Nov. 25, 1987

No response received.
Letter from Acting
Materials Management
Officer to Division
Director recommending
no certification.
See attachment 5.

Dec. 30, 1987

No response still.
No corrective action
demonstrated. Pre-
pared letter from
Division Director to
Executive Director
recommending no cer-
tification.
See attachment 6.

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

11059

Attachment 1
EXHIBIT

JAN 12 1988 NO. 5

CONCLUSION

STATE BUDGET & CONTROL BOARD

As enumerated in our transmittal letter, corrective action based on the recommendations in the body of this report, we believe, will in all material respects place Horry-Georgetown Technical College in compliance with the State Consolidated Procurement Code and ensuing regulations.

Due to the variety of exceptions listed herein, this office is not prepared to recommend procurement certification at this time. Corrective action recommended in this report should be taken by the College. Once such corrective action has been taken and a sufficient amount of time has elapsed to document improvement in Procurement Code compliance we will reconsider a recommendation for certification.

Toward this end, prior to March 31, 1987, the Office of Audit and Certification will perform a follow-up review in accordance with Section 11-35-1230(1) of the Procurement Code to determine if the proposed corrective action has been taken by the College. Based on the follow-up review, and subject to this corrective action, we will consider a recommendation that Horry-Georgetown Technical College be certified to make direct agency procurements up to the requested limit.

EXHIBIT

JAN 12 1988

NO. 5

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERVAS STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-2150

STATE BUDGET & CONTROL BOARD

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



WILLIAM J. CLEMENT
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

October 22, 1986

Mr. D. Kent Sharples
President
Horry-Georgetown Technical College
Highway 501 East
Post Office Box 1966
Conway, South Carolina 29526

Dear Mr. Sharples:

Please find enclosed for your review and comment the draft audit and certification report prepared by the Office of Audit and Certification pursuant to our on-site review conducted July 7-16, 1986.

As part of our exit conference procedures, I would like to meet with you and/or your staff before November 14, 1986, in order to discuss any comments you might have with respect to the contents of the report. Please contact me at 737-2140 so that we can establish a date and time for this meeting. Subsequent to this meeting, we will finalize the report and submit same for approval.

Sincerely,

R. Voight Shealy

R. Voight Shealy, Manager
Audit and Certification

Enclosure

11061

Attachment 2

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERVAIN STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-2150

RICHARD W. RILEY, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



WILLIAM J. CLEMENT
ASSISTANT DIVISION DIRECTOR

REINHERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

TOM G. MANGUM
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

November 17, 1986

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

Dr. D. Kent Sharples
President
Horry-Georgetown Technical College
Post Office Box 1966
Conway, South Carolina 29526

Dear Dr. Sharples:

Enclosed you will find a revised copy of the audit report prepared by the Office of Audit and Certification. This report has been modified based on discussions held with Mr. Gerald Brooks on November 13, 1986.

As explained during the exit conference, I would like to request, by this letter, your formal reply to the report to be included with the final report which will be delivered to the Budget and Control Board for their review. Your formal reply may address each report point separately or provide a general response. We request, however, that your concurrence with the report recommendations and any time plans for implementation of any changes be included in your formal reply.

I request, if at all possible, that the college's formal reply be forwarded to me by December 19, 1986. Subsequent to receipt of this formal reply, we will arrange with your staff to conduct an on-site review with them to help us document the extent to which our recommendations are being implemented.

I look forward to hearing from you and wish to thank all of the personnel with whom we came into contact for the cooperation and assistance provided to us during our examination.

Sincerely,

Vaight Shealy
R. Voight Shealy, Manager
Audit and Certification

Enclosure

11062

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
 DIVISION OF GENERAL SERVICES
 300 GERRAIS STREET
 COLUMBIA, SOUTH CAROLINA 29201
 (803) 737-2150

CARROLL A. CAMPBELL, JR.
 GOVERNOR

GRADY L. PATTERSON, JR.
 STATE TREASURER

EARLE E. MORRIS, JR.
 COMPTROLLER GENERAL



WILLIAM J. CLEMENT, AIA
 ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
 CHAIRMAN,
 SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
 CHAIRMAN,
 HOUSE WAYS AND MEANS COMMITTEE

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

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

August 27, 1987

Dr. D. Kent Sharples
 Horry-Georgetown Technical College
 P.O. Box 1966
 Conway South Carolina 29526

Dear Dr. Sharples:

We returned to Horry-Georgetown Technical College on August 20th and 21st to perform a follow-up review of our audit dated September 11, 1986. Our review was to verify corrective action recommended in the audit and to perform additional tests in the problem areas noted therein.

We found that the college has not prepared the necessary paperwork for ratification of items I.A. and I.C. of the report. This must be done immediately. Further, we encountered several procurements which were unauthorized according to the college's inter-office memorandums on procurement violations. These memorandums should include a section for the college president to ratify such actions. No one else at the college has ratification authority. Until each violation is ratified, no purchase order should be written nor payment made.

Section II of the report addressed the need for a payment approval stamp which the college has implemented. However, the stamp lacks the features necessary for proper internal control. Each invoice should be stamped with the following steps to be completed in the voucher review process by accounts payable.

- (1) Evidence of receipt
- (2) Prices verified
- (3) Extensions and additions verified
- (4) Checked for discount
- (5) Disbursement authorized

We recommend that the college obtain a new stamp which will better serve its needs.

Since our previous visit, the college has hired a new purchasing agent. Her work appears satisfactory, however, we were informed that she has attended no purchasing training seminars. We recommend that the purchasing agent be encouraged to start and complete the purchasing seminars as soon as possible.

11063

The audit report recommended a more comprehensive procurement procedures manual be completed before higher certification limits could be granted. This manual has not been completed. Irregardless of higher certification, the manual should be expended.

On November 17, 1986, I requested a formal response to the audit report by December 19, 1986. To this date, the response has not been received.

Due to the findings in our audit and follow-up review, we cannot recommend procurement certification for Horry-Georgetown Technical College.

Sincerely,

R. Voight Shealy

R. Voight Shealy, Manager
Audit and Certification

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

11064

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

To Voight
 Date 9-10 Time 4:05

WHILE YOU WERE OUT
 M. Kent Sharples
 of Harry - D'Ann Tee
 Phone _____
 Area Code Number Extension

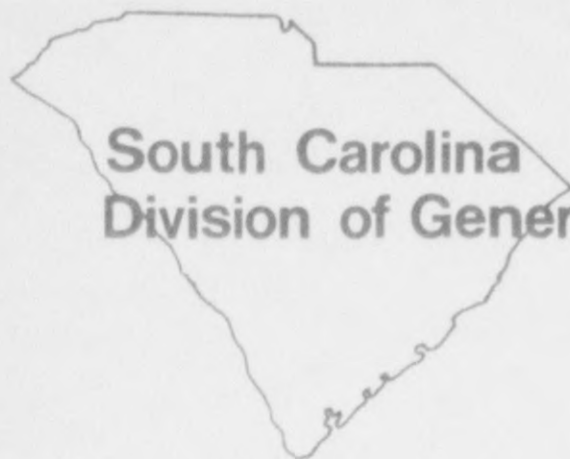
| | | |
|--------------------|-----------------|--|
| TELEPHONED | PLEASE CALL | |
| CALLED TO SEE YOU | WILL CALL AGAIN | |
| WANTS TO SEE YOU | URGENT | |
| RETURNED YOUR CALL | | |

Message re: 8-27 ltr
will respond ASAP.
they have been tied up
trying to get 5 new bldgs.
ready for Mon.

Operator _____

AMPAD
EFFICIENCY®23-000 50 SHT. PAD
23-001 250 SHT. DISPENSER BOX

11065



South Carolina
Division of General Services

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

PROCUREMENT AUDIT AND CERTIFICATION

HORRY-GEORGETOWN TECHNICAL COLLEGE
AGENCY

APRIL 1, 1985 - JUNE 30, 1986
DATE

11066

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, S.C. 29201
(803) 737-0600



RICHARD J. CAMPBELL
ASSISTANT DIVISION DIRECTOR

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

DR. JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

November 25, 1987

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

Mr. Richard W. Kelly
Division Director
Division of General Services
1201 Main Street
Columbia, South Carolina 29201

Dear Rick:

Attached is the final Horry-Georgetown Technical College audit report and recommendations made by the Office of Audit and Certification.

Due to the findings of the follow-up review by the Audit and Certification staff, I am disturbed that the College has taken no action to correct the exceptions noted in the original audit report. I therefore, am unable to recommend certification above the \$2,500 limit allowed by law.

I recommend that this report be presented to Dr. Coles for his information.

Sincerely,

D. L. McMillin
Acting Materials Management Officer

Attachment

MATERIALS MANAGEMENT OFFICE

State Supply & Surplus Property Management
Surplus Property
Boston Avenue
W. Coia S.C. 29169
734-4335

Supply, Warehousing & IMS
1942 Laurel Street
Coia, S.C. 29201
734-7919

Training & Research
300 Gervais Street
Annex 3
Coia, S.C. 29201
737-0660

State Procurement &
Information Technology Management Office
1201 Main Street
Suite 600
Coia, S.C. 29201
737-0600

Office of Audit & Certification
1201 Main Street
Suite 600
Coia, S.C. 29201
737-0600

Installment Purchase Program
1201 Main Street
Suite 600
Coia, S.C. 29201
737-0600

11067

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

HORRY-GEORGETOWN TECHNICAL COLLEGE AUDIT REPORT

APRIL 1, 1985 - JUNE 30, 1986

11068

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STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, S.C. 29201
(803) 737-0600

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD J. CAMPBELL
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

DR. JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

November 13, 1987

Mr. D.L. McMillin
Acting Materials Management Officer
Division of General Services
1201 Main Street
Columbia, South Carolina 29201

We have examined the procurement policies and procedures of Horry-Georgetown Technical College for the period April 1, 1985 through June 30, 1986. As part of our examination, we made a study and evaluation of the system of internal control over procurement transactions to the extent we considered necessary.

The purpose of such evaluation was to establish a basis for reliance upon the system of internal control to assure adherence to the Consolidated Procurement Code and State and internal procurement policy. Additionally, the evaluation was used in determining the nature, timing and extent of other auditing procedures that were necessary for developing a recommendation for certification above the \$2,500 limit.

The administration of the College is responsible for establishing and maintaining a system of internal control over procurement transactions. In fulfilling this responsibility, estimates and judgements by management are required to assess that expected benefits and related costs of control procedures. The objectives of a system are to provide management with

MATERIALS MANAGEMENT OFFICE

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Boston Avenue
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Supply, Warehousing & IMS
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Cola., S.C. 29201
734-7919

Training & Research
300 Gervais Street
Annex 3
Cola., S.C. 29201
737-2060

State Procurements &
Information Technology Management Office
1201 Main Street
Suite 600
Cola., S.C. 29201
737-0600

Office of Audit & Certification
1201 Main Street
Suite 600
Cola., S.C. 29201
737-0600

Installment Purchase Program
1201 Main Street
Suite 600
Cola., S.C. 29201
737-0600

11070

EXHIBIT

JAN 12 1988

NO. 5

STATE BUDGET & CONTROL BOARD

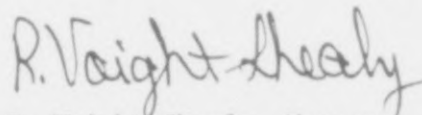
reasonable, but not absolute, assurance of the integrity of the procurement process, that affected assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate.

Our study and evaluation of the system of internal control over procurement transactions as well as our overall examination of procurement policies and procedures were conducted with due professional care. They would not however, because of the nature of audit testing, necessarily disclose all weaknesses in the system.

The examination did, however, disclose conditions, enumerated in this report which we believe to be subject to correction or improvement.

Corrective action based on the recommendations described in these findings will in all material respects place Horry-Georgetown Technical College in compliance with the South Carolina Consolidated Procurement Code and ensuing regulations.



R. Voight Shealy, Manager

Audit and Certification

11071

INTRODUCTION

The Office of Audit and Certification conducted an examination of the internal procurement operating procedures and policies and related manual of Horry-Georgetown Technical College.

Our on-site review was conducted July 7 through July 16, 1986, and was made under the authority as described in Section 11-35-1230(1) of the South Carolina Consolidated Procurement Code and Section 19-445.2020 of the accompanying regulations.

The examination was directed principally to determine whether, in all material respects, the procurement system's internal controls were adequate and the procurement procedures, as outlined in the Internal Procurement Operating Procedures Manual, were in compliance with the South Carolina Consolidated Procurement Code and its ensuing regulations.

Additionally, our work was directed toward assisting the agency in promoting the underlying purposes and policies of the Code as outlined in Section 11-35-20, which include:

- (1) to ensure the fair and equitable treatment of all persons who deal with the procurement system of this State;
- (2) to provide increased economy in state procurement activities and to maximize to the fullest extent practicable the purchasing values of funds of the State;

- (3) to provide safeguards for the maintenance of a procurement system of quality and integrity with clearly defined rules for ethical behavior on the part of all persons engaged in the public procurement process.

BACKGROUND

Section 11-35-1210 of the South Carolina Consolidated Procurement Code states:

The (Budget and Control) Board may assign differential dollar limits below which individual governmental bodies may make direct procurements not under term contracts. The Division of General Services shall review the respective governmental body's internal procurement operations, shall certify in writing that it is consistent with the provisions of this code and the ensuing regulations, and recommend to the board those dollar limits for the respective governmental body's procurement not under term contract.

Our audit was performed primarily to determine if certification is warranted for this requested increased limit:

| <u>Category</u> | <u>Requested Limit</u> |
|--|------------------------|
| Goods and Services (Local Funds Only) | \$15,000 |

SCOPE

Our examination encompassed a detailed analysis of the internal procurement operating procedures of Horry-Georgetown Technical College and the related policies and procedures manual to the extent we deemed necessary to formulate an opinion on the adequacy of the system to properly handle procurement transactions up to the requested certification limit.

The Audit and Certification team of the Division of General Services selected random samples for the period July 1, 1985 through June 30, 1986, of procurement transactions for compliance testing and performed other auditing procedures that we considered necessary in the circumstances to formulate this opinion. As specified in the Consolidated Procurement Code and related regulations, our review of the system included, but was not limited to, the following areas:

- (1) adherence to provisions of the South Carolina Consolidated Procurement Code and accompanying regulations;
- (2) procurement staff and training;
- (3) adequate audit trails and purchase order register;
- (4) evidences of competition;
- (5) small purchase provisions and purchase order confirmations;
- (6) emergency and sole source procurements;
- (7) source selections;
- (8) file documentation of procurements;

- (9) disposition of surplus property;
- (10) economy and efficiency of the procurement process;
and
- (11) approval of Minority Business Enterprise Plan.

EXHIBIT

JAN 12 1988 NO. 5

SUMMARY OF AUDIT FINDINGS

STATE BUDGET & CONTROL BOARD

Our audit of the procurement system of Horry-Georgetown Technical College produced findings and recommendations in the following areas:

| | <u>PAGE</u> |
|---|-------------|
| I. <u>Compliance - Procurements</u> | |
| A. Unauthorized Procurements | 10 |
| Our sample indicated that seven procurements were unauthorized. | |
| B. Procurements Lacked Required Amount of Competition | 11 |
| Four procurements did not meet the minimum competition requirements. | |
| C. Procurements Exceeded the College's Purchasing Authority | 12 |
| Two procurements exceeded the College's authority. | |
| II. <u>Internal Control</u> | |
| Vendor invoices were not matched with purchase orders and/or receiving reports. | 12 |
| III. <u>Compliance - Sole Source and Emergency Procurements</u> | |
| Several sole source and emergency procurements did not meet the requirements of the Code. | 14 |

IV. Review of the Procurement Procedures Manual

15

Our review of the current manual indicated a need for a more comprehensive manual.

RESULTS OF EXAMINATION

I. Compliance - Procurements

We reviewed fifty-five procurement transactions from the period July 1, 1985 through June 30, 1986. We found the following to be areas of concern.

A. Unauthorized Procurements

Our sample indicated that seven procurements were unauthorized.

| <u>Date</u> | <u>P.O.Number</u> | <u>Service</u> | <u>Amount</u> |
|-------------|-------------------|-----------------------|---------------|
| 09/24/85 | 5940 | printing | \$ 517.42 |
| 10/09/85 | 6134 | printing | 5,008.54 |
| 11/05/85 | 6423 | leased cash registers | 1,350.00 |
| 01/23/86 | 7045 | printing | 805.25 |
| 05/06/86 | 8096 | electrical repair | 526.00 |
| 05/06/86 | 8104 | printing | 845.04 |
| 06/16/86 | 8507 | printing | 703.50 |

Section 19-445.2015, Subsection A, of the regulations defines unauthorized procurements as "an act obligating the State in a contract by any person without the requisite authority to do so." Horry-Georgetown's Manual of Policy, number 9, states in part: "The Business Office is the only unit of the College authorized to procure goods and services for the College."

Since these procurements were not made by the Business Office, they must be ratified in accordance with Section 19-445.2015, Subsection B of the regulations. Each procurement less than \$2,500.00, the College's procurement authority, must be ratified by the President. The procurement greater than \$2,500.00 must be ratified by the Materials Management Officer.

Either way, the President of the College must prepare a written determination as to the facts and circumstances surrounding the act, what corrective action is being taken to prevent reoccurrence, action taken against the individual committing the act and documentation that the price paid is fair and reasonable. If the price paid is unreasonable, the individual may be held pecuniarily liable for the difference.

We recommend that the College take a firm stand against unauthorized procurements. A policy clarification should be sent to user departments. Consideration should be given to holding someone pecuniarily liable for excess payments and/or withholding payment altogether.

B. Procurements Lacked Required Amount of Competition

Purchases up to \$2,500.00 may be made by the College in accordance with regulation 19-445.2100, which states the following thresholds for competition. Purchases from \$500.01 to \$1,499.99 require solicitations of verbal quotes from a minimum of two qualified sources. Purchases from \$1,500.00 to \$2,499.99 require solicitations of written quotations from at least three qualified sources.

The four procurements listed below did not meet the minimum competition requirements.

| <u>Date</u> | <u>P.O.Number</u> | <u>Service</u> | <u>Amount</u> |
|-------------|-------------------|------------------|---------------|
| 07/11/85 | 5269 | landscape design | \$ 600.00 |
| 09/24/85 | 5926 | landscaping | 554.60 |
| 09/27/85 | 5979 | transcribers | 1,199.02 |
| 11/12/85 | 5799 | blackboards | 1,774.40 |

The College should make a concerted effort to comply with the requirements of the Code.

C. Procurements Exceeded the College's Purchasing Authority

The College has authority to procure goods and services to a limit of \$2,500.00. Procurements in excess of \$2,500.00 must be sent to the Materials Management Officer of the Division of General Services.

The College exceeded its authority on the following two procurements:

| <u>Date</u> | <u>P.O.Number</u> | <u>Service</u> | <u>Amount</u> |
|-------------|-------------------|--------------------------|---------------|
| 09/04/85 | 5784 | refinish cafeteria floor | \$4,801.68 |
| 11/26/85 | 6616 | vehicle insurance | 5,075.50 |

As these procurements exceeded the Colleges' authority, they must be ratified by the Materials Management Officer in accordance with regulation 19-445.2015. This procedure was addressed in I.A. above.

II. Internal Control

Vendor invoices are not matched with purchase orders and/or receiving reports.

We found four instances in our sample where the paperwork did not match, (i.e., invoice, purchase order and receiving report in agreement).

| <u>Date</u> | <u>P.O.Number</u> | <u>Invoice #</u> | <u>Amount</u> |
|-------------|-------------------|------------------|---------------|
| 1) 07/02/85 | 5224 | 381396 | \$ 530.41 |
| 2) 02/13/86 | 7252 | 87860 | 1,099.56 |
| 3) 02/18/86 | 7263 | 45918 | 265.70 |
| 4) 04/28/86 | 8025 | 4122 | 1,488.80 |

Item number one had an invoiced price considerably less than the purchase order price.

Item number two had an invoiced price greater than the quoted or purchase order price.

Item number three included goods ordered at 25 each that were shipped and paid for at 250. The receiving report did not indicate the overshipment.

Item number four was invoiced for 11,000 forms, the purchase order stated 10,000 forms, and the receiving report indicated 10,400 forms.

Good internal control requires that the invoice, purchase order, and receiving report be in agreement before payment is made. Purchasing should resolve any discrepancies in writing after notification from Accounts Payable.

A management letter from the College's independent auditors dated September 18, 1985 and covering the year ended June 30, 1985 stated the following as finding number two:

"The cash disbursements test has revealed that no invoices were marked as approved for payment. This weakness could result in improper payment of goods and/or services which should not have been paid. We recommend that a stamp be used and initialled by the authorized person indicating approval for payment."

Nine months have elapsed since their letter and in a sample of fifty-five items we found discrepancies. This indicates a lack of action on the College's part. Immediate action should be taken to eliminate this obvious problem area.

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

III. Compliance - Sole Source and Emergency Procurements

We reviewed sole source and emergency procurements for the period July 1, 1985 through June 30, 1986. We found the majority of these transactions to be proper and accurately reported, but we did encounter the following problems:

One sole source (purchase order number 5636) was issued for boiler repair and justified as "Unable to obtain any other qualified source to give us a quote on the job." As the amount of \$2,706.31 exceeded the Colleges' certification, it should have been sent to the Materials Management Office for procurement. We also noted that the work was performed four months after the quotation was given to the College so obviously time was not critical.

The College contracted for roof repair (purchase order number 5389) in one area and later re-roofed another section in an adjacent area. This \$8,964.66 procurement was handled as an emergency without competition. Section C of regulation 19-445.2110 states that "Emergency procurement shall be limited to those supplies, services, or construction items necessary to meet the emergency." We feel that the College did much more than meet the emergency. The roof should have been patched and a requisition for roof replacement sent to the Materials Management Office.

The College entered into a contract (purchase order number 5517) to convert an existing room into six faculty offices at a price of \$5,286.00. The emergency justification stated "Completion needed by September 1, 1985, to insure students' safety."

The justification is unacceptable for it does not explain the basis for the emergency, why the situation could not be corrected through normal procurement methods and how working in faculty offices effected student safety.

IV. Review of the Procurement Procedures Manual

The procurement procedures manual at the College is inadequate for certification above the basic limit as set forth in the Code.

The College must prepare and have approved by the Division of General Services a more comprehensive manual before higher certification limits can be granted.

CONCLUSION

As enumerated in our transmittal letter, corrective action based on the recommendations in the body of this report, we believe, will in all material respects place Horry-Georgetown Technical College in compliance with the State Consolidated Procurement Code and ensuing regulations.

Due to the variety of exceptions listed herein, this office is not prepared to recommend procurement certification at this time. Corrective action recommended in this report should be taken by the College. Once such corrective action has been taken and a sufficient amount of time has elapsed to document improvement in Procurement Code compliance we will reconsider a recommendation for certification.

Toward this end, prior to March 31, 1987, the Office of Audit and Certification will perform a follow-up review in accordance with Section 11-35-1230(1) of the Procurement Code to determine if the proposed corrective action has been taken by the College. Based on the follow-up review, and subject to this corrective action, we will consider a recommendation that Horry-Georgetown Technical College be certified to make direct agency procurements up to the requested limit.

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERVAIS STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-2150

CARROLL A. CAMPBELL, JR.
GOVERNOR

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COMPTROLLER GENERAL



WILLIAM J. CLEMENT, AIA
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SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

August 26, 1987

EXHIBIT

JAN 12 1988 NO. 5

STATE BUDGET & CONTROL BOARD

Mr. Richard J. Campbell
Assistant Director
Division of General Services
1201 Main Street, Suite 600
Columbia, South Carolina 29201

Dear Richard:

We returned to Horry-Georgetown Technical College for a follow-up review on August 20 and 21. During this review, we attempted to verify corrective action in each problem area identified in the audit report through observation and testing.

We were disappointed with the lack of corrective action taken by the college. The college has not requested ratification for the unauthorized procurements identified in the report. Further, they continue to have a problem with small dollar unauthorized procurements. The procurement procedures manual has not been revised as we recommended. Weaknesses exist in the accounts payable review function. Finally, the college hired a new purchasing agent in February, 1987 but needed training has not been sought for her. See the attached letter to Dr. Kent Sharples, President of Horry-Georgetown Technical College.

Due to the findings of our follow-up review, we do not believe adequate corrective action has been taken to eliminate the weaknesses noted during our audit. Thus, we do not recommend that procurement certification be granted.

Sincerely,

R. Voight Shealy, Manager
Audit and Certification

Attachment

11086

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERRAIS STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 737 2150

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



WILLIAM J. CLEMENT, AIA
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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

August 27, 1987

Dr. D. Kent Sharples
Horry-Georgetown Technical College
P.O. Box 1966
Conway South Carolina 29526

Dear Dr. Sharples:

We returned to Horry-Georgetown Technical College on August 20th and 21st to perform a follow-up review of our audit dated September 11, 1986. Our review was to verify corrective action recommended in the audit and to perform additional tests in the problem areas noted therein.

We found that the college has not prepared the necessary paperwork for ratification of items I.A. and I.C. of the report. This must be done immediately. Further, we encountered several procurements which were unauthorized according to the college's inter-office memorandums on procurement violations. These memorandums should include a section for the college president to ratify such actions. No one else at the college has ratification authority. Until each violation is ratified, no purchase order should be written nor payment made.

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- (1) Evidence of receipt
- (2) Prices verified
- (3) Extensions and additions verified
- (4) Checked for discount
- (5) Disbursement authorized

We recommend that the college obtain a new stamp which will better serve its needs.

Since our previous visit, the college has hired a new purchasing agent. Her work appears satisfactory, however, we were informed that she has attended no purchasing training seminars. We recommend that the purchasing agent be encouraged to start and complete the purchasing seminars as soon as possible.

EXHIBIT

JAN 12 1988

NO. 5

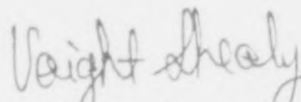
STATE BUDGET & CONTROL BOARD

The audit report recommended a more comprehensive procurement procedures manual be completed before higher certification limits could be granted. This manual has not been completed. Irregardless of higher certification, the manual should be expended.

On November 17, 1986, I requested a formal response to the audit report by December 19, 1986. To this date, the response has not been received.

Due to the findings in our audit and follow-up review, we cannot recommend procurement certification for Horry-Georgetown Technical College.

Sincerely,



R. Voight Shealy, Manager
Audit and Certification

11088

EXHIBIT

JAN 12 1988

NO. 6

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

BLUE AGENDA

ITEM NUMBER

6

AGENCY: Executive Director

SUBJECT: Interviewee Travel Expense Reimbursement

Please refer to the attached report for details on payments of interviewee travel expenses by the following agencies:

| <u>Agency</u> | <u>Number</u> | <u>Estimated Cost</u> |
|------------------------|---------------|-----------------------|
| (a) Mental Health | 5 | \$3,416.00 |
| (b) Clemson University | 13 | 5,222.15 |

BOARD ACTION REQUESTED:

Receive as information reports on the reimbursement of interviewee travel expenses by Mental Health (5) and Clemson University (13).

ATTACHMENTS:

Referenced report

11089

INTERVIEWEE TRAVEL EXPENSE REIMBURSEMENT PAYMENTS

| Agency | Period | Total Number | Total Cost | Number of Payments | | | |
|--------------------|--------------------|--------------|------------|--------------------|----------------|----------------|----------------|
| | | | | \$100 or Less | \$101 to \$300 | \$301 to \$500 | \$501 and Over |
| Mental Health | January 1988 | 5 | 3,416.00 | 0 | 0 | 2 | 3 |
| Clemson University | June-November 1987 | 13 | 5,222.15 | 1 | 5 | 3 | 4 |
| Total | | 18 | 8,638.15 | 1 | 5 | 5 | 7 |

EXHIBIT

JAN 12 1988 NO. 6

STATE BUDGET & CONTROL BOARD

11090

DEC 14 1987



Catawba Mental Health Center

A Facility of the South Carolina Department of Mental Health

166 Dotson Street / Rock Hill, South Carolina 29730 / (803) 327-2012
December 2, 1987

RECEIVED

DEC 7 1987

State Commissioner of
Mental Health
S. C. Dept. of Mental Health



Joseph J. Bevilacqua, Ph.D.
State Commissioner of Mental Health
S. C. Department of Mental Health
P.O. Box 485
Columbia, S. C. 29202

Dear Dr. Bevilacqua:

The Search Committee for replacing the Executive Director of the Catawba Mental Health Center requests your approval to extend an invitation, to visit Rock Hill, to five of the six applicants chosen for consideration for this position. We would like for these people to come for a personal interview between January 5-19, 1988. We hope to be able to choose one candidate from among this group to fill this position. As additional information to you, we want you to know that qualified candidates residing in South Carolina were considered before candidates from other states.

Listed below are names of applicants, approximate cost for plane fare to Douglas International Airport, Charlotte, N.C., and combined costs for meals and lodging for two nights and five meals.

Paul W. Trussell, M.S.S.W.
Hopkinsville, Kentucky

Plane fare: \$364 Meals/Lodging: \$120 Total: \$484

Sam Reynolds, M.S.W.
Glenwood Springs, Colorado

Plane fare: \$934 Meals/Lodging: \$120 Total: \$1074

David E. See, M.S.W.
Marietta, Ohio

Plane fare: \$370 Meals/Lodging: \$120 Total: \$490

James R. Curry, M.S.W.
Miami, Oklahoma

Plane fare: \$648 Meals/Lodging: \$120 Total: \$768

Harold E. Longin, Ph.D.
Waltham, Massachusetts

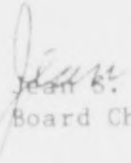
Plane fare: \$480 Meals/Lodging: \$120 Total: \$600

11091

The sixth applicant is John Zuidema, M.A., who lives in Columbia, S. C. but is currently serving as Interim Executive Director of the Catawba Mental Health Center. There would be no expenses incurred for his interview.

If additional information is needed, please contact me. Thank you for your consideration of the above request.

Sincerely,


Jean S. Lyle
Board Chairperson

JSL/arr

11092

DEC - 7 1987



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

December 4, 1987

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Wade Hampton Office Building
P. O. Box 12444
Columbia, SC 29211

Dear Mr. McInnis:

Enclosed are Travel Disbursement forms for those individuals who were
brought to Clemson University for employee interviews.

Yours very truly,

William A. Thompson (Jr.)

William A. Thompson
Controller

WAT/jw

Enclosures

11093



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE Sept 4, 1987

RECEIVED
1987 NOV 30 AM 7:37
FINANCIAL MANAGEMENT

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: James N. Boyer \$150.00

CITY OF ADDRESS: Auburn University, AL 36849

POSITION TO BE FILLED: Research Associate

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED

1987 SEP 25 PM 4:31

FINANCIAL MANAGEMENT

Recommended by: Michael C. Tims
Department Head

B. L. By
Dean or Director

M. W. Wise
Vice President

Approved by: M. L. R.
President

Distribution:

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Approved Copies: Financial Management, Budget and Control Board
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11094



PRESIDENT

392-58-2653

DATE November 5, 1987

RECEIVED
1987 NOV 12 PM 4:22
FINANCIAL MANAGEMENT

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Rita Cheng \$ 477.00
CITY OF ADDRESS: Frazer, Pennsylvania
POSITION TO BE FILLED: Assistant Professor

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

RECEIVED
1987 DEC -1 PM 3:38
FINANCIAL MANAGEMENT

Recommended by:

Jerry P. Appell
Department Head

David A. Smock / Bm
Dean or Director

W. David Marshall
Vice President

Approved by:

W. David Marshall
President

Distribution:

Original: President's Office

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11095

152-50-6962



CLEMSON UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE September 18, 1987

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: ANDREW EVANS JR.
CITY OF ADDRESS: Falls Church, VA 22041
POSITION TO BE FILLED: 0359/U016 Assistant/Associate Professor - Soil Chemist
AMOUNT REIMBURSED: 257.26
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
 2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
- Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: [Signature]

Department Head

[Signature]
Dean or Director

[Signature]
Vice President

Approved by: [Signature]

President

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1-49-6110-0359-66-0140 75%
1-49-6110-0359-51-0000 25%

11096

500-50-3054



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE August 3, 1987

RECEIVED
1987 NOV 17 AM 11:54
FINANCIAL MANAGEMENT

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. James Fischer

CITY OF ADDRESS: East Lansing, Michigan

POSITION TO BE FILLED: Dean of Agricultural Research and Director of the S.C.
Agricultural Experiment Station

AMOUNT REIMBURSED: 1028.63
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

Dean or Director

Wilton B. Hise
Vice President

Approved by:

Jim Lee
President

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11097

419-909812



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE

Sept 4, 1987

RECEIVED
1987 NOV 30 PM 7:39
FINANCIAL MANAGEMENT

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Kathryn M. Flynn
CITY OF ADDRESS: Baton Rouge, LA.
POSITION TO BE FILLED: Research Associate
AMOUNT REIMBURSED: 1500
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by:

Department Head

Dean or Director

Vice President

Approved by:

President

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1987 SEP 25 PM 4:32
FINANCIAL MANAGEMENT

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11098

438-76-3434

\$70.35



CLEMSON
UNIVERSITY

PRESIDENT

DATE November 4, 1987

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Patricia Galmiche
CITY OF ADDRESS: Carrollton, GA
POSITION TO BE FILLED: Director of Residential Facilities

RECEIVED
1987 NOV 24 AM 9:55
FINANCIAL MANAGEMENT

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by:

Department Head

John H. Duke
Dean or Director

Alberto Lopez
Vice President

Approved by:

M. L.
President

Distribution:

Original: President's Office

Approved Copy: Executive Director, Budget and Control Board
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11099



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 10 28 87

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Bernie Hershberger

CITY OF ADDRESS: Columbia, Mo 65202

POSITION TO BE FILLED: Psychologist III

AMOUNT REIMBURSED: _____

(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____

Department Head

✓ [Signature]
Dean or Director

[Signature]
Vice President

Approved by: _____

President

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1987 NOV 23 PM 12:20
FINANCIAL MANAGEMENT

11100



310.00

PRESIDENT

DATE November 5, 1987

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Sharon Moody

CITY OF ADDRESS: Detroit, Michigan

POSITION TO BE FILLED: Assistant Professor

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by:

James P. Appell
Department Head

Ryan A. Amacker, Sr.
Dean or Director

W. David Howell
Vice President

Approved by:

W. David Howell
President

Distribution:

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1987 DEC -3 PM 4:18
FINANCIAL MANAGEMENT

11101

RECEIVED



1987 NOV 17 AM 9:42

CLEMSON
UNIVERSITY

FINANCIAL MANAGEMENT

BUSINESS AND FINANCE
Office of Financial Management

DATE September 1, 1987

\$509.05

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: James A. Muncy

CITY OF ADDRESS: 5440 45th, Lubbock, Texas 79414

POSITION TO BE FILLED: Assistant/Associate Professor

AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: [Signature]
Department Head

[Signature]
Dean or Director

[Signature]
Vice President

Approved by: [Signature]
President

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11102

paid 222.50
12-1-87



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE June 22, 1987

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Calvin L. Schoulties
CITY OF ADDRESS: Gainesville, Florida
POSITION TO BE FILLED: Director of Regulatory and Public Service Programs
AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: _____
Department Head

Dean or Director

Vice President

Approved by: _____
President

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1987 DEC -1 AM 11:07
FINANCIAL MANAGEMENT

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pd. 378.73

11-5-87



**CLEMSON
UNIVERSITY**

BUSINESS AND FINANCE
Office of Financial Management

DATE September 18, 1987

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Christian Pablo Schulthess
CITY OF ADDRESS: Newark, Delaware
POSITION TO BE FILLED: 0359/U016 Assistant/Associate Professor - Soil Chemist
AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

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1987 SEP 25 PM 4:32
FINANCIAL MANAGEMENT

Recommended by: _____

Department Head

Dean or Director

Vice President

Approved by: _____

President

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1-49-6110-0359-66-0140 75%
1-49-6110-0359-51-0000 25%

11104

pd. 250.63

11-30-87



CLEMSON
UNIVERSITY

BUSINESS AND FINANCE
Office of Financial Management

DATE 11-16-87

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: John H. Silvestro
CITY OF ADDRESS: Columbus, Ohio
POSITION TO BE FILLED: 0915-11007
AMOUNT REIMBURSED: _____
(To be entered by Financial Management)

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expense involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by: A. Harris Bennett
Department Head

[Signature]
Dean or Director

[Signature]
Vice President

Approved by: [Signature]
President

RECEIVED
NOV 30 AM 11:44
FINANCIAL MANAGEMENT
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Approved Copies:

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Financial Management, Budget and Control Board
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11105

CLEMSON
UNIVERSITY

PRESIDENT

DATE October 10, 1987

EMPLOYEE RECRUITMENT - TRAVEL REIMBURSEMENT

NAME OF RECRUIT: Dr. Paula Thomas
CITY OF ADDRESS: Fayetteville, Tenn.
POSITION TO BE FILLED: Assistant Professor of Accounting

RECEIVED
1987 NOV 17 AM 11:24
FINANCIAL MANAGEMENT

I certify that in recruitment for the above position the following determinations were made:

1. The significance of the position warrants incurring such costs.
2. Payment of the expenses involved in bringing the above individual to Clemson is more cost efficient than sending representatives to the recruit's home town.
3. Qualified applicants residing in South Carolina were considered before applicants from other states were considered.

Recommended by:

Jerry C. Lippell
Department Head

David C. Amacker / Bme
Dean or Director

W. David Truhwell
Vice President

Approved by:

[Signature]
President

Distribution:

Original: President's Office

Approved Copy: Executive Director, Budget and Control Board

Attached to all related Direct Purchase Vouchers

EXHIBIT

JAN 12 1988 NO. 7

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

BLUE AGENDA
ITEM NUMBER

7

AGENCY: General Services

SUBJECT: School Bus Lease Purchase Arrangement

The Division of General Services advises of its response to a Senate request for information on the school bus lease purchase arrangement approved by the Budget and Control Board at its meeting on August 25, 1987.

BOARD ACTION REQUESTED:

Receive as information a Division of General Services response to a Senate request for information on the school bus lease purchase arrangement approved by the Budget and Control Board at its meeting on August 25, 1987.

ATTACHMENTS:

Agenda item worksheet; attachments

11107

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: January 12, 1988 Agenda Blue Agenda

1. Submitted By:

(a) Agency: Division of General Services;

(b) Authorized Official Signature: Richard W. Kelly, Division Director

2. Subject: School bus lease purchase arrangement

3. Summary Background Information:

Senate request for information on school bus lease purchase arrangement.

EXHIBIT

JAN 12 1988 NO. 7

STATE BUDGET & CONTROL BOARD

4. What is Board asked to do?

5. What is recommendation of Board Division involved?

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

(b) List Those Not Attached But Available From Submitter:

11108



STATE OF SOUTH CAROLINA
THE SENATE

FRANK CAGGIANO
CLERK OF THE SENATE
DIRECTOR, OFFICE OF SENATE RESEARCH

EXHIBIT

JAN 12 1988

NO. 7

STATE BUDGET & CONTROL BOARD

P. O. BOX 142
GRESSETTE SENATE OFFICE BUILDING
COLUMBIA SC 29202
(803) 734 2806

October 30, 1987

RECEIVED
OCT 30 1987
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

Dr. Jesse A. Coles, Jr., Ph.D
Executive Director,
Budget & Control Board
612 Wade Hampton Office Building
P.O. Box 12444
Columbia, S.C. 29211

Dear Jesse,

I have been asked to obtain information relative to the action approved by the Budget & Control Board for the lease/purchase of some number of buses by the Department of Education. My request is two-fold and rather simple. I would appreciate, at your earliest convenience, response to the following:

- 1) The complete details relative to the number of units to be lease/purchased, the amount of funds involved, the terms of the lease purchase agreement and the beginning date of the agreement;
- 2) The authority under which the Budget & Control Board approved the lease/purchase of buses by the Department of Education.

As always, I appreciate your kind assistance and am available to answer any questions that you may have.

With kind regards, I am

Sincerely,


Frank Caggiano

FC/bgo

11109

EXHIBIT

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-3880

JAN 12 1988

NO. 7

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD W. KELLY
DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

December 30, 1987

Mr. Frank Caggiano, Clerk
South Carolina State Senate
P.O. Box 142
Columbia, S.C. 29202

Dear Mr. Caggiano:

Dr. Jesse Coles has asked that I respond to your letter of October 30, 1987.

I have attached, for your information, a copy of the Budget and Control Board minutes dated August 25, 1987, addressing this matter and a copy of the November 10th memorandum outlining the cost (before financing). The procurement was for 1,000 units (buses). The results of our work identified the cost for these buses to be \$27,293,658.00. This information was provided to the State Treasurer's Office for the arrangement of financing.

It is also my understanding that the financing arrangements have not been completed, but either the Treasurer's Office or the Department of Education should be able to furnish the beginning date of the agreement and all other details after they have been concluded.

General Services obtained bids from manufacturers of various sizes of school bus bodies and chassis. The Department of Education is consulting with the Treasurer's Office to determine the best financing terms available. After the Treasurer's Office has given General Services a certification of funds, a purchase order will be issued.

The authority under which bids were sought from the manufacturers for this installment purchase is 11-35-510 which vests in the Division of General Services "all rights, powers, duties and authority relating to the procurement of supplies...now vested in or exercised by any state governmental body...regardless of source of funding...." Supplies is defined in 11-35-310(29) as "all personal property, including but not limited to equipment...."

11110

EXHIBIT

JAN 12 1988

NO. 7

STATE BUDGET & CONTROL BOARD

Mr. Frank Caggiano
December 30, 1987
Page 2

Section 11-35-540 further provides that "the board shall have authority and responsibility to promulgate regulations governing the procurement....of any and all supplies, services and construction to be procured by the State. Such regulations shall be binding in all procurements made by the State."

Regulation 19-445.2150(F) establishes procedures to be followed by a governmental body which proposes to enter into an agreement other than an outright purchase (which includes both lease purchase and installment purchase transactions). This regulation also provides that the State of South Carolina Standard Equipment Agreement form be used in all cases unless modifications are approved by the Director of General Services or his designee.

Regulation 19-445.2135 - Conditions for Use of Multiterm Contracts, provides the circumstances in which a multiterm contract should appropriately be used including "when special production of definite quantities of supplies for more than one fiscal period is necessary to best meet the state's needs but funds are available only for the initial fiscal period.... The contractual obligation of both parties in each fiscal period succeeding the first is subject to the appropriation and availability of funds hereof. The contract shall provide that, in the event that funds are not available for any succeeding fiscal period, the remainder of such contract shall be cancelled.

Please let me know if I can provide you additional information.

Sincerely,

Richard W. Kelly /RK

Richard W. Kelly

/ab

Attachment

cc: Dr. Jesse A. Coles, Jr., Ph.D.
Dr. J. Samuel Griswold, Ph.D.

11111


EXHIBIT

JAN 12 1988

NO. 7

STATE BUDGET & CONTROL BOARD

Summary of BCB Actions
August 25, 1987 Meeting
Page 2

7. After having received Attorney General Medlock's formal opinions on the subject, agreed that the employer contribution rates for the Police Officers Retirement System will be revised to provide the funding required to finance reducing the numbers of years of service required for full retirement from 30 to 25 effective so as to be consistent with the passage of the legislation required to provide for that change in the number of years required;
8. Authorized the Department of Education to enter into a one-time five-year lease purchase agreement for 1,000 busses which would be handled through a bid process arranged by General Services with delivery and the first payment to be made in 1988-89; and agreed to examine further a bus replacement program financed through lease purchase agreements and bond funds; 
9. Directed staff to provide Board members with an appraisal of the State-Record property proposed by the ETV Commission for acquisition as its new headquarters facility; authorized ETV to further negotiate for an option on the State-Record property; and requested that the results of the negotiations be brought back for further consideration;
10. Approved the selection of the following firms to provide bond counsel services:
 - (a) College of Charleston: Haynsworth Marion McKay & Guerard, in connection with a \$300,000 issue for cafeteria renovation;
 - (b) Lander College: The McNair Firm, in connection with a student housing revenue bond issue of between \$2,500,000 and \$4,000,000; and
 - (c) Clemson University: Sinkler & Boyd, in connection with the refunding of not to exceed \$12,500,000 of Student and Faculty Housing Revenue Bonds;
11. Approved the following veto-related appropriation transfers as recommended by the Budget Division:
 - (a) State Law Enforcement Division, \$7,460 for travel and telephone costs;
 - (b) State Library, \$12,619 for travel, cataloging services, and equipment costs;
 - (c) Water Resources Commission, \$30,791 for supplies, fixed charges, travel, and equipment costs;
12. Adopted a resolution approving the issuance by Georgetown County of not exceeding \$17,000,000 of its Hospital Revenue Bonds, Series 1987A, and not exceeding \$10,000,000 of its Hospital Revenue Refunding Bonds, Series 1987B, on behalf of the Georgetown County Memorial Hospital project, on the condition that the required reviews are completed with satisfactory results;

11112

EXHIBIT

JAN 12 1988

NO. 8

STATE BUDGET AND CONTROL BOARD AGENDA
MEETING OF January 12, 1988

ITEM NUMBER

8

AGENCY: General Services

SUBJECT: Governor's Conference Room Enlargement

This is a follow-up to comments made at the November 25, 1987, Board meeting regarding the adequacy of the Governor's conference room to accommodate large crowds.

The possibility of removing the south walls of the room was mentioned so as to extend it to include what now serves as an anteroom.

Division staff advise that the walls involved are load-bearing which would make their removal complicated and costly.

BOARD ACTION REQUESTED:

Receive as information a report that removal of south walls of the Governor's conference room, which are load-bearing, would be complicated and costly.

ATTACHMENTS:

Kelly December 17 letter to Coles plus attachments

11113

DEC 29 1987

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 420
COLUMBIA, SOUTH CAROLINA 29201
(803) 737 3880

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD W. KELLY
DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

December 17, 1987

EXHIBIT

JAN 12 1988 NO. 8

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr.
Executive Director
Budget and Control Board
Wade Hampton Office Building
Columbia, S.C. 29201

Dear Jesse:

In the Budget and Control Board meeting on November 25, 1987, we were requested to review the possibility of removing the two south walls of the Governor's conference room to increase the size of the area used for the Board meeting. I have asked staff to provide me with a copy of the plans for this area for review. The attached copy shows the two walls in question. It also indicates that these walls are load bearing.

I have discussed this request with the State Engineer, who has advised that the removal of these walls may not be impossible, but would be costly and require considerable planning. I have not asked that a design and budget be put together at this time until a more definite direction of what the Board wants is set forth.

One additional concern that comes to mind is what happens during Executive session. If those who are to appear on specific items are the ones who just want to wait until the Board goes back into open session and are not able to wait in the current lobby area, they will overflow into the work areas of the Governor's office and into the State House lower lobby. Either of these situations seem inconvenient.

In any case, I await your direction before we spend a considerable amount of time on how this would work and the possible cost.

Sincerely,

Richard W. Kelly
Richard W. Kelly

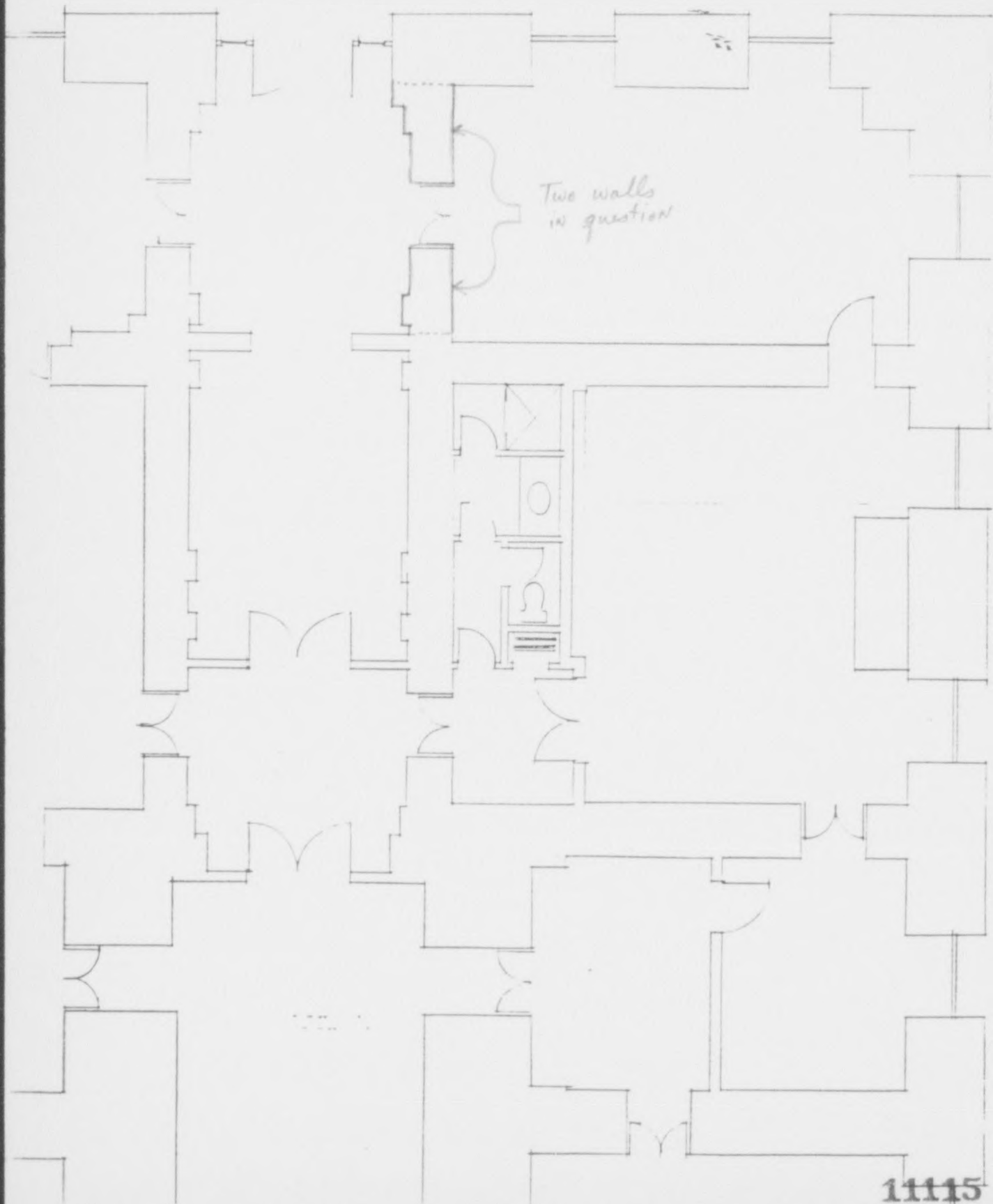
cc: Dr. Sam Griswold
Mr. Bill McInnis

11114

EXHIBIT

JAN 12 1988 NO. 8

STATE BUDGET & CONTROL BOARD



11115

EXHIBIT

JAN 12 1988

NO. 9

STATE BUDGET AND CONTROL BOARD SESSION
MEETING OF January 12, 1988

ITEM NUMBER

2

AGENCY: Attorney General's Office

SUBJECT: Funding for Asbestos Litigation Effort

The Attorney General's Office estimates (in the attachment) that asbestos litigation costs for 1987-88 will be \$240,000. The Office advises that \$100,000 are needed to supplement the \$140,000 it already has for this purpose.

The Office indicates that the \$100,000 could come from the \$125,000 now encumbered for the Catawba Indian suit. See the attached status report on the Civil Contingent Fund.

BOARD ACTION REQUESTED:

Unencumber \$100,000 of the Civil Contingent Fund now earmarked for Attorney General/Catawba Indian/Legal Fees and allocate it to the Attorney General's Office to help finance the asbestos litigation effort in 1987-88.

ATTACHMENTS:

Asbestos Litigation Budget Summary; Civil Contingent Fund Status Report

11116

EXHIBIT

JAN 12 1988

NO. 9

Asbestos Litigation Budget Summary FY 1987/1988

STATE BUDGET & CONTROL BOARD

EXPENSES TO DATE

Operating Costs 12,909

BALANCES

| | |
|--------------------------|---------|
| Beginning Office Balance | 140,000 |
| less expenses to date | 12,909 |
| Catawba Funds | 100,000 |
| Balance | 227,091 |

PROJECTED COSTS

| | |
|-----------------------|---------------|
| Personnel | 34,502 |
| Fringe | 6,192 |
| Equipment | 17,322 |
| Travel | 15,000 |
| Supplies/Postage | 4,000 |
| Discovery | 32,500 |
| Contractual | 75,000 |
| Computer support | 22,000 |
| Rent/General Services | <u>16,125</u> |
| TOTAL PROJECTED COSTS | 222,641 |

11117

Budget and Control Board, Office of Executive Director
CIVIL CONTINGENT FUND - 87-88

Fund Status Report at January 12, 1988

Appropriation:

General

\$

\$470,882.00

Transfers:

| | | |
|---|-----------|-------------|
| Att Gen/USA v. Charleston County School District | 50,000.00 | |
| Cignilliat, et al, Legal Counsel/Mack Truck | 10,128.39 | |
| Higher Ed Tuition Grants/Student Legislature | 4,000.00 | |
| BCB/Research and Statistics (BEA, Morris' Salary) | 7,333.00 | |
| Board of Podiatry | 1,000.00 | |
| Governor's Office/Gov Youth Advisory Council Meetings | 2,250.00 | |
| | | \$74,711.39 |

Direct Expenditures:

| | | |
|---|----------|------------|
| Board of Economic Advisors/Morris Travel | 635.46 | |
| Public Service Merit Selection Panel | 644.64 | |
| Retirement/Preretirement Advisory Council | 151.50 | |
| Budget and Control Board Meetings | 3,459.18 | |
| | | \$4,890.78 |

Encumbrances:

| | | |
|---|------------|--------------|
| Budget and Control Board Meetings | 540.82 | |
| BCB, OED, Microfilming, Binding | 2,000.00 | |
| Retirement/Preretirement Advisory Council | 198.50 | |
| Construction Advisory Committee Meeting | 600.00 | |
| Governor's Youth Advisory Council Meetings | 2,250.00 | |
| Public Service Merit Selection Panel Meetings | 355.36 | |
| Board of Economic Advisors/Morris Travel | 14.54 | |
| Attorney General/Catawba Indian/Legal Fees | 125,000.00 | |
| | | \$130,959.22 |

YTD Encumbered (Tran+Expen+Encum):

\$210,561.39

Year-to-date Disbursement:

\$79,602.17

Balance (Cash available)

\$391,279.83

Balance Unencumbered (Total Available):

\$260,320.61

11113

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

3

AGENCY: Attorney General's Office

SUBJECT: Proposed Board Order on Litchfield By The Sea Permit

Attached for the Board's review are a proposed Order and Permit in reference to the application by Litchfield By The Sea (P/N 85-3Z-019).

BOARD ACTION REQUESTED:

Approve the issuance of the Order and the Permit in response to the Litchfield By The Sea application.

ATTACHMENTS:

Wilson January 7, 1988, letter to Coles; proposed Order and proposed Permit

11119

The State of South Carolina EXHIBIT



JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803 734 3680

January 7, 1988

Jesse A. Coles, Jr., Ph.D.
Executive Director
Budget & Control Board
Wade Hampton Building, Suite 600
Columbia, South Carolina 29211

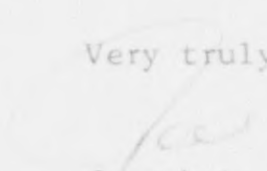
RE: Litchfield-by-the-Sea Permit

Dear Dr. Coles:

Enclosed please find a proposed Order and Permit in the above-referenced matter which has been prepared in consultation with counsel for the Division of General Services, counsel for the Water Resources Commission and attorney Bill Pope for review by the Budget and Control Board.

With kind regards,

Very truly yours,


Joseph A. Wilson, II
Chief Deputy Attorney General

JAWII:gmb

Enclosure

11120

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

I/M 85-3Z-019

Applicant: Litchfield By The Sea

Effective Date: July 21, 1986

Expiration Date: July 21, 1989

PERMIT

The State Budget and Control Board is custodian of all public lands and waters not otherwise provided for by law as set forth in Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Amended Regulations of the State Budget and Control Board, Division of General Services, Chapter 19, Article 6, duly filed in the Office of Secretary of State, October 16, 1972, and December 31, 1976. As custodian, the Board has certain duties and responsibilities in the waters and beds of navigable waters in this State. In order to protect such interest and to enforce such constitutional and statutory laws with respect to navigable waters, approval for any construction or excavation in the navigable waters of South Carolina lying below the usual high water mark is required from the Budget and Control Board.

The following permittee: Litchfield By The Sea
c/o The Litchfield Company
Post Office Box 100
Easley, SC 29641-0100

For the execution of this document by the State Budget and Control Board, will be authorized to:

Widen and deepen existing creeks and canals, dredge new canals and construct twenty-two (22) private piers within the canals connecting to the Waccamaw River near Brookgreen Gardens, Georgetown County, South Carolina,

in the waters of: the Waccamaw River

In accordance with the Federal or State application, such plans and specifications are attached hereto and are incorporated in and made a part of this permit.

THIS PERMIT MUST BE SIGNED AND RETURNED TO THE ADDRESS BELOW. WHEN SIGNATURES WILL THEN BE CONSIDERED AND WHEN EXECUTED, A DUPLICATE OF THIS PERMIT WILL BE RETURNED TO YOU. THIS PERMIT WILL NOT BECOME VALID UNTIL EXECUTED BY THE STATE BUDGET AND CONTROL BOARD.

Return to: South Carolina State Budget and Control Board
Division of General Services
300 Gervais Street
Columbia, SC 29201
Attn: Delphine Bigony
Legal Section

11121

EXHIBIT

JAN 12 1988

NO. 10

GENERAL CONDITIONS

STATE BUDGET & CONTROL BOARD

P/N 85-3Z-019

1. That all activities and work authorized herein shall be consistent with the terms and conditions of this permit; and that any work performed requiring additional authorizations for activities different from those herein or in any manner inconsistent with the activities authorized herein, shall constitute a violation of this permit. Any unauthorized work may result in modification, suspension, or revocation of this permit, in whole or in part, and the institution of such legal proceedings as the State of South Carolina may consider appropriate.

2. The authorization for activities or structures granted by this permit shall constitute a revocable license to use public lands or waters. The State Budget and Control Board may require the permittee to modify or remove activities or structures authorized herein if it is determined by the Board that such modification or removal is in the public interest. Modification or removal shall be ordered only after reasonable notice stating the reasons therefor and providing the permittee with an opportunity to respond in writing and/or by a hearing. If a hearing is requested, it shall be conducted pursuant to procedures prescribed by the Board.

3. That any modification, suspension, revocation, or removal regarding this permit shall not be the basis for any claim for damages against the State of South Carolina.

4. That this permit does not convey, expressly or impliedly, any property rights in real estate or material, nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.

5. That the permittee shall permit the Board or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to assure that the activity being performed is in accordance with the terms and conditions of this permit.

6. That this permit does not lessen the requirement to obtain other Federal, State or local assent required by law for the activity authorized herein. If approval is required by the Army Corps of Engineers, failure to obtain their approval, denial, cancellation, or review of such proposed work shall render this approval null and void.

7. That the permitted activities shall not block or obstruct navigation or the flow of any waters unless specifically authorized herein; that no attempt shall be made by the permittee to prevent the full and free use by the public of all navigable waters at or adjacent to the work authorized by this permit; and that no spoil, dredged material, or any

other fill material be placed below the mean high water elevation, unless specifically authorized herein.

That the permittee agrees to make every reasonable effort to perform the authorized work in a manner to minimize adverse impact on fish, wildlife, or water quality and shall maintain any authorized structure in good condition in accordance with approved plans and specifications.

That the permittee shall sign acceptance of the terms and conditions of this permit.

EXHIBIT

JAN 12 1988

NO. 10

SPECIAL CONDITIONS:

STATE BUDGET & CONTROL BOARD

1. That this permit shall be valid for a three-year (3) term from the date of execution of this permit. If the permittee requires additional time to complete activities authorized by this permit, a request in writing for an extension of time shall be made not less than sixty (60) days prior to the expiration of this permit.

2. That the South Carolina Water Resources Commission be notified in writing at least five (5) days prior to the beginning of work (prepaid reply card attached).

3. That the South Carolina Water Resources Commission be notified within fifteen (15) days of the completion of work (prepaid reply card attached).

4. That the permittee must allow the public free and unhindered access to and use of the navigable waters in the dredged canal.

5. The widths of all canal segments authorized by this permit must be reduced by twenty-five percent (25%), subject to S.C. Department of Health and Environmental Control approval of water quality.

6. Each of the twenty-two (22) private piers authorized for construction within the interior canal must not extend into the canal more than eight (8') feet from the mean low water elevation.

7. Permittee must notify the S.C. Institute of Archaeology and Anthropology in the event that archaeological or paleontological remains are encountered during the course of construction. Also, the permittee must allow the Institute access to the property prior to commencement of construction for survey purposes (to be performed in a timely manner) and during construction for purposes of inspection.

8. The project must be modified as follows:

11123

- A. The entire southern canal, labeled A-A' on the attached map, must be deleted. ✓
- B. The depth of the entrance channel must be decreased to -8' MLW (bottom elevation of -10.2' MSL). The entrance channel is labeled B-B' on the attached map. (Attachment 1) ✓
- C. The depth of the interior channel must be decreased to -6' MLW (bottom elevation of -8.2' MSL). The interior channel is labeled C-C' on the attached map. (Attachment 1) ✓
- D. The proposed bulkhead along the high ground side of the interior channel must be moved to above the 404 permitting jurisdiction line ~~as shown on the~~ (Attachment 1)
- E. All rip-rap in jurisdictional wetlands must be deleted from the project.

9. A stormwater management plan shall be developed for the proposed highland development adjacent to the canal. The goal of this plan shall be to minimize stormwater inputs to the canal and prevent stormwater that has not been at least passively treated from entering the canal. The stormwater management plan must be submitted for review and approval within ninety (90) days of issuance of the Corps of Engineers permit to:

Division of Water Quality
 SC Department of Health & Environmental Control
 2600 Bull Street
 Columbia, South Carolina 29201

- 10. The permittee shall develop a water quality monitoring plan to determine post development conditions in the proposed canal, Oatland Creek and the Waccamaw River. A draft monitoring plan shall be provided to DHEC's Division of Water Quality for review and approval within ninety (90) days of issuance of the Corps of Engineers permit for the project. Data from the monitoring program must be provided to DHEC on a regular basis as results become available. Also, yearly reports including all data collected and an evaluation of the study results must be provided to DHEC's Division of Water Quality.

11. DHEC's Division of Water Quality shall be notified in writing at least one (1) week prior to use of any chemical agents to control aquatic vegetation in the constructed or enlarged canals or in Oatland Creek.

12. All construction must be conducted so that erosion to and sedimentation in adjacent waters is minimized. Specific measures that must be taken to control erosion and turbidity are:

- A. All disturbed highland canal banks and disposal area embankments must be stabilized by permanent vegetative cover as quickly as possible. Until permanent cover is

EXHIBIT

JAN 12 1988 NO. 10

STATE BUDGET & CONTROL BOARD

established, hay bales, silt fences or similarly effective means must be used to control erosion.

B. Dredge spoil disposal runoff must be routed into the existing impoundment at the site, as shown on page 2 of 7 of the revised application, to receive passive treatment prior to discharge to Oatland Creek.

C. Connection of the dredged canal to Oatland Creek shall be made only after all other dredging has been completed.

All canals shall be dredged so that depths are constant and there are no sills or low points that would impede circulation.

If the project has not been completed within three (3) years after final issuance of the Army Corps of Engineers permit, this certification will expire unless an extension is requested and approved. An extension request should be submitted in writing sixty (60) days prior to the expiration date. If substantial progress has not been made toward completion of the project when a request for a time extension is made, the Department reserves the right to view the activity as a new project under the regulations and policies in force at the time the extension would be considered.

All mitigation work shall be conducted in such a manner that erosion to and sedimentation in adjacent waters and wetlands is minimized to the greatest extent possible. To accomplish this, the following measures shall be taken:

A. All excavation shall be conducted in the dry with connection made to adjacent tidal wetlands only after excavation is completed and appropriate erosion control measures are installed.

Use of grassing, hay bales, rip-rap or similarly effective means of erosion control shall be used as needed to control stormwater runoff and erosion from all excavated areas and disturbed wetlands. These measures shall be implemented prior to connection of the excavated areas to the adjacent marsh.

The proposed dike through the existing pond shall be in place and stabilized prior to removal of the existing dike.

All excavated material shall be disposed of on high ground and adequately stabilized to prevent erosion.

Intertidal wetland areas one (1) and three (3) shall be excavated so that intertidal wetland whose surface is exposed at low tide are created. The areas must also be constructed so that ponds are not formed at low tide.

Placement dike to be constructed in mitigation area two shall have the same approximate top and bottom widths as

the dike being replaced. The drawing provided shows the existing dike to be twelve (12') feet to fourteen (14') feet wide. The proposed dike is shown as having a fifty (50') foot top width.

This permit will not become valid until it is executed by the State Budget and Control Board. Permittee hereby accepts and agrees to comply with the terms and conditions of this permit. This permit and attachments hereto, if any, constitute the entire agreement between the parties and shall not be amended, altered or changed except by a written agreement signed by the parties.

James Webster
PERMITTEE: Litchfield By The Sea

DATE

Richard W. Kelly
Richard W. Kelly, Director
Division of General Services
State Budget and Control Board

DATE

7-21-86

EXHIBIT

JAN 12 1988 NO. 10

STATE BUDGET & CONTROL BOARD

11126

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

R/M 85-32-019

Applicant: Litchfield By The SeaEffective Date: July 21, 1986Expiration Date: July 21, 1989

PERMIT

The State Budget and Control Board is custodian of all public lands and waters not otherwise provided for by law as set forth in Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Amended Regulations of the State Budget and Control Board, Division of General Services, Chapter 19, Article 6, duly filed in the Office of Secretary of State, October 16, 1972, and December 31, 1976. As custodian, the Board has certain duties and responsibilities in the waters and beds of navigable waters in this State. In order to protect such interest and to enforce such constitutional and statutory laws with respect to navigable waters, approval for any construction or excavation in the navigable waters of South Carolina lying below the usual high water mark is required from the Budget and Control Board.

The following permittee: Litchfield By The Sea
c/o The Litchfield Company
Post Office Box 100
Easley, SC 29641-0100

Upon the execution of this document by the State Budget and Control Board, will be authorized to:

Widen and deepen existing creeks and canals, dredge new canals and construct twenty-two (22) private piers within the canals connecting to the Waccamaw River near Brookgreen Gardens, Georgetown County, South Carolina,

in the waters of: the Waccamaw River

In accordance with the Federal or State application, such plans and specifications are attached hereto and are incorporated in and made a part of this permit.

THIS PERMIT MUST BE SIGNED AND RETURNED TO THE ADDRESS BELOW. YOUR SIGNATURES WILL THEN BE CONSIDERED AND WHEN EXECUTED, A DUPLICATE OF THIS PERMIT WILL BE RETURNED TO YOU. THIS PERMIT WILL NOT BECOME VALID UNTIL EXECUTED BY THE STATE BUDGET AND CONTROL BOARD.

Please return to: South Carolina State Budget and Control Board
Division of General Services
300 Gervais Street
Columbia, SC 29201
Attn: Delphine Bigony
Legal Section

11127

EXHIBIT

JAN 12 1988

NO. 10

GENERAL CONDITIONS STATE BUDGET & CONTROL BOARD

P/N 85-3Z-019

That all activities and work authorized herein shall be consistent with the terms and conditions of this permit; and that any work performed requiring additional authorizations for activities different from those herein or in any manner inconsistent with the activities authorized herein, shall constitute a violation of this permit. Any unauthorized work may result in modification, suspension, or revocation of this permit, in whole or in part, and the institution of such legal proceedings as the State of South Carolina may consider appropriate.

The authorization for activities or structures granted by this permit shall constitute a revocable license to use public lands or waters. The State Budget and Control Board may require the permittee to modify or remove activities or structures authorized herein if it is determined by the Board that such modification or removal is in the public interest. Modification or removal shall be ordered only after reasonable notice stating the reasons therefor and providing the permittee with an opportunity to respond in writing and/or by a hearing. If a hearing is requested, it shall be conducted pursuant to procedures prescribed by the Board.

That any modification, suspension, revocation, or removal regarding this permit shall not be the basis for any claim for damages against the State of South Carolina.

That this permit does not convey, expressly or impliedly, any property rights in real estate or material, nor any exclusive privileges; nor does it authorize the permittee to alienate, diminish, infringe upon or otherwise restrict the property rights of any other person or the public; nor shall this permit be interpreted as appropriating public properties for private use.

That the permittee shall permit the Board or its authorized agents or representatives to make periodic inspections at any time deemed necessary in order to assure that the activity being performed is in accordance with the terms and conditions of this permit.

That this permit does not lessen the requirement to obtain other Federal, State or local assent required by law for the activity authorized herein. If approval is required by the U.S. Army Corps of Engineers, failure to obtain their approval, denial, cancellation, or review of such proposed work shall render this approval null and void.

That the permitted activities shall not block or obstruct navigation or the flow of any waters unless specifically authorized herein; that no attempt shall be made by the permittee to prevent the full and free use by the public of all navigable waters at or adjacent to the work authorized by this permit; and that no spoil, dredged material, or any

other fill material be placed below the mean high water elevation, unless specifically authorized herein.

That the permittee agrees to make every reasonable effort to perform the authorized work in a manner to minimize adverse impact on fish, wildlife, or water quality and shall maintain any authorized structure in good condition in accordance with approved plans and specifications.

That the permittee shall sign acceptance of the terms and conditions of this permit.

EXHIBIT

JAN 12 1988

NO. 10

SPECIAL CONDITIONS:

STATE BUDGET & CONTROL BOARD

That this permit shall be valid for a three-year (3) term from the date of execution of this permit. If the permittee requires additional time to complete activities authorized by this permit, a request in writing for an extension of time shall be made not less than sixty (60) days prior to the expiration of this permit.

That the South Carolina Water Resources Commission be notified in writing at least five (5) days prior to the beginning of work (prepaid reply card attached).

That the South Carolina Water Resources Commission be notified within fifteen (15) days of the completion of work (prepaid reply card attached).

That the permittee must allow the public free and unhindered access to and use of the navigable waters in the dredged canal.

The widths of all canal segments authorized by this permit must be reduced by twenty-five percent (25%), subject to S.C. Department of Health and Environmental Control approval of water quality.

Each of the twenty-two (22) private piers authorized for construction within the interior canal must not extend into the canal more than eight (8') feet from the mean low water elevation.

Permittee must notify the S.C. Institute of Archaeology and Anthropology in the event that archaeological or paleontological remains are encountered during the course of construction. Also, the permittee must allow the Institute access to the property prior to commencement of construction for survey purposes (to be performed in a timely manner) and during construction for purposes of inspection.

The subject must be modified as follows:

- A. The entire southern canal, labeled A-A' on the attached map, must be deleted. ✓
- B. The depth of the entrance channel must be decreased to -8' MLW (bottom elevation of -10.2' MSL). The entrance channel is labeled B-B' on the attached map. (Attachment 1) ✓
- C. The depth of the interior channel must be decreased to -6' MLW (bottom elevation of -8.2' MSL). The interior channel is labeled C-C' on the attached map. (Attachment 1) ✓
- D. The proposed bulkhead along the high ground side of the interior channel must be moved to above the 404 permitting jurisdiction line ~~as shown on the~~ (Attachment 1)
- E. All rip-rap in jurisdictional wetlands must be deleted from the project.

9. A stormwater management plan shall be developed for the proposed highland development adjacent to the canal. The goal of this plan shall be to minimize stormwater inputs to the canal and prevent stormwater that has not been at least passively treated from entering the canal. The stormwater management plan must be submitted for review and approval within ninety (90) days of issuance of the Corps of Engineers permit to:

Division of Water Quality
 SC Department of Health & Environmental Control
 2600 Bull Street
 Columbia, South Carolina 29201

10. The permittee shall develop a water quality monitoring plan to determine post development conditions in the proposed canal, Oatland Creek and the Waccamaw River. A draft monitoring plan shall be provided to DHEC's Division of Water Quality for review and approval within ninety (90) days of issuance of the Corps of Engineers permit for the project. Data from the monitoring program must be provided to DHEC on a regular basis as results become available. Also, yearly reports including all data collected and an evaluation of the study results must be provided to DHEC's Division of Water Quality.

11. DHEC's Division of Water Quality shall be notified in writing at least one (1) week prior to use of any chemical agents to control aquatic vegetation in the constructed or enlarged canals or in Oatland Creek.

12. All construction must be conducted so that erosion to and sedimentation in adjacent waters is minimized. Specific measures that must be taken to control erosion and turbidity are:

A. All disturbed highland canal banks and disposal area embankments must be stabilized by permanent vegetative cover as quickly as possible. Until permanent cover is

EXHIBIT

JAN 12 1988 NO. 10

STATE BUDGET & CONTROL BOARD

established, hay bales, silt fences or similarly effective means must be used to control erosion.

B. Dredge spoil disposal runoff must be routed into the existing impoundment at the site, as shown on page 2 of 7 of the revised application, to receive passive treatment prior to discharge to Oatland Creek.

C. Connection of the dredged canal to Oatland Creek shall be made only after all other dredging has been completed.

11. The canals shall be dredged so that depths are constant and there are no sills or low points that would impede circulation.

12. If the project has not been completed within three (3) years after final issuance of the Army Corps of Engineers permit, this certification will expire unless an extension is requested and approved. An extension request should be submitted in writing sixty (60) days prior to the expiration date. If substantial progress has not been made toward completion of the project when a request for a time extension is made, the Department reserves the right to view the activity as a new project under the regulations and policies in force at the time the extension would be considered.

13. All mitigation work shall be conducted in such a manner that erosion to and sedimentation in adjacent waters and wetlands is minimized to the greatest extent possible. To accomplish this, the following measures shall be taken:

A. All excavation shall be conducted in the dry with connection made to adjacent tidal wetlands only after excavation is completed and appropriate erosion control measures are installed.

B. Use of grassing, hay bales, rip-rap or similarly effective means of erosion control shall be used as needed to control stormwater runoff and erosion from all excavated areas and disturbed wetlands. These measures shall be implemented prior to connection of the excavated areas to the adjacent marsh.

C. The proposed dike through the existing pond shall be in place and stabilized prior to removal of the existing dike.

D. All excavated material shall be disposed of on high ground and adequately stabilized to prevent erosion.

E. Mitigation areas one (1) and three (3) shall be excavated so that true intertidal wetland whose surface is exposed at low tide are created. The areas must also be constructed so that no ponds are not formed at low tide.

F. Replacement dike to be constructed in mitigation area two shall have the same approximate top and bottom widths as

the dike being replaced. The drawing provided shows the existing dike to be twelve (12') feet to fourteen (14') feet wide. The proposed dike is shown as having a fifty (50') foot top width.

This permit will not become valid until it is executed by the State Budget and Control Board. Permittee hereby accepts and agrees to comply with the terms and conditions of this permit. This permit and attachments hereto, if any, constitute the entire agreement between the parties and shall not be amended, altered or changed except by a written agreement signed by the parties.

Permittee: Litchfield By The Sea

DATE

Richard W. Kelly
Richard W. Kelly, Director
Division of General Services
SC State Budget and Control Board

DATE

7-21-86

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD.

11132

EXHIBIT

JAN 12 1988

NO. 10

State of South Carolina

State Budget and Control Board

BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.

STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444

Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 13, 1988

Mr. Richard W. Kelly, Director
Division of General Services
420 AT&T Building
1201 Main Street
Columbia, SC 29201

Dear Rick:

Enclosed is the Order and Permit in reference to the application by Litchfield By The Sea (P/N 86-3Z-019) which was approved by the Board at its meeting on January 12, 1988, which has been executed by Dr. Coles in accord with the advice of Chief Deputy Attorney General Joseph Wilson. Mr. Wilson advised that Dr. Coles could execute these documents first with permittee execution, which I ask you to handle, to follow.

Please send a fully-executed copy of each document to me for the files.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill", which is the signature of William A. McInnis.

William A. McInnis
Deputy Executive Director

WAM:dw
Enclosures
cc: Joseph A. Wilson, II

11133

EXHIBIT

JAN 12 1988

NO. 1 0

STATE BUDGET & CONTROL BOARD

P/N 85-3Z-019

Applicant: Litchfield By The Sea

Effective Date: January 13, 1988

Expiration Date: January 13, 1991 for construction:
January 13, 1998 for activities or structures

PERMIT

The State Budget and Control Board is custodian of all public lands and waters not otherwise provided for by law as set forth in Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Amended Regulations of the State Budget and Control Board, Division of General Services, Chapter 19, Article 6, duly filed in the office of Secretary of State, October 16, 1972, and December 31, 1976. As custodian, the Board has certain duties and responsibilities in the waters and beds of navigable waters in this State. In order to protect such interest and to enforce such constitutional and statutory laws with respect to navigable waters, approval for any construction or excavation in the navigable waters of South Carolina lying below the usual high water mark is required from the Budget and Control Board.

The following permittee: Litchfield By The Sea
c/o The Litchfield Company
Post Office Box 100
Easley, SC 29641-0100

Upon the execution of this document by the State Budget and Control Board, will be authorized to:

widen and deepen existing creeks and canals, dredge new canals and construct twenty-two (22) Private piers within the canals connecting to the Waccamaw River near Brookgreen Gardens, Georgetown County, South Carolina,

in the waters of: the Waccamaw River

in accordance with the Federal and State application, such plans and specifications are attached hereto and are incorporated in and are made a part of this permit.

THIS PERMIT MUST BE SIGNED AND RETURNED TO THE ADDRESS BELOW. STATE SIGNATURES WILL THEN BE CONSIDERED AND WHEN EXECUTED, A DUPLICATE OF THIS PERMIT WILL BE RETURNED TO YOU. THIS PERMIT WILL NOT BECOME VALID UNTIL EXECUTED BY THE STATE BUDGET AND CONTROL BOARD.

Please return to: South Carolina State Budget and Control Board
Division of General Services
300 Gervais Street
Columbia, SC 29201
ATTN: Delphine Bigony
Legal Section

11134

EXHIBIT

JAN 12 1988

NO. 1 0

Permit - Litchfield by the Sea

STATE BUDGET & CONTROL BOARD

1. That the permit issued by the Director of General Services (DGS) for this project dated July 21, 1986, and any modifications or amendments thereto, are hereby incorporated in this permit.
2. That any conditions set forth in the DGS permit dated July 21, 1986, which have been complied with by applicant since the date of issuance of said permit are deemed satisfied and fully complied with and no longer constitute conditions of this permit.
3. That the conditions contained in the Order of the Budget and Control Board dated January ~~12~~, 1988, are hereby incorporated in this permit, to wit: 13 wdm
 - (3a) The conditions imposed on the projected activity and the applicant during the permitting process; and
 - (3b) All Federal, State and local assent required by law for the projected activity, including DHEC and Coastal Council certification; and
 - (3c) All areas included in the mitigation plan heretofore approved during the permitting process be deeded to the State of South Carolina or its designee in perpetuity for preservation as natural resources of the State; and
 - (3d) The mitigation monitoring plan heretofore approved during the permitting process be followed by the Department of Health and Environmental Control or other appropriate State agency to assure strict compliance therewith; and
 - (3e) In the event the site included in the mitigation plan for conversion of highland to wetlands is not successful, then in that event another site of equal size will be designated by the applicant to replace the original site; and
 - (3f) The applicant shall provide to the Board assurance from experts that the proposed mitigation sites have reasonable chances of success before proceeding with dredging.

EXHIBIT

JAN 12 1988

NO. 1 0

Permit - Litchfield by Sea

STATE BUDGET & CONTROL BOARD

4. Any and all conditions imposed on this permit by state law and or regulations including but not limited to Budget and Control Board Regulation 19-450.4.

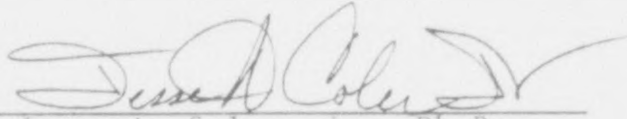
PERMITTEE:

Litchfield By The Sea

DATE

BUDGET AND CONTROL BOARD

By:


Jesse A. Coles, Jr., Ph.D.
Executive Director

1-13-88
DATE

EXHIBIT

JAN 12 1988

NO. 10

BEFORE THE
BUDGET AND CONTROL BOARD
OF THE
STATE OF SOUTH CAROLINA

STATE BUDGET & CONTROL BOARD

Applicant: Litchfield By The Sea

Appellants: Sierra Club, South Carolina Wildlife Federation and
League of Women Voters

Subject: Application for permit to widen and deepen existing
creeks and canals, dredge new canals and construct
twenty-two (22) private piers within the canals
connecting to the Waccamaw River near Brookgreen
Gardens, Georgetown County, South Carolina.

Date of Hearing: November 25, 1987

Date of Order: January 13, 1988

This matter is before the Budget and Control Board pursuant to Regulation 19-450.12 on application for a permit to perform the activities herein described within the navigable waters of South Carolina. The Board has reviewed the record and decision of the hearing officer and has considered the application under the provisions of Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Regulations of the State Budget and Control Board as approved by Joint Resolutions of the General Assembly of South Carolina and hereby makes the following Findings of Fact and Conclusions of Law.

11137

EXHIBIT

JAN 12 1988 NO. 1 0

FINDINGS OF FACT

STATE BUDGET & CONTROL BOARD

(1) Litchfield-by-the-Sea filed applications for state and federal permits in January 1985 to provide access to the Waccamaw River for a proposed residential development to be known as Willbrook Plantation.

(2) A joint public notice was issued by the U.S. Army Corps of Engineers and the State of South Carolina in February, 1985, inviting the submission of comments on the project to the Corps, the S.C. Water Resources Commission, and the S.C. Department of Health and Environmental Control. Additional public notices were issued in February and in March, 1986, to reflect reductions in the scope of the work and the applicant's proposal for mitigation to offset the wetland impacts associated with the project.

(3) The proposal as modified in February reduced the wetland area affected to approximately 7.5 acres, reduced the width of canals by 25%, reduced the depth of the canals, removed all riprap, removed all bulkheads from jurisdictional waters and reduced the number of private piers to 22.

(4) In March, 1986, the second revised public notice was issued with applicant proposing to mitigate the wetland impact by the dedication of approximately 400 acres of wetlands adjoining the canals to a conservation agency, the creation of additional wetland by opening approximately 10.5 acres of impounded lands to tidal exchange, and converting 9.5 acres of high ground to wetlands. A five year monitoring of the mitigation plan was

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

proposed to determine the effectiveness of the revegetation and the impact of fish species with the cost of the monitoring to be borne by the applicant.

(5) The applicant proposes to develop a high quality resort of primary and secondary homes with more than 3,800 dwelling units to be constructed over a 20 year period.

(6) The revised application sought a permit only for the construction of a canal system because it is the part of the plan most capable of ensuring near term success of the development and is pivotal to the development strategy. The applicant did not seek a permit for the marina on the highland at that time. The marina is contingent upon the financial success of the project and the successful permitting, construction and operation of the canal. Present plans are to seek a permit in about four or five years.

(7) Direct water access is desirable to successfully market and develop the subject property and to compete with other developments in the Waccamaw Neck region as well as those along the Atlantic and Gulf Coasts. Direct water access provides a visual and aesthetic contribution to the development, results in the rapid sale of the lots adjacent to the water which provides a source of revenue and sales momentum. It would distinguish the development from others in the area which have golf course, and make it more attractive to retirees and tourists who visit the area.

(8) The Water Resources Commission compiled a record of comments from state agencies and the public, and materials

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STATE BUDGET & CONTROL BOARD

submitted by the applicant, and made a recommendation to the Budget and Control Board that the project be approved. The Budget and Control Board, through its Director of General Services, issued its permit to Litchfield-by-the-Sea on July 21, 1986.

(9) While the recommendation of the Water Resources Commission was pending before the Budget and Control Board, the regulations of the Budget and Control Board were amended, effective June 27, 1986, to provide for an initial decision to be made by the Director of General Services with appeal of that decision to the Budget and Control Board with a hearing on the appeal to be conducted by a Hearing Officer consistent with the Administrative Procedures Act.

(10) On November 24, 1986, Walter J. Bristow, Jr., Judge of the Fifth Judicial Circuit, ordered that the permit issued on July 21, 1986, be vacated and set aside, and that the matter be remanded to the Budget and Control Board for a hearing in compliance with S. C. Code Section 1-23-320 and for an order in compliance with S. C. Code Section 1-23-350 as provided in the new regulations.

(11) In January, 1987, the Budget and Control Board appointed James F. Flanagan as Hearing Officer and testimony was taken on March 16, 18, 26 and 30 and April 3, 1987. His report was filed with the Budget and Control Board on July 23, 1987.

(12) In its natural state the area where development is proposed was a bottomland swamp forest probably flooded on an annual basis and composed generally of tupelo gum, ball cypress

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and similar vegetation. The forest was removed by early settlers. Rice was cultivated by constructing dikes around the perimeter of the vegetated area and canals to control water levels generated by the tides. The rice culture collapsed about one hundred and twenty years ago, and the dikes have been reverting to their former state of forest. Likewise, the area formerly devoted to rice now supports typical plant species found in marshes. Similar vegetation is found in the canals.

(13) The forested wetlands are typical of freshwater wetlands in the area. The existing creeks and old canals typically have emergent plants along the edges, and some amount of rooted and floating mats of submerged aquatic vegetation. Emergent wetlands adjacent to the creeks and canals display a very vigorous and diverse assemblage of plants. There are also submerged aquatic vegetation.

(14) The project area is generally bounded by remnants of the dikes along the Waccamaw River on the west and north, and by high land to the east and Oatland Creek, a natural tributary to the south. The project will widen an existing canal from the Waccamaw to provide access to the high land. Along the high land on the east side, a new canal will be dredged connecting a smaller existing canal and the newly widened canal on the north and Oatland Creek on the south. The dredged canal follows, in part, the course of an earlier canal which has become overgrown. Consequently, the project will allow one to proceed from the high lands to the Waccamaw through Oatland Creek or the entrance canal on the north.

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(15) There are no endangered species living in the area to be dredged. The dredged area is the side which abuts land of approximately 400 acres of wetlands of the Litchfield property. There are similar wetlands existing along the Waccamaw which provide nutrient production and filtering capacity in the Waccamaw Neck region.

(16) The project will change approximately 7.5 acres of wetlands into a canal and such change of habitat may affect certain marine species using the area. The U.S. Fish and Wildlife Service and the S.C. Wildlife Department have objected to the project on the ground that the canal is a less valuable habitat than wetlands.

(17) No evidence has been presented that would quantify any detriment to the environment flowing from substituting a canal for the existing natural habitat. No filling of wetlands is involved in the proposed project.

(18) The record shows that greater access to the interior of the wetlands will be created by the canals. Some species of fish will be able to use the wetlands that did not do so before. Access for boats will produce recreational use for the public that is not available now.

(19) The direct water connection between Oatland Creek and the entrance channel will remove some dead-end channels that now exist and will permit more rapid exchange or flushing of the water in the nearby wetlands. More rapid flushing may reduce the time that the wetlands have to perform their filtering function, and may increase the export of nutrients downstream under certain

EXHIBIT

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conditions. On the other hand, increased flushing is beneficial because it helps to maintain water quality.

(20) The new canal will not affect the water level in the area since the Waccamaw has access through existing watercourses into the wetlands. The dominant influence on the wetlands is the river even though the area is tidally influenced, therefore the water level will rise and fall as it did before.

(21) From February 1985 to May 1986 various state and federal agencies commented on the project. Throughout this period additional information was being developed and aspects of the proposal were clarified and modified through the permitting process.

(22) After reviewing the water quality issues DHEC staff stated that "there is a reasonable assurance that the activity will be conducted in a manner consistent with the Certification requirements of Section 401 of the Federal Clean Water Act as amended. In accordance with the provision of Section 401, we certify that this project, subject to the indicated conditions, is consistent with applicable provision of Section 303 of the Clean Water Action as Amended."

(23) On May 5, 1986 the Coastal Council issued its certification that the proposal is consistent with the Coastal Zone Management Plan as required by S.C. Code 48-38-80(B)(11).

(24) The S.C. Institute of Archaeology and Anthropology waived its objection to the permit so long as it is notified of any archaeological or paleontological remains encountered there

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and the applicant permits access to the site prior to the work if desired.

(25) The State Ports Authority had no objection to the permit.

(26) The S.C. Wildlife and Marine Resources Department objected to the permit on the grounds that the loss of the wetlands would have an adverse impact on fish and wildlife. Attempts were made to reconcile this objection as provided by the then existing regulations which were unsuccessful. The unreconciled objection was referred to the WRC Commissioners for decision.

(27) The U.S. Fish and Wildlife Service objected to the permit in letters dated April 19, 1985, March 5, 1986 and April 9, 1986, on grounds of anticipated water quality degradation, loss of valuable wildlife and fisheries spawning, nursery and feeding habitat and wetland production.

(28) The national Marine Fisheries Service of the U.S. Department of Commerce objected to the permit on the grounds that the proposal was not water dependent, that there were other alternatives, and the cumulative impact of similar projects if this was approved.

(29) The Environmental Protection Agency initially objected to the proposal. After the applicant submitted its modified plan which reduced the size and length of the canals, and submitted a mitigation proposal, the EPA withdrew its objection.

(30) On or about February 20, 1987 the U.S. Corps of Engineers concluded that the issuance of a federal permit to the

EXHIBIT

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NO. 10

STATE BUDGET & CONTROL BOARD

applicant in accordance with the revised proposal would not be contrary to the public interest.

(31) DHEC is charged with the responsibility of maintaining water quality in the state. Under state law, the Waccamaw River is a Class A river and the law and regulations require that the project maintain that water quality level. Likewise, the EPA was concerned with water quality and conducted an independent investigation of water quality.

(32) The applicant did mathematical modeling of the proposed construction to assess its impact on water quality and presented it to DHEC. The model predicted that the area would flush, or exchange water, within five days, compared with an existing eight days without the canal system. It predicted that the dissolved oxygen standard set by DHEC will be met.

(33) The Corps of Engineers permit requires the applicant to use mechanical means to harvest the aquatic plants.

(34) The applicant has developed a storm water drainage plan that drains into ponds and lagoons. Water is released from these structures after sediments have collected on the bottom and under regulated conditions the water will be released. There is no direct discharge into the tidal wetlands or the canal.

(35) Sewage will not be discharged into the canal. In the short term sewage will be pumped to a treatment plant near the site, treated and discharged into a creek south of the project. In eighteen months, a regional treatment plant will be built. Effluent will be treated there and returned to the project and used to irrigate golf courses.

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STATE BUDGET & CONTROL BOARD

(36) The applicant submitted a report on the impact that the Willbrook development will have on the area's economy entitled, "Economic Profile of the Georgetown-Horry Economic Area and Projections of Potential Impact of the Willbrook Development."

(37) The study was based on an economic model of the area's economy which is a recognized and valid way of determining the economic impact of a project. The modelers assumed that the project would be built as planned, including the canal, marina, and golf courses, used the developers estimates of costs and construction rate, and assumed that the project would be successful. This model predicted that when completed the development will create, over and above that generated by the natural economic growth in the area, 3600 additional jobs, 6300 more people, and an increase of two hundred fifty million dollars a year in personal income and approximately six million dollars of tax revenue. Notwithstanding the modifications of the project from the original plan as to the marina and size of the canal, it is clear that additional jobs, more people, and an increase in personal income and tax revenue will result from the completed development. Moreover, there was evidence that the project would result in faster build out and sale of lots than would occur in the absence of the development.

(38) In addition to the public benefits realized by the State from the increased tax base as a result of the increase in the value of the land included in the project and the increased revenue generated by economic activity necessary to service the increased population attracted by the project, improved access to

EXHIBIT

JAN 12 1988 NO. 10

STATE BUDGET & CONTROL BOARD

the wetlands adjoining the project is provided to the public by opening the canals. Access for boats will produce some recreational use for the public that is not available now.

(39) In addition, the applicant has submitted a mitigation proposal which was considered and evaluated in the federal and state permitting process. The mitigation plan will provide substantial benefits to the State. The mitigation plan contemplates the creation of comparable wetlands for those destroyed in such proportion that more wetlands will be re-established than destroyed resulting in no net detriment to the State or public.

CONCLUSIONS OF LAW

The Budget and Control Board has reviewed the record to assess the total impact of the projected activity on the navigable waters and lands subject to the jurisdiction of the Board, as well as the impact on the economy and natural resources of the State. The Board is concerned with the utilization and protection of important state resources and has attempted to balance the extent and permanence of reasonably foreseeable benefits and detriments of the projected activity including its impact on the conservation, economics, aesthetics, general environmental concerns, cultural values, fish and wildlife, navigation, erosion and accretion, recreation, water quality, supply and conservation, to determine whether the projected activity is consistent with the needs and welfare of the public. The Board has considered the comments and objections of the affected agencies as well as the public, and particularly the

EXHIBIT

JAN 12 1988 NO. 10

STATE BUDGET & CONTROL BOARD

matters set forth in Regulation 19-450.9(A) and makes the following determination:

- (1) Appellants have standing to contest the permit.
- (2) The permit is governed by Regulation 19-450 promulgated on June 27, 1986.
- (3) To gain necessary access to the Waccamaw River from the highlands for the project, a canal is required through adjacent wetlands and existing canals. Any environmental detriment resulting from converting 7.5 acres of wetlands into open water is minimal and compensated by the additional wetlands added to the state under the mitigation plan. The economic benefits will be realized by the public from the increased tax base from enhanced land values through a successful development, by providing additional wetlands to the State under the mitigation plan and by providing public access to wetlands heretofore inaccessible to the public;
- (4) Precautions have been insured through the permitting process that will prevent obstruction to navigability or natural flow of any navigable waters and to prevent erosion, shoaling of navigable channels or creation of stagnant waters;
- (5) Assurances have been elicited through the permitting process that will minimize any adverse impact on fish and wildlife, water quality or other natural resources or that could adversely affect the habitats of any endangered species of wildlife or historic or archaeological sites;
- (6) The proposed activity will enhance public access to and use of public wetlands;

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

(7) The state and public will receive economic benefit from the authorized use of the wetlands included in this activity in excess of any benefits that would be derived from preservation of the area in its unaltered condition;

(8) The proposed activity will not result in a net loss of wetlands of the State and will provide better access to such wetlands by the public. Any detrimental environmental impact from converting 7.5 acres of wetlands into open water is minimal and compensated by the increase in wetlands through the mitigation plan and through the overall economic benefit to the Waccamaw Neck area by the increased tax base;

(9) Any potential adverse environmental impact from this project has been minimized by the safeguards imposed during the permitting process;

(10) Feasible alternatives have been developed during the permitting process to avoid adverse environmental impacts and no feasible alternative exist to gain access to the Waccamaw River for this project;

(11) The long range, cumulative effect of the project, will not adversely affect navigable waters of the State.

ORDER

Upon consideration of the record in this case, the decision of the hearing officer, and the comments and responses thereto, it is

ORDERED that the permit attached to and made a part of this Order, be and the same hereby is granted,

EXHIBIT

JAN 12 1988 NO. 10

STATE BUDGET & CONTROL BOARD

SUBJECT to the conditions imposed on the projected activity and the applicant during the permitting process; and

SUBJECT to all Federal, State and local assent required by law for the projected activity, including DHEC and Coastal Council certification; and

SUBJECT to the additional requirement that all areas included in the mitigation plan heretofore approved during the permitting process be deeded to the State of South Carolina or its designee in perpetuity for preservation as natural resources of the State; and

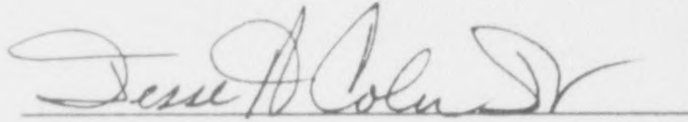
SUBJECT to the additional requirement that the mitigation monitoring plan heretofore approved during the permitting process be followed by the Department of Health and Environmental Control or other appropriate State agency to assure strict compliance therewith; and

SUBJECT to the additional requirement that in the event the site included in the mitigation plan for conversion of highland to wetlands is not successful, then in that event another site of equal size will be designated by the applicant and deeded to the State of South Carolina to replace the original site; and

SUBJECT to the additional requirement that applicant shall provide to the Board assurance from experts that the proposed

mitigation sites have reasonable chances of success before
proceeding with dredging.

IT IS SO ORDERED.



Columbia, South Carolina

1-13 -, 1988

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

FEB 12 1988

ROBINSON, McFADDEN, MOORE, POPE, WILLIAMS, TAYLOR & BRAILSFORD, P. A.

THOMAS T. MOORE
DAVID W. ROBINSON, II
WILLIAM L. POPE
D. REECE WILLIAMS, III
JOHN S. TAYLOR, JR.
JAMES M. BRAILSFORD, III
DANIEL T. BRAILSFORD
WILLIAM F. HALLIGAN
PAUL B. RODGERS, III
ROBERT C. KELLY
DORIS M. MCANDREW
FRANK R. ELLERBE, III
THOMAS W. BUNCH, II
FRANK B. B. KNOWLTON
MASON G. ALEXANDER, JR.
D. CLAY ROBINSON
JACQUELYN L. BARTLEY
KELLY E. SHACKELFORD
KNOX L. HAYNSWORTH, III

SIX HUNDRED JEFFERSON SQUARE
1801 MAIN STREET

POST OFFICE BOX 944
COLUMBIA, SOUTH CAROLINA 29202
(803) 779-8900

DAVID W. ROBINSON
(1869-1935)
R. HOKE ROBINSON
(1916-1977)
ALICE ROBINSON
RETIRED
J. MEANS McFADDEN
RETIRED

DAVID W. ROBINSON
OF COUNSEL
ROBERT McC. FIGG
OF COUNSEL

TELECOPIER
(803) 252-0724

January 22, 1988

RECEIVED

JAN 25 1988

DIV. OF GEN. SERVICES
LEGAL SECTION

Mr. Wayne F. Rush
General Counsel
Budget and Control Board
Division of General Services
1201 Main Street, Suite 420
Columbia, South Carolina 29201

Re: Litchfield-by-the-Sea
P/N 85-32-019

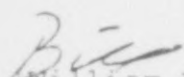
Dear Wayne:

I am herewith returning to you the Permit that has been executed on behalf of Litchfield-by-the-Sea. The Permit, executed on behalf of the Budget and Control Board on January 13, 1988 and on behalf of Litchfield-by-the-Sea on January 15, 1988, should now be completed. I am also in receipt of a copy of the Order issued by the Budget and Control Board on January 13, 1988.

Thank you for your courtesy in this matter.

Best regards,

Sincerely,


William L. Pope

WLP/am
Enclosure

11152

P/N 85-3Z-019

Applicant: Litchfield By The Sea

Effective Date: January 13, 1988

Expiration Date: January 13, 1991 for construction:
January 13, 1998 for activities or structures

PERMIT

The State Budget and Control Board is custodian of all public lands and waters not otherwise provided for by law as set forth in Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Amended Regulations of the State Budget and Control Board, Division of General Services, Chapter 19, Article 6, duly filed in the office of Secretary of State, October 16, 1972, and December 31, 1976. As custodian, the Board has certain duties and responsibilities in the waters and beds of navigable waters in this State. In order to protect such interest and to enforce such constitutional and statutory laws with respect to navigable waters, approval for any construction or excavation in the navigable waters of South Carolina lying below the usual high water mark is required from the Budget and Control Board.

The following permittee: Litchfield By The Sea
c/o The Litchfield Company
Post Office Box 100
Easley, SC 29641-0100

Upon the execution of this document by the State Budget and Control Board, will be authorized to:

widen and deepen existing creeks and canals, dredge new canals and construct twenty-two (22) Private piers within the canals connecting to the Waccamaw River near Brookgreen Gardens, Georgetown County, South Carolina,

in the waters of: the Waccamaw River

in accordance with the Federal and State application, such plans and specifications are attached hereto and are incorporated in and are made a part of this permit.

THIS PERMIT MUST BE SIGNED AND RETURNED TO THE ADDRESS BELOW. STATE SIGNATURES WILL THEN BE CONSIDERED AND WHEN EXECUTED, A DUPLICATE OF THIS PERMIT WILL BE RETURNED TO YOU. THIS PERMIT WILL NOT BECOME VALID UNTIL EXECUTED BY THE STATE BUDGET AND CONTROL BOARD.

Please return to: South Carolina State Budget and Control Board
Division of General Services
300 Gervais Street
Columbia, SC 29201
ATTN: Delphine Bigony
Legal Section


11153

Permit - Litchfield by the Sea

1. That the permit issued by the Director of General Services (DGS) for this project dated July 21, 1986, and any modifications or amendments thereto, are hereby incorporated in this permit.
2. That any conditions set forth in the DGS permit dated July 21, 1986, which have been complied with by applicant since the date of issuance of said permit are deemed satisfied and fully complied with and no longer constitute conditions of this permit.
3. That the conditions contained in the Order of the Budget and Control Board dated January ~~12~~, 1988, are hereby incorporated in this permit, to wit: 13 ~~items~~
 - (3a) The conditions imposed on the projected activity and the applicant during the permitting process; and
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 - (3c) All areas included in the mitigation plan heretofore approved during the permitting process be deeded to the State of South Carolina or its designee in perpetuity for preservation as natural resources of the State; and
 - (3d) The mitigation monitoring plan heretofore approved during the permitting process be followed by the Department of Health and Environmental Control or other appropriate State agency to assure strict compliance therewith; and
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 - (3f) The applicant shall provide to the Board assurance from experts that the proposed mitigation sites have reasonable chances of success before proceeding with dredging.

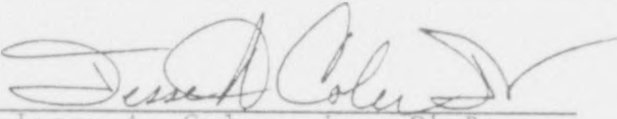
Permit - Litchfield by Sea

4. Any and all conditions imposed on this permit by state law and or regulations including but not limited to Budget and Control Board Regulation 19-450.4.

PERMITTEE: 
Litchfield By The Sea

1-15-88
DATE

BUDGET AND CONTROL BOARD

By: 
Jesse A. Coles, Jr., Ph.D.
Executive Director

1-13-88
DATE

The State of South Carolina



Office of the Attorney General

EXHIBIT

JAN 12 1988

NO. 10

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803/734-3687

MEMORANDUM

TO: Mr. William A. McInnis, Secretary
Budget & Control Board

FROM: *[Signature]* Joseph A. Wilson, II
Chief Deputy Attorney General

RE: Litchfield By The Sea

DATE: January 12, 1988

Enclosed please find a new Permit in which we have filled in the date in paragraph 3 of page 2 and the effective dates on page 1 of the Permit. We have also provided a place for the signature of the permittee on page 3 and changed the date on page 1 of the Order. Please substitute page 1 of the Order and this Permit for the other copy we previously sent you. I have dated everything for the 13th in case Jesse is unable to sign these documents today.

gmb
Enclosures

11156

EXHIBIT

JAN 12 1988

NO. 10

BEFORE THE STATE BUDGET & CONTROL BOARD
BUDGET AND CONTROL BOARD
OF THE
STATE OF SOUTH CAROLINA

Applicant: Litchfield By The Sea

Appellants: Sierra Club, South Carolina Wildlife Federation and
League of Women Voters

Subject: Application for permit to widen and deepen existing
creeks and canals, dredge new canals and construct
twenty-two (22) private piers within the canals
connecting to the Waccamaw River near Brookgreen
Gardens, Georgetown County, South Carolina.

Date of Hearing: November 25, 1987

Date of Order: December __, 1987

This matter is before the Budget and Control Board pursuant to Regulation 19-450.12 on application for a permit to perform the activities herein described within the navigable waters of South Carolina. The Board has reviewed the record and decision of the hearing officer and has considered the application under the provisions of Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Regulations of the State Budget and Control Board as approved by Joint Resolutions of the General Assembly of South Carolina and hereby makes the following Findings of Fact and Conclusions of Law.

11157

EXHIBIT

JAN 12 1988

NO. 10

P/N 85-3Z-019

STATE BUDGET & CONTROL BOARD

Applicant: Litchfield By The Sea

Effective Date: _____

Expiration Date: _____

PERMIT

The State Budget and Control Board is custodian of all public lands and waters not otherwise provided for by law as set forth in Section 1-11-70, et seq., 1976 South Carolina Code of Laws and Amended Regulations of the State Budget and Control Board, Division of General Services, Chapter 19, Article 6, duly filed in the office of Secretary of State, October 16, 1972, and December 31, 1976. As custodian, the Board has certain duties and responsibilities in the waters and beds of navigable waters in this State. In order to protect such interest and to enforce such constitutional and statutory laws with respect to navigable waters, approval for any construction or excavation in the navigable waters of South Carolina lying below the usual high water mark is required from the Budget and Control Board.

The following permittee: Litchfield By The Sea
c/o The Litchfield Company
Post Office Box 100
Easley, SC 29641-0100

Upon the execution of this document by the State Budget and Control Board, will be authorized to:

widen and deepen existing creeks and canals, dredge new canals and construct twenty-two (22) Private piers within the canals connecting to the Waccamaw River near Brookgreen Gardens, Georgetown County, South Carolina,

in the waters of: the Waccamaw River

in accordance with the Federal and State application, such plans and specifications are attached hereto and are incorporated in and are made a part of this permit.

THIS PERMIT MUST BE SIGNED AND RETURNED TO THE ADDRESS BELOW. STATE SIGNATURES WILL THEN BE CONSIDERED AND WHEN EXECUTED, A DUPLICATE OF THIS PERMIT WILL BE RETURNED TO YOU. THIS PERMIT WILL NOT BECOME VALID UNTIL EXECUTED BY THE STATE BUDGET AND CONTROL BOARD.

Please return to: South Carolina State Budget and Control Board
Division of General Services
300 Gervais Street
Columbia, SC 29201
ATTN: Delphine Bigony
Legal Section

11158

EXHIBIT

JAN 12 1988

NO. 10

Permit - Litchfield by the Sea

STATE BUDGET & CONTROL BOARD

1. That the permit issued by the Director of General Services (DGS) for this project dated July 21, 1986, and any modifications or amendments thereto, are hereby incorporated in this permit.
2. That any conditions set forth in the DGS permit dated July 21, 1986, which have been complied with by applicant since the date of issuance of said permit are deemed satisfied and fully complied with and no longer constitute conditions of this permit.
3. That the conditions contained in the Order of the Budget and Control Board dated _____ are hereby incorporated in this permit, to wit:
 - (3a) The conditions imposed on the projected activity and the applicant during the permitting process; and
 - (3b) All Federal, State and local assent required by law for the projected activity, including DHEC and Coastal Council certification; and
 - (3c) All areas included in the mitigation plan heretofore approved during the permitting process be deeded to the State of South Carolina or its designee in perpetuity for preservation as natural resources of the State; and
 - (3d) The mitigation monitoring plan heretofore approved during the permitting process be followed by the Department of Health and Environmental Control or other appropriate State agency to assure strict compliance therewith; and
 - (3e) In the event the site included in the mitigation plan for conversion of highland to wetlands is not successful, then in that event another site of equal size will be designated by the applicant to replace the original site; and
 - (3f) The applicant shall provide to the Board assurance from experts that the proposed mitigation sites have reasonable chances of success before proceeding with dredging.

EXHIBIT

JAN 12 1988

NO. 10

Permit - Litchfield by Sea

STATE BUDGET & CONTROL BOARD

4. Any and all conditions imposed on this permit by state law and or regulations including but not limited to Budget and Control Board Regulation 19-450.4.

BUDGET AND CONTROL BOARD

By: _____

EXHIBIT

JAN 12 1988

NO. 10

Permit - Litchfield by Sea

STATE BUDGET & CONTROL BOARD

4. Any and all conditions imposed on this permit by state law and or regulations.

BUDGET AND CONTROL BOARD

By: _____

OFFICE OF THE ATTORNEY GENERAL

MESSAGE

TO Mr. Mc Innis
FROM Joe Wilson gmb
DATE 1/12/88
PLEASE SEE ME IN RE THIS
PLEASE REVIEW
NOTE OR REMINDER
FOR YOUR INFORMATION
FOR YOUR FILE
PLEASE CALL ME AT

*Original
Attachment
replaced
this page*

MESSAGE OR COMMENTS:

*Please substitute the attached
pag 3 of the Permit for
the old page 3. I spok with
Dr. Celys about this change
at the end of the Board
meeting. Thank you.*

11161

EXHIBIT

JAN 12 1988

NO. 11

STATE BUDGET AND CONTROL ~~STATE BUDGET & CONTROL BOARD~~ULAR SESSION
MEETING OF January 12, 1988 ITEM NUMBER

4

AGENCY: Department of Corrections

SUBJECT: Safe and Reasonable Operating Capacity

In accord with Section 24-3-2050, the Department of Corrections, on January 8, 1988, was scheduled to adopt 10,636 as the safe and reasonable operating capacity of Department of Corrections facilities. This is the safe and reasonable operating capacity as agreed upon in the Nelson Consent Decree. It is a temporary increase of 434 beds.

BOARD ACTION REQUESTED:

In accord with Section 24-3-2050, certify 10,636 as the safe and reasonable operating capacity of facilities of the Department of Corrections as of January 8, 1988.

ATTACHMENTS:

Evatt January 4 letter to Coles; attachments

11152

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS
SAFE AND REASONABLE INMATE CAPACITIES (NELSON)
EMERGENCY OVERCROWDING POWERS ACT (S-258 - H-2618)

1/4/88

| CUSTODY LEVEL/INSTITUTION | SAFE & REASONABLE AS OF 10/1/87 | SAFE & REASONABLE (NELSON) AS OF 1/8/88 | CHANGE |
|---|---------------------------------------|--|--------------|
| MALE MEDIUM/MAXIMUM SECURITY INSTITUTIONS¹ | | | |
| Broad River Reception & Evaluation Ctr. (Officers' Quarters) | 288 82 | 288 82 | 0 0 |
| Central Correctional Institution ² | 1,394 | 1,302 | (92) |
| Dutchman Correctional Institution | 528 | 528 | 0 |
| Kirkland Correctional Institution | 768 | 612 | (156) |
| Lieber Correctional Institution | 696 | 696 | 0 |
| Manning Correctional Institution | 486 | 486 | 0 |
| McCormick Correctional Institution | 600 | 600 | 0 |
| Perry Correctional Institution | 768 | 768 | 0 |
| SUBTOTAL | 5,610 | 5,362 | (248) |
| PERCENT OF TOTAL | | (50%) | |
| MALE MINIMUM SECURITY INSTITUTIONS³ | | | |
| Aiken Youth Correction Center | 253 | 310 | 57 |
| Cross Anchor Correctional Institution | 528 | 528 | 0 |
| Givens Youth Correction Center | 102 | 131 | 29 |
| Goodman Correctional Institution | 321 | 468 | 147 |
| Greenwood Correctional Center | 72 | 94 | 22 |
| MacDougall Youth Correction Center | 568 | 576 | 8 |
| Northside Correctional Center | 308 | 290 | (18) |
| State Park Correctional Center | 150 | 150 | 0 |
| Stevenson Correctional Institution | 152 | 170 | 18 |
| Walden Correctional Institution | 248 | 306 | 58 |
| Wateree River Correctional Institution | 480 | 633 | 153 |
| Watkins Pre-Release Center | 144 | 144 | 0 |
| SUBTOTAL | 3,326 | 3,800 | 474 |
| PERCENT OF TOTAL | | (36%) | |
| MALE WORK RELEASE CENTERS³ | | | |
| Blue Ridge Pre-Release/Work Release Center ⁴ | 180 | 208 | 28 |
| Campbell Work Release Center | 100 | 150 | 50 |
| Catawba Work Release Center | 144 | 144 | 0 |
| Coastal Work Release Center | 158 | 158 | 0 |
| Livesay Work Release Center | 96 | 96 | 0 |
| Lower Savannah Work Release Center | 48 | 81 | 33 |
| Palmer Work Release Center | 75 | 100 | 25 |
| SUBTOTAL | 801 | 937 | 136 |
| PERCENT OF TOTAL | | (9%) | |
| FEMALE BEDSPACES (MEDIUM, MINIMUM & MAXIMUM) | | | |
| State Park Women's Work Release Unit ⁵ | 100 | 100 | 0 |
| Women's Correctional Center ⁵ | 365 | 437 | 72 |
| SUB-TOTAL | 465 | 537 | 72 |
| PERCENT OF TOTAL | | 5% | |
| TOTAL SCDC FACILITIES | 10,202 | 10,636 | 434 |

- ¹ Under the terms of the Nelson Decree, capacities at medium/maximum security institutions and housing units are required to be met by January 8, 1988 (Section III.E.2.(c), page 19).
- ² Central Correctional Institution's (CCI) Nelson capacity is TENTATIVE contingent upon a decision by Regional Officials and subsequent approval by Plaintiffs' counsel as to the use of the old Transitional Care ward at this facility. The old ICU ward is now vacant and can house approximately 62 inmates.
- ³ Under the terms of the Nelson Decree, mandated capacities must be met at all minimum security and work release centers by January 8, 1990. Additionally, between January 8, 1988 and January 8, 1990, overcrowding at these institutions must be reduced by 25% every six (6) months in order to phase-in compliance with approved minimum security capacities by January 8, 1990 (Section III.E.2.(e)(3), page 20).
- ⁴ Blue Ridge Pre-Release/Work Release Center Nelson capacity is comprised of 141 male work release beds and 67 male pre-release beds.
- ⁵ The Women's Correctional Center (WCC) Nelson capacity is TENTATIVE. The capacity listed above reflects only Cottages 4, 8 and 9 at the WCC classified as medium security. The decision to classify only these cottages as medium security and NOT the entire institution is still pending the approval of Plaintiffs' counsel.

(C/COLES/DCA)

11163



south carolina
department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221 1787
TELEPHONE (803) 737-8565
PARKER EVATT, Commissioner

RECEIVED

JAN - 6 1988

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

January 4, 1988

EXHIBIT

JAN 12 1988

NO. 11

STATE BUDGET & CONTROL BOARD

Dr. Jesse A. Coles, Jr.
Executive Director
Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

Section 3 of the Prison Overcrowding Powers Act requires the Department of Corrections to certify its existing capacity quarterly.

Effective January 8, 1988, SCDC will adopt the Safe and Reasonable Operating Capacity as agreed upon in the Nelson Consent Decree, rather than those which have been used since July 12, 1983, as amended by the Budget and Control Board. This change will provide all interested parties with the same information and allow us to report to the court and state agencies the capacities which are mandated by the Federal Court.

This is to certify that our Safe and Reasonable Operating (Nelson) Capacity will increase from 10,202 to 10,636 effective January 8, 1988. This increase of 434 beds is a result of the following:

- o Under the terms of the Nelson Consent Decree, the Department of Corrections is required to comply with the specific institutional capacities outlined in the Agreement at all medium/maximum security prisons on January 8, 1988. However, we are permitted until January 8, 1990, to achieve full compliance with the Decree at all minimum, work release and pre-release institutions. This adjustment will provide us with a temporary increase in our overall capacity of the 434 beds mentioned above. The minimum, work release and pre-release capacities must be reduced, however, by 25% each six months starting in July 1988, so that by January 1990, all of our prisons will be in compliance with the Federal Court Order (see Attachment 1).
- o The specific capacity of each type of institution by custody level is shown on Attachment 2.

The Defendant's (The Attorney General's Office) filed a "Motion for Modification of the Consent Decree" in August 1987. Specifically, the Defendants motioned the Court to allow all general population cells at our five new medium/maximum prisons to be double occupied. Should this motion be approved by the Court, it would add 2,104 medium-security bed spaces to our Safe and Reasonable Capacity. As of this date no action has been taken by the Court. We will inform you when action is taken on this motion.

11154

BOARD OF
CORRECTIONS

CHARLES C. MOORE
Chairman
Spartanburg, S.C.

BETTY M. CONDON
Vice Chairman
Mt. Pleasant, S.C.

EUGENE N. ZEGLER
Secretary
Florence, S.C.

GOETZ B. EATON
Member
Anderson, S.C.

C. LOCK MCKINNON
Member
Lancaster, S.C.

NORMAN KIRKLAND
Member
Bamberg, S.C.

GOV. CARROLL A. CAMPBELL, JR., Member, Ex-Officio, Columbia, S.C.

Dr. Jesse A. Coles, Jr.
January 4, 1988
Page 2

EXHIBIT

JAN 12 1988

NO. 1 1

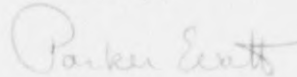
STATE BUDGET & CONTROL BOARD

We had 11,004 inmates in our facilities as of January 1, 1988 and 368 above our new Safe and Reasonable Operating (Nelson) Capacity of 10,636. This is an increase of 656 inmates over the same date last year. We are projecting our average population to increase by approximately 662 inmates next fiscal year.

It must be emphasized that the temporary increase of 434 beds has no impact on our need for the additional facilities requested in this year's Bond Bill.

Please let me know if you need additional information.

Sincerely,



Parker Evatt

PE:abb

Attachments

cc: Mr. Bill McInnis
Mr. Stan McKinney
Mr. Richard Stroker
Mr. Grady Wallace

Mr. Rich McLawhorn
Mr. Kenny Long
Dr. Hubert M. Clements
Mr. Larry Batson

11165

the signing of this Decree by the parties.

c. Plaintiffs assigned to medium or maximum security institutions or housing units shall receive the sleeping space required by this Decree within six (6) months from the completion of Lieber and McCormick but no later than within thirty-six (36) months from the signing of this Decree by the parties and all double-bunking shall be eliminated. Until that time, where double-bunking occurs in medium/maximum security institutions, any double-bunks shall be placed against the walls.

d. All other Plaintiffs, i.e. those not housed in medium or maximum security institutions shall receive the sleeping space required by this Decree within five (5) years of the signing of this Decree by the parties and double-bunks shall be eliminated at that time. In the meantime, any additional double-bunks in the wards shall be placed against the walls.

e. Compliance as outlined in paragraphs (c) and (d) above shall be achieved in the following way:

(1) From the date of the signing of this Decree by the parties, for a period of thirty-six (36) months, prisoner population at each such institution and housing unit may fluctuate above the count established at the date of the signing of this Decree and the maximum count which may be reached within five (5) years of the signing of this Decree, provided that Defendants give Plaintiffs' counsel and the Court notice and proof every six (6) months of:

(a) Compliance with the schedules for construction, renovation, fire safety and environmental sanitation established in Section III-F, III-K and III-R below, and

EXHIBIT

(b) Accuracy of Defendants' predic-

JAN 12 1988

NO. 11

19

11166

ATTACHMENT 1

tions of the overall population increases for that time.

(2) If proof of compliance with (a) and (b) above is not or cannot be provided, then the parties agree that the Court shall order immediate relief, which may include population reductions, release or transfer of prisoners (providing such transfer does not violate other provisions of this Decree), or other appropriate relief, at each of Defendants' institutions which do not meet the standards established in this Decree.

(3) From the date of three (3) years after the signing of this Decree until five (5) years after the signing of this Decree, the prisoner population at each such institution and housing units as described in (d) above shall be reduced in equal percentage increments of twenty-five (25) percent every six (6) months for such prisoner population over the capacities set forth in this Decree, except that if Defendants provide proof of good cause for a delay in reaching the six (6) month goal at a particular institution, then they may have an additional thirty (30) days in which to reach the required population at that institution.

(4) Defendants shall, to the extent authorized by law and statute make maximum use of community-based alternatives to incarceration, including Special Furloughs and Work Release programs, in order to decrease the number of Plaintiffs incarcerated.

EXHIBIT

JAN 12 1988 NO. 11

STATE BUDGET & CONTROL BOARD

20

ATTACHMENT 1A

11167



south carolina
department of corrections

P.O. BOX 21787/4444 BROAD RIVER ROAD/COLUMBIA, SOUTH CAROLINA 29221-1787
TELEPHONE (803) 737-8555
PARKER EVATT, Commissioner

EXHIBIT

JAN 12 1988

NO. 11

STATE BUDGET & CONTROL BOARD

January 4, 1988

RECEIVED

JAN - 5 1988

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

The Honorable Carroll A. Campbell, Governor
State House, First Floor, West Wing
Box 11369
Columbia, South Carolina 29211

Dear Governor Campbell:

In compliance with Section 24-3-1180 of the Prison Overcrowding Powers Act, this will certify the inmate population in Department of Corrections' facilities for December 26 - January 1, 1988.

| Date | Inmates in Agency Facilities | Safe and Reasonable Operating Capacity | Above (Below) Capacity |
|-------------------|---------------------------------|---|---------------------------|
| December 26, 1987 | 11,007 | 10,202 | 805 |
| 27 | 11,003 | 10,202 | 801 |
| 28 | 11,013 | 10,202 | 811 |
| 29 | 11,026 | 10,202 | 824 |
| 30 | 11,024 | 10,202 | 822 |
| 31 | 11,030 | 10,202 | 828 |
| January 1 | 11,004 | 10,202 | 802 |
| Average: | 11,015 | 10,202 | 813 |

Actual count in institutions does not reflect those temporarily being housed in local facilities for court. The average number of temporary authorized absences for the above dates was 235.

The Prison System Overcrowding State of Emergency which was declared on September 2, 1983 continues in effect. The inmate population in state-operated prisons on January 1, 1988 was 656 higher than the same day last year. The number of inmates housed in state-operated facilities is running 18 months ahead of projections made at the time of the Nelson Settlement.

The Department of Parole and Community Corrections reports that they released 5 low-risk, non-violent offenders December 1, 1987 as a result of your declaration of an emergency. This brings the total number to 119 releases under EPA II.

Kindest personal regards.

Sincerely,

Parker Evatt

PE:baa

cc: Budget and Control Board Members
Dr. Jesse A. Coles, Jr.
Mr. Michael J. Cavanaugh
Mr. Grady A. Wallace

Mr. Kenny Long
Mr. Allan Kincaid
Mr. Stan McKinney
Mr. Rich McLawhorn

11168

EXHIBIT

JAN 12 1988

NO. 12

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

STATE BUDGET & CONTROL BOARD

RECORDING SESSION

ITEM NUMBER

5

AGENCY: Budget Division

SUBJECT: Veto-related Transfer Requests (3rd Quarter)

The Budget Division recommends approval of the following transfer requests which do not exceed 25% of the vetoed amount (for third quarter of the fiscal year):

- (a) Technical Education: \$46,311 from special items, contractual services and temporary positions to supplies, fixed charges and equipment;
- (b) ETV: \$19,744 from contractual services to travel and transportation;
- (c) School for the Deaf and the Blind: \$7,500 from special items, track field to travel;
- (d) Health and Human Services Finance Commission: \$287,718 from public assistance payments to contractual services, supplies, travel and case services;
- (e) Mental Health: \$237,500 from classified positions and contractual services to supplies, travel, equipment and contractual services;
- (f) Alcohol and Drug Abuse: \$6,401 from aid to entities to travel;
- (g) Land Resources: \$5,381 from contractual services to supplies;
- (h) Forestry Commission: \$37,338.25 from fixed charges and equipment to contractual services, supplies and light/power/heat;
- (i) Insurance Department: \$1,250 from travel, property and travel division, to travel, market conduct division;
- (j) Agriculture: \$5,988 from supplies and transportation to travel and transportation;
- (k) Opportunity School: \$3,458.75 from other operating expenses, light, power and heat to equipment.

BOARD ACTION REQUESTED:

Approve the referenced veto-related transfer requests for the third quarter.

ATTACHMENTS:

Agenda item worksheets; attachments

11169

EXHIBIT

JAN 12 1988

NO. 1 2

BUDGET AND CONTROL BOARD AGENDA

STATE BUDGET & CONTROL BOARD

Regular Session

Meeting of January 12, 1988

AGENCY: Budget Division

SUBJECT: Veto-Related Appropriation Transfer Requests (Third Quarter)
The Division recommends that the Board approve the following appropriation transfer request which does not exceed 25% of the vetoed amount (for the third quarter of the year):

- (a) State Board for Technical Education: \$46,311.00 from Special Items, Contractual Services and Temporary Positions to Supplies, Fixed Charges and Equipment (88-132).
- (b) Educational Television Commission: \$19,744.00 from Contractual Services to Travel and Transportation (88-133).
- (c) Deaf and Blind School: \$7,500.00 from Special Items-Track Field to Travel (88-134).
- (d) Health and Human Services Finance Commission: \$287,718.00 from Public Assistance Payments to Contractual Services, Supplies, Travel and Case Services (88-135).
- (e) Mental Health: \$237,500.00 from Classified Positions and Contractual Services to Supplies, Travel, Equipment and Contractual Services (88-136).
- (f) Alcohol and Drug Abuse: \$6,401.00 from Aid to Entities to Travel (88-137).
- (g) Land Resources: \$5,381.00 from Contractual Services to Supplies (88-138).
- (h) Forestry: \$37,338.25 from Fixed Charges and Equipment to Contractual Services, Supplies, and Light/Power/Heat (88-139).
- (i) Insurance: \$1,250.00 from Travel to Travel (88-140).
- (j) Agriculture: \$5,988.00 from Supplies and Transportation to Travel and Transportation (88-141).
- (k) Wil Lou Gray Opportunity School: \$3,458.75 from Other Operating Expenses-Light, Power and Heat to Equipment (88-142).

11170

BOARD ACTION REQUESTED:

Approve.

ATTACHMENTS:

Agenda item worksheet and attachments.

EXHIBIT

JAN 12 1988

NO. 12

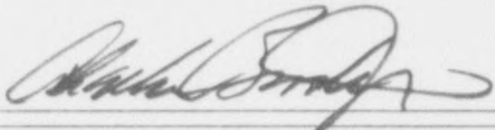
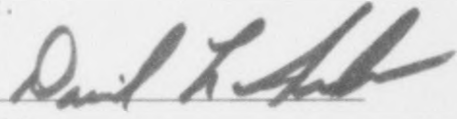
STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-132

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: 
2. Subject:
Technical Education Veto-Related Transfer Request
3. Summary Background Information:
The State Board for Technical and Comprehensive Education requests the transfer of \$46,311 from Special Items, Contractual Services, and Temporary Positions to Supplies, Fixed Charges and Equipment. The transfer of funds into each of five vetoed lines is needed to meet third quarter operating expenses. Each line is 25% of the amount vetoed. Previous transfers into these lines have totaled no more than 50% of the amount vetoed.
4. What is Board asked to do?
Approve the transfer of \$46,311 from Special Items, Contractual Services and Temporary Positions to Supplies, Fixed Charges and Equipment.
5. What is recommendation of Board Division involved?
Recommend approval of third quarter transfer request.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____
(b) Division/Agency Name: _____
7. Supporting Documents:
(a) List Those Attached:
 1. Agency Letter
 2. STARS Form #30
(b) List Those Not Attached But Available From Submitter:

11172

| | | | | | | |
|----------------------|-----------------------------|--------------------------------|---------------------------------|------------|--------------|------|
| AGENCY NUMBER H59 | AGENCY BATCH NUMBER 3040 | OBJECT CODE HASH TOTAL 8571 | TOTAL BATCH AMOUNT 92,226.00 | BATCH DATE | BATCH NUMBER | DOCU |
|----------------------|-----------------------------|--------------------------------|---------------------------------|------------|--------------|------|

AGENCY VOICER NUMBER

3040

AGENCY TRANSFERRED TO (CRI)

NAME

SAME

ADDRESS

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

C.G. WARRANT NUMBER

AGENCY TRANSFERRED FROM

NAME

Technical & Comp E

ADDRESS

REASON FOR TRANSFER: This transfer addresses the Governor's Veto for the period January thru March
FROM

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|
| 06 | 350 | H59 | 4895 | 1001 | | | | | | 6100 | 8,573.00 | |
| 06 | 350 | H59 | 3826 | 1001 | | | | | | 0200 | 5,381.00 | |
| 06 | 350 | H59 | 0395 | 1001 | | | | | | 0200 | 22,561.00 | |
| 06 | 350 | H59 | 3827 | 1001 | | | | | | 0171 | 9,598.00 | |
| TOTAL | | | | | | | | | | 6671 | 46,113.00 | |

TO

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|
| 06 | 300 | H59 | 0392 | 1001 | | | | | | 0300 | 8,245.00 | 2090 |
| 06 | 300 | H59 | 0392 | 1001 | | | | | | 0600 | 328.00 | 2090 |
| 06 | 300 | H59 | 3826 | 1001 | | | | | | 0300 | 5,381.00 | |
| 06 | 300 | H59 | 0395 | 1001 | | | | | | 0400 | 22,561.00 | |
| 06 | 300 | H59 | 3827 | 1001 | | | | | | 0300 | 9,598.00 | |
| TOTAL | | | | | | | | | | 1900 | 46,113.00 | |

REQUESTED BY [Signature] DATE 12/8/87 STATE BUDGET ANALYST _____ DATE _____

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

11173

STATE AUDITOR _____ DATE _____

coordinating consortium constitutes partial duplication with the Commission and an unnecessary layer of bureaucracy. I intend this reduction to be the first step in the phase-out of the Consortium.

VETO 121 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-004, Line 7, Fixed Charges and Contributions, \$90,245

VETO 122 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-003, Line 26, Supplies and Materials, \$62,130

VETO 123 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-001, Line 15, Supplies and Materials, \$32,975

VETO 124 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-003, Line 7, Supplies and Materials, \$21,526

VETO 125 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-003, Line 27, Fixed Charges and Contributions, \$4,506

VETO 126 - Section 29, St. Bd. for Technical and Comprehensive Ed., Page 29-001, Line 18, Equipment, \$1,314

VETO 127, Section 29.7, St. Bd. for Technical and Comprehensive Education, Page 29-006, Lines 20-27:

This proviso allows the State Board for Technical and Comprehensive Education to "increase the teaching faculty salaries up to twenty percent (20%) in addition to any other increases provided in" the Appropriations Bill.

I am vetoing this proviso for two main reasons. First, in a tight fiscal year in which classified state employees are limited to total salary increases of 3%, blanket permission for allowing raises of up to 20% for these faculty members is inappropriate.

Second, we already have established procedures by which salaries may be raised by more than the 3% if such raises can be justified. I see no compelling reason to deviate from normal procedures which have proven effective when the need arises for making extraordinary salary adjustments.

VETO 128 - Section 30, State Education Department, Page 30-003, Line 39, Supplies and Materials, \$4,218,974

VETO 129 - Section 30, State Education Department, Page 30-003, Line 11, Contractual Services, \$301,966

EXHIBIT

JAN 12 1988

NO. 1 2

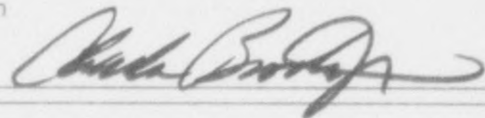

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-133

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: 
2. Subject:
ETV Veto-Related Transfer Request
3. Summary Background Information:
The Educational Television Commission requests the transfer of \$19,744 from Contractual Services to Travel and Transportation. This transfer of 25% of vetoed lines will provide for the third quarter operating expenses. Previously, 50% of vetoed amount was transferred.
4. What is Board asked to do?
Approve the transfer of \$19,744 from Contractual Services to Travel and Transportation.
5. What is recommendation of Board Division involved?
Recommend approval of third quarter transfer request.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____
(b) Division/Agency Name: _____
7. Supporting Documents:
(a) List Those Attached:
 1. Agency Letter
 2. STARS Transfer Form #30
(b) List Those Not Attached But Available From Submitter:

11175

ETV NETWORK

South Carolina ETV Network
Drawer L 2712 Millwood Avenue
Columbia, South Carolina 29250

HENRY J. CAUTHEN
President

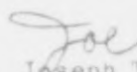
December 15, 1987

Dr. Mary Sandifer
Budget Analyst
Budget & Control Board
Finance Division
P. O. Box 11333
Columbia, S. C. 29211

Dear Mary:

As per our telephone conversation, the enclosed Form 30, Appropriation Transfer, is submitted to cover three months operating funds required in the two line items (Travel and Transportation) vetoed by the Governor in the 1987-88 Appropriations Act.

Sincerely,


Joseph T. Karr
Vice President
Administrative Services

Enclosures

JTK:ka

11177

VETO 130 - Section 30, State Education Department, Page
30-003, Line 38, Contractual Services, \$159,461

VETO 131 - Section 30, State Education Department, Page
30-003, Line 15, Equipment, \$45,820

VETO 132 - Section 30, State Education Department, Page
30-005, Line 28, Equipment, \$1,250

VETO 133 - Section 30.98, State Department of Education,
Page 30-024; Line 13-38:

This proviso requires 10% of the total state dollars appropriated for gifted and talented programs to be set aside for serving artistically gifted and talented students. It also states that, "any funds allocated to a school district that has identified a lesser number of artistically gifted and talented students than the number permitted by their proportionate share of the ten percent (10%) shall be redistributed on a proportionate share basis to those districts that have identified a greater number of artistically gifted and talented students than permitted by their proportionate share of the ten percent (10%)."

This language clearly allows some school districts to receive more than their proportionate share of gifted and talented funds. While this may be beneficial for districts which have well-developed arts programs, other districts will lose their proportionate share of these funds. It is possible that some of the school districts which would lose funds under this proviso are poor districts. I believe these are the very districts which need funds for gifted students, and that we would be making a mistake to allow this diversion of money to other, wealthier districts.

Based on this reason, I am vetoing Section 30.98.

VETO 134 - Section 31, Educational Television Commission,
Page 31-001, Line 18, Travel, \$20,000

VETO 135 - Section 31, Educational Television Commission,
Page 31-001, Line 22, Transportation, \$58,975

VETO 136 - Section 32, Wil Lou Gray Opportunity School, Page
32-003, Line 9, Equipment \$13,835

VETO 137 - Section 34, School for the Deaf and Blind,
Page 34-001, Line 22, Travel \$33,741

VETO 138 - Section 35, Department of Archives and History,
Page 35-002, Line 20, Contractual Services, \$24,650

EXHIBIT

JAN 12 1988

NO. 12

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-134

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

School for the Deaf & Blind Transfer Request to Accommodate the Governor's Line Item Veto

3. Summary Background Information:

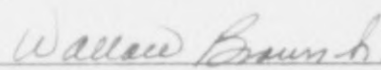
The School for the Deaf and Blind was appropriated \$30,000 in their FY 1987-88 appropriation for Special Items-Track Field. This project is 80% complete, and the Spartanburg Civitan Club has donated sufficient funds to pay for the completion of the project. The \$30,000 appropriated is needed to cover the Governor's veto of the School's total Administration Travel budget of \$33,741. The programs under Administration and Physical Support are: Transportation, Business Office, Data Processing, Purchasing, Personnel, Food Services, Maintenance and Grounds, and Motor Pool.

4. What is Board asked to do?

Approve the transfer of \$7,500 from Special Items-Track Field to Administration Travel.

5. What is recommendation of Board Division involved?

Recommend approval to transfer \$7,500 to cover Administration Travel for the third quarter.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11179

STATE AUDITOR _____ DATE _____

SOUTH CAROLINA SCHOOL
FOR THE DEAF AND THE BLIND

CEDAR SPRING STATION
SPARTANBURG, S.C. 29302
TELEPHONE: (803) 585-7711

Joseph P. Finnegan, Jr.
President

TO: Mr. Wallace Brown

FROM: Kathy Wilson *KW*

RE: Justification for Transfer #23

DATE: December 15, 1987

The attached transfer is to cover the third quarter portion of the veto restoration to our travel account. As I have stated before, the total travel budget of \$33,741 in Administration and Physical Support was part of Governor Campbell's appropriations veto. The bulk of Administration travel is used in transporting our students home every weekend all over the state. Because of this tremendous expense, this transfer is necessary in order to accomplish programmatic goals and legislative intent.

Thank you for your assistance and if you have any further questions, please do not hesitate to call.

kw

11181

BOARD OF COMMISSIONERS

MR. DOUGLAS DENT, Chairman
Member at Large

MRS. LINDA K. SILVER, Secretary
First Congressional District

MR. DARYL G. HAWKINS
Second Congressional District

DR. EARL F. MATHIS, SR.
Third Congressional District

MR. NORMAN F. PULLIAM
Fourth Congressional District

MRS. W. BURKE WATSON
Fifth Congressional District

MRS. SARAH M. STOKES
Sixth Congressional District

MR. DONALD CAPPS
Member at Large, Blind

MR. HARRY CULPEPPER
Member at Large, Deaf

EX-OFFICIO MEMBERS

DR. CHARLIE WILLIAMS
State Superintendent of Education

MR. MICHAEL D. JARRETT
Commissioner, DHEC

DR. FLORIDE MARTIN
Representative from the
Governor's Office

VETO 130 - Section 30, State Education Department, Page
30-003, Line 38, Contractual Services, \$159,461

VETO 131 - Section 30, State Education Department, Page
30-003, Line 15, Equipment, \$45,820

VETO 132 - Section 30, State Education Department, Page
30-005, Line 28, Equipment, \$1,250

VETO 133 - Section 30.98, State Department of Education,
Page 30-024; Line 13-38:

This proviso requires 10% of the total state dollars appropriated for gifted and talented programs to be set aside for serving artistically gifted and talented students. It also states that, "any funds allocated to a school district that has identified a lesser number of artistically gifted and talented students than the number permitted by their proportionate share of the ten percent (10%) shall be redistributed on a proportionate share basis to those districts that have identified a greater number of artistically gifted and talented students than permitted by their proportionate share of the ten percent (10%)."

This language clearly allows some school districts to receive more than their proportionate share of gifted and talented funds. While this may be beneficial for districts which have well-developed arts programs, other districts will lose their proportionate share of these funds. It is possible that some of the school districts which would lose funds under this proviso are poor districts. I believe these are the very districts which need funds for gifted students, and that we would be making a mistake to allow this diversion of money to other, wealthier districts.

Based on this reason, I am vetoing Section 30.98.

VETO 134 - Section 31, Educational Television Commission,
Page 31-001, Line 18, Travel, \$20,000

VETO 135 - Section 31, Educational Television Commission,
Page 31-001, Line 22, Transportation, \$58,975

VETO 136 - Section 32, Wil Lou Gray Opportunity School, Page
32-003, Line 9, Equipment \$13,835

VETO 137 - Section 34, School for the Deaf and Blind,
Page 34-001, Line 22, Travel \$33,741

VETO 138 - Section 35, Department of Archives and History,
Page 35-002, Line 20, Contractual Services, \$24,650

EXHIBIT

JAN 12 1988

NO. 12

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

STATE BUDGET & CONTROL BOARD

88-135

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Health and Human Services Finance Commission Veto-Related Transfer Request

3. Summary Background Information:

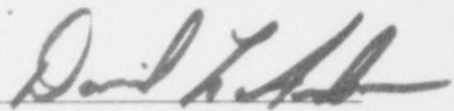
The Health and Human Services Finance Commission requests the transfer of \$287,718 from Public Assistance Payments to Contractual Services, Supplies, Travel and Case Services. This transfer conforms to the current B&CB 25% per quarter transfer allowance on veto lines. The swing bed line is for second and third quarter of current fiscal year, but the total transfer, in the cumulative total, does not exceed the limit (75%) of the total veto (\$946,442 x 75% = \$709,832). The year-to-date total on veto lines for this agency is \$706,078 which includes this transfer. Schedules are attached for verification.

4. What is Board asked to do?

Approve the transfer of \$287,718 from Public Assistance Payments to Contractual Services, Supplies, Travel and Case Services.

5. What is recommendation of Board Division involved?

Recommend approval of third quarter transfer request.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11183

| | | | | | | |
|-------------|---------------------|------------------------|--------------------|------------|--------------|----------|
| GENL NUMBER | AGENCY BATCH NUMBER | OBJECT CODE HASH TOTAL | TOTAL BATCH AMOUNT | BATCH DATE | BATCH NUMBER | DOCUMENT |
| J02 | 001 | 8100 | \$575,436.00 | 12/14/87 | | 3 |

AGENCY VOUCHER NUMBER

348024

AGENCY TRANSFERRED TO (ORI)

NAME

HHSEC

ADDRESS

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

CG WARRANT NUMBER

AGENCY TRANSFERRED FROM (ORI)

NAME

HHSFC

ADDRESS

REASON FOR TRANSFER: To transfer a funding distribution of the Governor's vetoes according to attached redistribution schedule.

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE | C G R |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|-------|
| 06 | 350 | J02 | 3747 | 1001 | | | | 3507 80 | | 1100 | 42,801.00 | | |
| 06 | 350 | J02 | 3748 | 1001 | | | | 3507 80 | | 1100 | 188,074.00 | | |
| 06 | 350 | J02 | 4568 | 1001 | | | | 3507 80 | | 1100 | 2,891.00 | | |
| 06 | 350 | J02 | 3749 | 1001 | | | | 3507 80 | | 1100 | 53,952.00 | | |
| TOTAL | | | | | | | | | | 4400 | 287,718.00 | | |

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE | C G R |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|-------|
| 06 | 300 | J02 | 4293 | 1001 | | | | 3450 80 | | 0200 | 78,379.00 | | |
| 06 | 300 | J02 | 4294 | 1001 | | | | 3450 80 | | 0300 | 245.00 | | |
| 06 | 300 | J02 | 4295 | 1001 | | | | 3450 80 | | 0200 | 27,595.00 | | |
| 06 | 300 | J02 | 4295 | 1001 | | | | 3450 80 | | 0300 | 15,311.00 | | |
| 06 | 300 | J02 | 5083 | 1001 | | | | 3507 80 | | 1100 | 104,527.00 | | |
| 06 | 300 | J02 | 3759 | 1001 | | | | 3507 80 | | 1100 | 59,528.00 | | |
| 06 | 300 | J02 | 4572 | 1001 | | | | 3450 80 | | 0500 | 2,133.00 | | |
| TOTAL | | | | | | | | | | 3700 | 287,718.00 | | |

REQUESTED BY Charles F. Thompson DATE 12/14/87 STATE BUDGET ANALYST Charles F. Thompson DATE 12/14/87

Charles F. Thompson, Director, Division of Budgeting

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR _____ DATE _____

State of South Carolina
State Health And Human Services Finance Commission

William T. Putnam, Chairman

DISTRICT 1
Elise Davis - McFarland, Ph. D.

DISTRICT 2
Edward C. Roberts

DISTRICT 3
T. Rex McCoy, Jr.



Eugene A. Laurent, Ph.D.
Interim Executive Director

DISTRICT 4
Robert E. Robarax, MD

DISTRICT 5
Billy F. Parr

DISTRICT 6
James L. Pasley, Jr.

P. O. Box 8206, Columbia, South Carolina 29202-8206

December 14, 1987

Mr. Edward Brophy, Budget Analyst
State Budget Division
Budget and Control Board
530 Edgar A. Brown Building
Columbia, South Carolina 29201

Dear Ed:

Enclosed is appropriation transfer request number 348024 which, if approved by the Budget and Control Board, will provide for State funding for the third quarter on the budget lines which were vetoed. Attached is a copy of the agency redistribution schedule.

The swing bed line, mini code 5083, is submitted for state funding approval of \$104,527.00. This amount is requested for second and third quarter veto redistribution less the redistribution reduction of \$2,313.00.

As you know, this request will provide appropriation authority for legitimate obligations for which funding is required on veto budget line items. One of these line items, Family Planning, is federally mandated within the Medicaid Program.

Should you have any questions, please call me at 253-6115.

Sincerely,

Charles F. Thompson

Charles F. Thompson, Director
Division of Budgeting

CFT/bb

Enclosure

11185

Proposed Redistribution Of Governor's Vetoes Within Medicaid Service Lines
 July 9, 1987
 Division of Budgeting

| Service | FY 1987-88 Appropriation Before Vetoes | | Vetoes | | FY 1987-88 Appropriation After Vetoes | | Proposed Redistribution | | FY 1987-88 Appropriation After Redistribution | |
|-------------------------|--|------------|-----------|---------|---|------------|----------------------------|---------|---|------------|
| | \$Total | \$State | \$Total | \$State | \$Total | \$State | \$Total | \$State | \$Total | \$State |
| Hospital Inpatient | 97,384,466 | 18,951,787 | | | 97,384,466 | 18,951,787 | 767,982 | 285,128 | 96,616,484 | 18,746,659 |
| Hospital Outpatient | 14,884,856 | 3,954,377 | | | 14,884,856 | 3,954,377 | 168,243 | 42,881 | 14,644,613 | 3,911,576 |
| Swing Beds | 888,888 | 213,688 | 888,888 | 213,688 | | | 8,668 | 2,313 | 791,348 | 211,367 |
| Nursing Homes | 96,872,245 | 25,883,826 | | | 96,872,245 | 25,883,826 | 1,816,462 | 271,497 | 95,855,783 | 24,812,329 |
| Nurs Home Ext Care A | 1,888,888 | 267,188 | | | 1,888,888 | 267,188 | 18,824 | 2,891 | 989,176 | 264,289 |
| Physician Services | 37,814,199 | 9,886,493 | | | 37,814,199 | 9,886,493 | 488,629 | 187,888 | 36,613,572 | 9,779,485 |
| Dental Services | 5,887,349 | 1,572,511 | | | 5,887,349 | 1,572,511 | 63,721 | 17,828 | 5,823,628 | 1,555,491 |
| Drugs Ingredients | 33,283,746 | 8,898,889 | | | 33,283,746 | 8,898,889 | 368,251 | 96,223 | 32,923,497 | 8,793,866 |
| Drug Fees | 6,891,441 | 1,848,784 | | | 6,891,441 | 1,848,784 | 74,698 | 19,923 | 6,816,851 | 1,828,781 |
| Supply and DME | 3,434,382 | 917,382 | | | 3,434,382 | 917,382 | 37,173 | 9,929 | 3,397,128 | 987,373 |
| Home Health Services | 3,645,884 | 973,581 | | | 3,645,884 | 973,581 | 39,453 | 18,538 | 3,685,552 | 963,843 |
| AFDC Screening | 2,189,614 | 584,846 | | | 2,189,614 | 584,846 | 23,699 | 6,338 | 2,165,915 | 578,516 |
| Optometrist | 677,517 | 188,965 | | | 677,517 | 188,965 | 7,334 | 1,959 | 678,183 | 179,886 |
| Podiatrist | 132,155 | 35,299 | | | 132,155 | 35,299 | 1,438 | 382 | 138,726 | 34,917 |
| Transp. & Ambulance | 7,349,988 | 1,963,161 | | | 7,349,988 | 1,963,161 | 79,554 | 21,249 | 7,278,356 | 1,941,912 |
| Family Planning | 2,381,122 | 238,112 | 2,381,122 | 238,112 | | | | | 2,381,128 | 238,112 |
| SMI Regular | 12,528,652 | 3,476,684 | | | 12,528,652 | 3,476,684 | | | 13,816,114 | 3,476,684 |
| SMI MHO | 1,732,728 | 1,732,728 | | | 1,732,728 | 1,732,728 | | | 1,732,728 | 1,732,728 |
| Total Med. Pynts. HHSFC | 327,289,296 | 88,763,157 | 3,181,122 | 451,792 | 324,828,174 | 88,311,365 | 3,852,885 | 815,191 | 324,644,758 | 79,947,966 |

Attachment A2

Requested Reallocation (Allocation Transfer) 6/53
 H&SFC FV 87-88 For VETO Line

12/1/87

| VETO LINE | DESCRIPTION (SEE VETO LINE) | TRANS. FROM TO | Investing entry and 20% TR Transfer | | 30% TR | | VETO AMOUNTS TOTALS |
|-----------|-----------------------------|----------------|-------------------------------------|----|--------|----|---------------------|
| | | | FROM | TO | FROM | TO | |
| 421 | Trans. from (see) 421 | 421 | | | | | |
| 422 | Admin | 422 | | | | | |
| 423 | Admin (same) | 423 | | | | | |
| 3760 | SMI - Reg | 3760 | | | | | |
| 424 | Admin for Reg (same) | 424 | | | | | |
| 425 | Admin for Reg (same) | 425 | | | | | |
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| 427 | Admin for Reg (same) | 427 | | | | | |
| 428 | Admin for Reg (same) | 428 | | | | | |
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| 483 | Admin for Reg (same) | 483 | | | | | |
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The Free Conference Bill includes 29 new positions to open the Museum in July of 1987. I believe that this is an excessive number of new employees in a tight budget year. I also believe that the Museum will have difficulty recruiting and hiring 29 people by July. Consequently these vetoes reduce the number of new positions, by 13 people.

VETO 173 - Section 40, State Health and Human Services Finance Commission, Page 40-004, Line 16, Swing Beds, \$213,680

VETO 174 - Section 40, State Health and Human Services Finance Commission, Page 40-002, Line 36, Contractual Services \$110,381

VETO 175 - Section 40, State Health and Human Services Finance Commission, Page 40-002, Line 37, Supplies and Materials, \$61,243

VETO 176 - Section 40, State Health and Human Services Finance Commission, Page 40-006, Line 17, Travel \$8,532

VETO 177 - Section 40, State Health and Human Services Finance Commission, Page 40-004, Line 30, Family Planning, \$238,112

VETO 178 - Section 40, State Health and Human Services Finance Commission, Page 40-001, Line 11, Contractual Services, \$313,516

VETO 179 - Section 40, State Health and Human Services Finance Commission, Page 40-001, Line 28, Supplies and Materials, \$978

VETO 180 - Section 41, Department of Health and Environmental Control, Page 41-018, Line 26, Scholarships-Non-State Employees, \$279,000

946,442
236,612

VETO 181 - Section 41, Department of Health and Environmental Control, Page 41-009, Line 33, Contractual Services, \$63,814

VETO 182 - Section 41, Department of Health and Environmental Control, Page 41-028, Line 14, Supplies and Materials, \$174,542

VETO 183 - Section 41, Department of Health and Environmental Control, Page 41-027, Line 15, Equipment, \$85,024

VETO 184 - Section 41, Department of Health and Environmental Control, Page 41-009, Line 36, Travel, \$78,082

VETO 185 - Section 41, Department of Health and Environmental Control, Page 41-008, Line 19, Travel, \$59,413

EXHIBIT

JAN 12 1988

NO. 1 2

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-136

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Department of Mental Health Third Quarter Veto-Related Transfers

3. Summary Background Information:

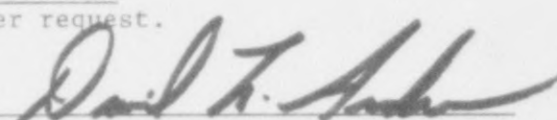
The Department of Mental Health requests the transfer of \$237,500 from Administration Classified Positions (\$37,425), Community Support Program Contractual Services (\$151,288), and Aftercare (\$48,787) to Administration and Public Safety other operating accounts to replace funding vetoed by the Governor.

4. What is Board asked to do?

Approve Mental Health's third quarter veto-related transfer request of \$237,500 from Classified Positions and Contractual Services to Supplies, Travel, Equipment and Contractual Services.

5. What is recommendation of Board Division involved?

Recommend approval of third quarter transfer request.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11189

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|----------------------|---------------------|--------------------------------|------------------------------------|------------|--------------|----------|
| AGENCY NUMBER J12 | AGENCY BATCH NUMBER | OBJECT CODE HASH TOTAL 3016 | TOTAL BATCH AMOUNT \$475,000.00 | BATCH DATE | BATCH NUMBER | DOCUMENT |
|----------------------|---------------------|--------------------------------|------------------------------------|------------|--------------|----------|

AGENCY VOUCHER NUMBER
T0196

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CIR)
NAME
Mental Health
ADDRESS
P.O. Box 485
Columbia, S. C. 29202

APPROPRIATION TRANSFER

AGENCY TRANSFERRED FROM (CIR)
NAME
Mental Health
ADDRESS
P.O. Box 485
Columbia, S. C. 29202

TO REQUESTING AGENCY
This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

REASON FOR TRANSFER: 3rd Quarter transfer related to Veto

FROM

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|
| 06 | 350 | J12 | 4124 | 1001 | | | | | | 0158 | 37,425.00 | Admin |
| 06 | 350 | J12 | 4128 | 1001 | | | | | | 0200 | 151,288.00 | CSP |
| 06 | 350 | J12 | 3839 | 1001 | | | | | | 0153 | 48,787.00 | Aftercare |
| | | | | | | | | | | | | |
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| TOTAL | | | | | | | | | | 0516 | 237,500.00 | |

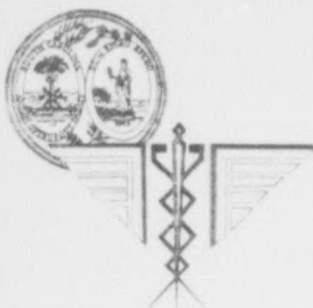
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| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|
| J6 | 300 | J12 | 4124 | 1001 | | | | | | 0200 | 150,000.00 | Admin. |
| 06 | 300 | J12 | 4124 | 1001 | | | | | | 0300 | 30,000.00 | " |
| 06 | 300 | J12 | 4124 | 1001 | | | | | | 0500 | 15,000.00 | " |
| J6 | 300 | J12 | 4124 | 1001 | | | | | | 0600 | 20,000.00 | " |
| 06 | 300 | J12 | 4904 | 1001 | | | | | | 0300 | 11,250.00 | Pub Safe |
| 06 | 300 | J12 | 4904 | 1001 | | | | | | 0600 | 11,250.00 | " |
| | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | 2500 | 237,500.00 | |

REQUESTED BY J. Balling DATE 12/7/87 STATE BUDGET ANALYST _____ DATE _____

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR 11190 DATE _____



South Carolina Department of Mental Health

An Equal Opportunity Employer

P. O. Box 485 / 2414 Bull Street / Columbia, South Carolina 29202

Information (803) 734-7766

Joseph J. Bevilacqua, Ph.D. / State Commissioner

(803) 734-7780

MENTAL HEALTH COMMISSION:

William L. Pope, Chairman
Columbia

Bernard Warshaw, Vice-Chairman
Walterboro

C. Alex Harvin, Jr.
Summerton

Elaine T. Freeman
Spartanburg

Carol W. Garvin
Aiken

Willie G. Boulware
Rock Hill

Ernest E. Harrill
Greenville

C. M. Tucker, Jr.
Chairman Emeritus
Pageland

John M. Fewell, M.D.
Member Emeritus
Greenville

G. Werber Bryan
Member Emeritus
Sumter

December 7, 1987

David L. Anderson
State Budget Division
532 Edgar Brown Building
1205 Pendleton Street
Columbia, SC 29201

Dear David,

The attached transfer (T0196) represents the Department of Mental Health's request to process the 3rd Quarter distribution of the Governor's Veto. At this time there are already pending vouchers waiting to be paid contingent upon these transfers.

Please let me know if I can be of any further assistance.

Sincerely,

Jack
Jack Balling
Dir., Budgeting Systems

11191

VETO 186 - Section 41, Department of Health and Environmental
 Control, Page 41-029, Line 13, Equipment, \$35,000
 VETO 187 - Section 42, Department of Mental Health, Page
 42-001, Line 17, Contractual Services, \$500,000
 VETO 188 - Section 42, Department of Mental Health, Page
 42-001, Line 18, Supplies and Materials, \$250,000
 VETO 189 - Section 42, Department of Mental Health, Page
 42-001, Line 20, Travel, \$50,000
 VETO 190 - Section 42, Department of Mental Health, Page
 42-001, Line 21, Equipment, \$100,000
 VETO 191 - Section 42, Department of Mental Health, Page
 42-002, Line 29, Supplies and Materials, \$25,000
 VETO 192 - Section 42, Department of Mental Health, Page
 42-002, Line 32, Equipment, \$25,000
 VETO 193 - Section 43, Department of Mental Retardation,
 Page 43-001, Line 19, Equipment, \$93,557
 VETO 194 - Section 43, Department of Mental Retardation,
 Page 43-004, Line 15, O. T. & Shift Differential, \$293,190
 VETO 195 - Section 43, Department of Mental Retardation,
 Page 43-001, Line 15, Contractual Services, \$304,897
 VETO 196 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 18, Travel, \$20,542
 VETO 197 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 16, Supplies and Materials, \$12,970
 VETO 198 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 19, Equipment, \$12,180
 VETO 199 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 15, Contractual Services, \$38,904
 VETO 200 - Section 45, Department of Social Services,
 Page 45-002, Line 30, Equipment, \$773,785
 VETO 201 - Section 45, Department of Social Services,
 Page 45-012, Line 18, Contractual Services, \$120,743
 VETO 202 - Section 46, John De La Howe School, Page 46-003,
 Line 29, Contractual Services, \$13,474

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-137

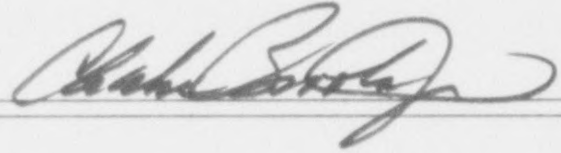
Meeting Scheduled for: January 12, 1987

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: _____



2. Subject:

Commission on Alcohol and Drug Abuse Third Quarter Veto-Related Transfers

3. Summary Background Information:

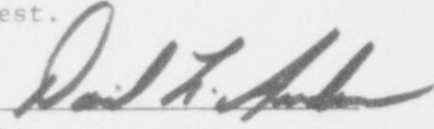
The South Carolina Commission on Alcohol and Drug Abuse requests the transfer of \$6,401 from Aid to Entities to Travel in the Prevention/Intervention Program to replace funding vetoed by the Governor.

4. What is Board asked to do?

Approve the Commission's third quarter veto-related transfer request of \$6,401 from Aid to Entities to Travel.

5. What is recommendation of Board Division involved?

Approve the third quarter veto-related transfer request.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11193



S. C. COMMISSION ON ALCOHOL AND DRUG ABUSE

December 7, 1987

Mr. David Anderson
State Auditor's Office
P. O. Box 11333
Columbia, SC 29211

Dear Mr. Anderson:

The attached request is "veto-related" so that funds for the third quarter can be transferred to pay expenditures.

Sincerely,

A handwritten signature in dark ink, appearing to read "John H. Milling", is written over the typed name.

John H. Milling
Financial Officer

JHM:jb

Attachment

VETO 186 - Section 41, Department of Health and Environmental
 Control, Page 41-029, Line 13, Equipment, \$35,000
 VETO 187 - Section 42, Department of Mental Health, Page
 42-001, Line 17, Contractual Services, \$500,000
 VETO 188 - Section 42, Department of Mental Health, Page
 42-001, Line 18, Supplies and Materials, \$250,000
 VETO 189 - Section 42, Department of Mental Health, Page
 42-001, Line 20, Travel, \$50,000
 VETO 190 - Section 42, Department of Mental Health, Page
 42-001, Line 21, Equipment, \$100,000
 VETO 191 - Section 42, Department of Mental Health, Page
 42-002, Line 29, Supplies and Materials, \$25,000
 VETO 192 - Section 42, Department of Mental Health, Page
 42-002, Line 32, Equipment, \$25,000
 VETO 193 - Section 43, Department of Mental Retardation,
 Page 43-001, Line 19, Equipment, \$93,557
 VETO 194 - Section 43, Department of Mental Retardation,
 Page 43-004, Line 15, O. T. & Shift Differential, \$293,190
 VETO 195 - Section 43, Department of Mental Retardation,
 Page 43-001, Line 15, Contractual Services, \$304,897
 VETO 196 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 18, Travel, \$20,542
 VETO 197 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 16, Supplies and Materials, \$12,970
 VETO 198 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 19, Equipment, \$12,180
 VETO 199 - Section 44, S. C. Commission on Alcohol and Drug
 Abuse, Page 44-003, Line 15, Contractual Services, \$38,904
 VETO 200 - Section 45, Department of Social Services,
 Page 45-002, Line 30, Equipment, \$773,785
 VETO 201 - Section 45, Department of Social Services,
 Page 45-012, Line 18, Contractual Services, \$120,743
 VETO 202 - Section 46, John De La Howe School, Page 46-003,
 Line 29, Contractual Services, \$13,474

JAN 12 1988

NO. 12



STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-138

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:
(a) Agency: State Budget Division
(b) Authorized Official Signature: 
2. Subject:
Land Resources Commission's Request to Transfer Appropriated General Funds to Accommodate the Governor's Veto
3. Summary Background Information:
The Land Resources Conservation Commission requests the transfer of \$5,381 of appropriated General Funds from Contractual Services (Soil Survey Program) to Supplies (Conservation Districts and Planning/Information Programs). The transfer is needed to cover three months' operating expenses for those line items vetoed by the Governor in the 1987-88 Appropriation Act. Approval of the transfer request will permit the agency to carry out its operational responsibilities in the Conservation Districts and Planning/Information programs for the third quarter of the 1987-88 fiscal year.
4. What is Board asked to do?
Approve the transfer of \$5,381 of appropriated state funds from Contractual Services to Supplies for the Land Resources Conservation Commission.
5. What is recommendation of Board Division involved?
Recommend approval of sufficient funding for third quarter expenditures, \$5,381

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____
(b) Division/Agency Name: _____
7. Supporting Documents:
(a) List Those Attached:
1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11197

COMMISSION MEMBERS:

GLENN C. ALEXANDER
Chairman
Box 98
Van Wyck, S.C. 29744

FRED K. NORRIS, JR.
Route 2, Box 66
St. Julien Plantation
Eutawville, S.C. 29048

R. THEO HARRIS
Route 1, Box 49
Westminster, S.C. 29693



State of South Carolina

WALTER B. COUSINS
P.O. Box 463
Newberry, S.C. 29108

R.E. WELLS, JR.
Route 3, Box 1060
Manning, S.C. 29102

JOHN W. PARRIS
Executive Director

LAND RESOURCES
CONSERVATION COMMISSION

December 17, 1987

Mr. Bob Stein
Budget Division
530 Edgar Brown Bldg.
1205 Pendleton Street
Columbia, SC 29201

Dear Mr. Stein:

Please find attached an appropriation transfer necessary to begin operations for the third quarter of FY 1987-88. These funds (\$5,381.00) are being transferred from the Soil Survey Program to allow the Conservation Districts and Land Resources Planning and Information Divisions to serve the public. The following is a detailed explanation of the transfer.


1. \$4,750.00 - is being transferred to Conservation Districts Supplies to provide funds for this division's Supply account. \$19,000 was vetoed by the Governor from this account. These funds are needed for office supplies and postage to enable this agency to correspond with the 230 Conservation District Commissioners, field staff servicing the 46 counties, and members of the public which are provided services by this division. This account is the only source of funds for these needs.
2. \$631.00 - is being transferred to the supply account for the Land Resources Planning and Information Division. Funds for this account were vetoed by the Governor. This funding is needed for supplies for the computer system which analyzes land resource data and for postage and office supplies for this Division. Without this funding a major investment in equipment and human resources would become less efficient and some processes would have to cease.

These transfers are necessary to begin operations for the third quarter of FY 1987-88 and are necessitated by line item vetoes. Transferring these funds from the Soil Survey Program will, in effect, postpone all Soil Survey contracting.

Mr. Bob Stein
December 17, 1987
Page 2

Your assistance in the approval of this request is most appreciated.

Sincerely yours,



Cary D. Chamblee
Deputy Director

CDC:shr

enclosure

11200

VETO 215 - Section 60, Water Resources Commission, Page 60-002,
Line 15, Fixed Charges and Contributions, \$22,603

VETO 216 - Section 60, Water Resources Commission, Page 60-002,
Line 16, Travel, \$31,300

VETO 217 - Section 60, Water Resources Commission, Page 60-002,
Line 17, Equipment \$13,450

The Free Conference Bill includes a total of \$315,000 and four new positions for the creation of two regional offices for the Commission. A tight budget year is not the time to be opening two new offices. The reduction I have recommended would reduce this appropriation in half and eliminate one of the regional offices.

VETO 218 - Section 61, Land Resources Conservation Commission,
Page 61-001, Line 30, Supplies and Materials, \$19,000

VETO 219 - Section 61, Land Resources Conservation Commission,
Page 61-002, Line 33, Equipment, \$4,874

VETO 220 - Section 61, Land Resources Conservation Commission,
Page 61-003, Line 38, Supplies and Materials, \$2,525

VETO 221 - Section 62, State Forestry Commission, Page 62-001,
Line 13, Contractual Services, \$73,460

VETO 222 - Section 62, State Forestry Commission, Page 62-001,
Line 14, Supplies and Materials, \$49,049

VETO 223 - Section 62, State Forestry Commission, Page 62-001,
Line 18, Light/Power/Heat, \$25,200

VETO 224 - Section 62, State Forestry Commission, Page 62-002,
Line 40, Contractual Services, \$1,644

VETO 225 - Section 63, Department of Agriculture, Page 63-002,
Line 2, Travel, \$16,750

VETO 226 - Section 63, Department of Agriculture, Page 63-003,
Line 1, Transportation, \$7,200

VETO 227 - Section 64, Family Farm Development Authority, Page
64-001, Lines 1-40; Page 64-002, Lines 1-40; Page 64-003, Lines
1-18 \$330,155

I have serious doubts about the viability of the proposed "credit union" and the assistance it can offer to farmers. Changes in the 1986 federal tax law made the credit union proposal less attractive to banks and therefore less likely to succeed. In

EXHIBIT

JAN 12 1988

NO. 12

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84) STATE BUDGET & CONTROL BOARD

88-139

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Forestry Commission Request to Transfer Appropriated General Funds to Accommodate the Governor's Veto

3. Summary Background Information:

The Forestry Commission requests the transfer of \$37,338.25 of appropriated General Funds from Fixed Charges (Administration Program) and Equipment (Forest Landowner Assistance Program) to Contractual Services, Supplies and Utilities (Administrative Program) and Contractual Services (Manchester State Forest Program). This transfer is needed to cover three months' operating expenses for those line items vetoed by the Governor in the 1987-88 Appropriation Act. Approval of this request will permit the agency to pay for Contractual Services, Supplies, and Utilities.

4. What is Board asked to do?

Approve the transfer of \$37,338.25 of appropriated state funds to Contractual Services, Supplies, Power and Light, and Contractual Services for the Forestry Commission.

5. What is recommendation of Board Division involved?

Recommend approval of sufficient funding for the third quarter expenditures in the amount of \$37,338.25.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11202



South Carolina Forestry Commission

LEONARD A. KILIAN, JR. STATE FORESTER

P.O. BOX 21707, COLUMBIA, SC 29221 (803) 737-8800

December 7, 1987

Mr. Aaron Krute, Budget Analyst
Budget Division
530 Edgar Brown Building
Columbia, SC 29201

Dear Mr. Krute:

Attached to this letter is an appropriation transfer to replace one fourth of the operating funds that were vetoed.

This transfer merely restores funding to three fourths (3/4) the levels approved by the Free Conference Committee prior to the veto.

There is an urgent need for this appropriation transfer to be approved, as this agency now must make payments for telephone, utilities and other related operating expenses.

The consequences, should this transfer not be approved are obvious. We must have power to operate equipment and provide climate control in the office environment, and we must have telephone service to provide necessary assistance to landowners and to respond to emergency situations.

Your favorable consideration is appreciated.

Sincerely,

Paul A. Jones
Accounting Manager

PAJ/dge
Attachment

11204

VETO 215 - Section 60, Water Resources Commission, Page 60-002,
Line 15, Fixed Charges and Contributions, \$22,603

VETO 216 - Section 60, Water Resources Commission, Page 60-002,
Line 16, Travel, \$31,300

VETO 217 - Section 60, Water Resources Commission, Page 60-002,
Line 17, Equipment \$13,450

The Free Conference Bill includes a total of \$315,000 and four new positions for the creation of two regional offices for the Commission. A tight budget year is not the time to be opening two new offices. The reduction I have recommended would reduce this appropriation in half and eliminate one of the regional offices.

VETO 218 - Section 61, Land Resources Conservation Commission,
Page 61-001, Line 30, Supplies and Materials, \$19,000

VETO 219 - Section 61, Land Resources Conservation Commission,
Page 61-002, Line 33, Equipment, \$4,874

VETO 220 - Section 61, Land Resources Conservation Commission,
Page 61-003, Line 38, Supplies and Materials, \$2,525

VETO 221 - Section 62, State Forestry Commission, Page 62-001,
Line 13, Contractual Services, \$73,460

VETO 222 - Section 62, State Forestry Commission, Page 62-001,
Line 14, Supplies and Materials, \$49,049

VETO 223 - Section 62, State Forestry Commission, Page 62-001,
Line 18, Light/Power/Heat, \$25,200

VETO 224 - Section 62, State Forestry Commission, Page 62-002,
Line 40, Contractual Services, \$1,644

VETO 225 - Section 63, Department of Agriculture, Page 63-002,
Line 2, Travel, \$16,750

VETO 226 - Section 63, Department of Agriculture, Page 63-003,
Line 1, Transportation, \$7,200

VETO 227 - Section 64, Family Farm Development Authority, Page
64-001, Lines 1-40; Page 64-002, Lines 1-40; Page 64-003, Lines
1-18 \$330,155

I have serious doubts about the viability of the proposed "credit union" and the assistance it can offer to farmers. Changes in the 1986 federal tax law made the credit union proposal less attractive to banks and therefore less likely to succeed. In

EXHIBIT

JAN 12 1988

NO. 12

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-140

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Department of Insurance Request to Transfer Appropriated General Funds to Accommodate Governor's Veto

3. Summary Background Information:

The Department of Insurance requests the transfer of \$1,250 of appropriated General Funds from Travel (Property and Casualty Division) to Travel (Market Conduct Division). This transfer is needed to cover the third quarter travel expenses for that line item vetoed by the Governor in the 1987-88 Appropriation Act. Approval of this request will permit the agency to pay for travel expenses of the Division.

4. What is Board asked to do?

Approve transfer of \$1,250 of appropriated State Funds to Travel in the Market Conduct Division from Travel in the Property and Casualty Division of the Insurance Department.

5. What is recommendation of Board Division involved?

Recommend approval of sufficient funding for third quarter expenditures in the amount of \$1,250

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11206

| | | | | | | |
|----------------------|-------------------------------|--------------------------------|--------------------------------|------------|--------------|--------|
| AGENCY NUMBER R20 | AGENCY BATCH NUMBER AT8807 | OBJECT CODE HASH TOTAL 1000 | TOTAL BATCH AMOUNT 2,500.00 | BATCH DATE | BATCH NUMBER | DOCUME |
|----------------------|-------------------------------|--------------------------------|--------------------------------|------------|--------------|--------|

AGENCY VOUCHER NUMBER

AT8807

STATE OF SOUTH CAROLINA

BUDGET AND CONTROL BOARD - FINANCE DIVISION

CG WARRANT NUMBER

AGENCY TRANSFERRED TO (CIR)

| |
|--------------|
| NAME Same |
| ADDRESS |
| |

APPROPRIATION TRANSFER

TO REQUESTING AGENCY:

This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer.

AGENCY TRANSFERRED FROM (CIR)

| |
|------------------------------|
| NAME Insurance Department |
| ADDRESS P O Box 100105 |
| Columbia, S. C. 29202 |

REASON FOR TRANSFER: To provide funds for travel in the Market Conduct Division.

FROM

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|
| 06 | 350 | R20 | 3910 | 1001 | | | | | | 0500 | 1,250.00 | |
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| | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | 500 | 1,250.00 | |

TO

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|------------|---------|-----------|---------------|------------------------|-----------------|-------|--------------|-------------------------|-------------|--------------------|--------------------|
| 06 | 300 | R20 | 0847 | 1001 | | | | | | 0500 | 1,250.00 | |
| | | | | | | | | | | | | |
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| TOTAL | | | | | | | | | | 500 | 1,250.00 | |

REQUESTED BY W. H. Thomas DATE 12/2/87 STATE BUDGET ANALYST _____ DATE _____

To the Comptroller General and Treasurer: By unanimous approval of the Budget and Control Board, the above appropriation transfers are authorized.

STATE AUDITOR _____ DATE _____

STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

1612 MARION STREET
COLUMBIA, SOUTH CAROLINA 29201

JOHN G. RICHARDS
CHIEF INSURANCE COMMISSIONER

MAILING ADDRESS:
P.O. BOX 100105, COLUMBIA, S.C. 29202-3105
TELEPHONE: (803) 737-6160

INSURANCE COMMISSION
SAUNDRA C. ARDREY
PATRICK D. CUNNING
WILLIAM S. JONES
CONNIE R. MORTON
EDWARD K. PRITCHARD, JR.
STONEWALL M. RICHBURG
DAVID BOMAR SMITH

December 2, 1987

Alan Pollack, Ph.D.
Budget & Control Board
Finance Division
P O Box 11333
Columbia, South Carolina 29211

AT8807

Dear Dr. Pollack:

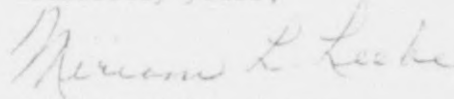
We respectfully request approval for the following transfer of funds:

| | <u>Mini Code</u> | <u>Object Code</u> | <u>Amount</u> |
|--------|------------------|--------------------|--------------------|
| From: | | | |
| Travel | 3910 | 0500 | \$ <u>1,250.00</u> |
| To: | | | |
| Travel | 0847 | 0500 | \$ <u>1,250.00</u> |

On July 29, 1987, the Budget and Control Board approved the transfer of travel funds to the Market Conduct Division, payable in quarterly installments. This request is for the third quarter, January 1, 1988 thru March 31, 1988.

Thank you for your prompt consideration of this request.

Sincerely yours,



MRS. MIRIAM L. LEEKE
Director, Administrative Services

MLL:rbg

DEC 3 1987
BUDGET BOARD
BUDGET DIVISION

11208

VETO 241 - Section 70, Department of Parks, Recreation and
Tourism, Page 70-004, Line 17, Equipment, \$19,000

I believe that reasonable increases for tourism advertising are sound investments, and I have advocated them consistently. However, I believe that the increase for that purpose in this department's budget is too much at one time in a tight budget year.

VETO 242 - Section 71, State Development Board, Page 71-002, Line
5, Contractual Services \$50,000

VETO 243 - Section 71, State Development Board, Page 71-002, Line
7, Travel, \$72,000

I intend for the amount on the last two vetoed lines to be taken from the film office within the State Development Board. I would be willing to support future requests for funding such an office if it is reorganized to serve the State effectively.

VETO 244 - Section 72, Jobs Economic Development Authority, Page
72-001, Line 8, Manager Program Developer \$15,000

VETO 245 - Section 72, Jobs Economic Development Authority, Page
72-001, Line 9, 1 FTE

VETO 246 - Section 75, Clarks Hill - Russell Authority of S. C.,
Page 75-001, Line 15, Travel, \$10,000

VETO 247 - Section 75, Clarks Hill - Russell Authority of S. C.,
Page 75-002, Line 5, Equipment, \$6,000

VETO 248 - Section 75, Clarks Hill - Russell Authority of S. C.,
Page 75-002, Line 4, Fixed Charges and Contributions, \$400

VETO 249 - Section 76, Old Exchange Building Commission, Page
76-001, Line 12, Supplies and Materials, \$1,000

VETO 250 - Section 77, Public Service Commission, Page 77-003,
Line 31, Supplies and Materials, \$35,077

VETO 251 - Section 77, Public Service Commission, Page 77-001,
Line 14, Supplies and Materials, \$20,900

VETO 252 - Section 77, Public Service Commission, Page 77-001,
Line 30, Equipment, \$4,710

VETO 253 - Section 81, Department of Insurance, Page 81-001,
Line 16, Equipment, \$23,680

VETO 254 - Section 81, Department of Insurance, Page 81-002,
Line 12, Travel, \$5,000

EXHIBIT

JAN 12 1988

NO. 1 2

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-141

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Department of Agriculture Request to Transfer Appropriated General Funds to Accommodate the Governor's Vetoes

3. Summary Background Information:

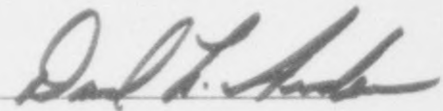
The Department of Agriculture requests the transfer of \$5,988 in appropriated State Funds from Supplies (Administration) and Transportation (Consumer Services) to Travel (Laboratory Services) and Transportation (marketing). This transfer is needed to cover three months of operating funds for the line items vetoed by the Governor in the 1987-88 Appropriation Act. Approval of this transfer request will permit the agency to continue its operations in the Laboratory and Marketing Programs.

4. What is Board asked to do?

Approve the transfer of \$5,988 of appropriated State Funds from Supplies (Administration) and Transportation (Consumer Services) to Travel (Laboratory Services) and Transportation (Marketing) for the Department of Agriculture.

5. What is recommendation of Board Division involved?

Recommend approval of sufficient funding for the third quarter expenditures, \$5,988.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11219



D. Leslie Tindal - Commissioner

State of South Carolina
Department of Agriculture

Wade Hampton Office Building
P.O. Box 11280
Columbia, S.C. 29211
Telephone: (803) 734-2210

January 4, 1988

State of South Carolina
Budget and Control Board
Budget Division
532 Edgar Brown Building
Columbia, SC 29211

Gentlemen:

The Department of Agriculture request that the attached request for appropriation transfer be approved. This transfer is to replace funds vetoed from our budget which have a higher priority than the ones from which the funds are being transferred.

The transfer represents approximately one-fourth of the total veto and is required since we will have insufficient budgeted funds to properly fund required Laboratory Division travel or vehicle expenses incurred by our Marketing Division starting in February 1988.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kenneth L. Johnson", is written over a horizontal line.

Kenneth L. Johnson
Accounting Manager

KLJ/llm

Enclosure

11212

VETO 215 - Section 60, Water Resources Commission, Page 60-002,
Line 15, Fixed Charges and Contributions, \$22,603

VETO 216 - Section 60, Water Resources Commission, Page 60-002,
Line 16, Travel, \$31,300

VETO 217 - Section 60, Water Resources Commission, Page 60-002,
Line 17, Equipment \$13,450

The Free Conference Bill includes a total of \$315,000 and four new positions for the creation of two regional offices for the Commission. A tight budget year is not the time to be opening two new offices. The reduction I have recommended would reduce this appropriation in half and eliminate one of the regional offices.

VETO 218 - Section 61, Land Resources Conservation Commission,
Page 61-001, Line 30, Supplies and Materials, \$19,000

VETO 219 - Section 61, Land Resources Conservation Commission,
Page 61-002, Line 33, Equipment, \$4,874

VETO 220 - Section 61, Land Resources Conservation Commission,
Page 61-003, Line 38, Supplies and Materials, \$2,525

VETO 221 - Section 62, State Forestry Commission, Page 62-001,
Line 13, Contractual Services, \$73,460

VETO 222 - Section 62, State Forestry Commission, Page 62-001,
Line 14, Supplies and Materials, \$49,049

VETO 223 - Section 62, State Forestry Commission, Page 62-001,
Line 18, Light/Power/Heat, \$25,200

VETO 224 - Section 62, State Forestry Commission, Page 62-002,
Line 40, Contractual Services, \$1,644

VETO 225 - Section 63, Department of Agriculture, Page 63-002,
Line 2, Travel, \$16,750

VETO 226 - Section 63, Department of Agriculture, Page 63-003,
Line 1, Transportation, \$7,200

VETO 227 - Section 64, Family Farm Development Authority, Page
64-001, Lines 1-40; Page 64-002, Lines 1-40; Page 64-003, Lines
1-18 \$330,155

I have serious doubts about the viability of the proposed "credit union" and the assistance it can offer to farmers. Changes in the 1986 federal tax law made the credit union proposal less attractive to banks and therefore less likely to succeed. In

EXHIBIT

JAN 12 1988

NO. 1 2

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84) STATE BUDGET & CONTROL BOARD

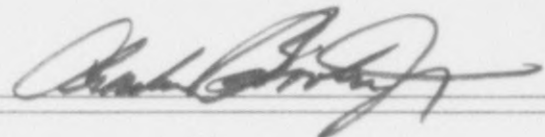
88-142

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Wil Lou Gray Opportunity School Transfer Request to Cover Cost of Veto-Related Items

3. Summary Background Information:

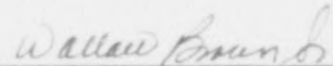
The Wil Lou Gray Opportunity School requests the transfer of \$3,458.75 from Other Operating Expenses-Light, Power, and Heat to Equipment to purchase cafeteria equipment needed for the School. The funds for this line item were vetoed by the Governor. The funds are needed to cover the third quarter expenditures.

4. What is Board asked to do?

Approve the transfer of \$3,458.75 from Other Operating Expenses-Light, Power, and Heat to Equipment to cover expenses for the third quarter of FY 1987-88.

5. What is recommendation of Board Division involved?

Approve the transfer of \$3,458.75 as requested for the third quarter.



6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11214

| AGENCY NUMBER | AGENCY BATCH NUMBER | OBJECT CODE HASH TOTAL | TOTAL BATCH AMOUNT | BATCH DATE | BATCH NUMBER | DOCUMENT |
|-----------------------------|---------------------|--|--------------------|------------|--------------|-------------------------------|
| H71 | 88020 | 2900 | \$6,917.50 | | | |
| AGENCY VOUCHER NUMBER | | STATE OF SOUTH CAROLINA | | | | C.G. WARRANT NUMBER |
| AT88020 | | BUDGET AND CONTROL BOARD - FINANCE DIVISION | | | | |
| AGENCY TRANSFERRED TO (CIR) | | APPROPRIATION TRANSFER | | | | AGENCY TRANSFERRED FROM (CIR) |
| NAME | | TO REQUESTING AGENCY This form must be supported with documentation indicating the reason for the transfer. No commitment should be made in anticipation of the approval of a transfer. | | | | NAME |
| Wil Lou Gray Opp Sch | | | | | | SAME |
| ADDRESS | | | | | | ADDRESS |
| W Campus Road | | | | | | |
| W Columbia, SC 29169 | | | | | | |

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|---------------|------------|--------------|---------------------|---------------------------------|-----------------------|-------------|-----------------|-------------------------------|----------------|-----------------------|--------------------------|
| 07 | 350 | H71 | 0435 | 1001 | | | | | | 2300 | 3,458.75 | |
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| | | | | | | | | | | | | |
| TOTAL | | | | | | | | | | 2300 | 3,458.75 | |

| FM | TRANS CODE | AGCY NO | MINI CODE | SUB FUND CODE | SUB SIDIARY ACCOUNT NO | ENCUM BRANCE NO | M O D | PROJECT CODE | AGENCY REFERENCE NUMBER | OBJECT CODE | TRANSACTION AMOUNT | MULTI PURPOSE CODE |
|-------|---------------|------------|--------------|---------------------|---------------------------------|-----------------------|-------------|-----------------|-------------------------------|----------------|-----------------------|--------------------------|
| 07 | 300 | H71 | 0435 | 1001 | | | | | | 0600 | 3,458.75 | |
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| TOTAL | | | | | | | | | | 0600 | 3,458.75 | |

STATE AUDITOR 11215 DATE _____



OPPORTUNITY SCHOOL

Sam F. Drew, Jr.
Superintendent

West Campus Road
West Columbia, S. C. 29169
(803) 758-2503

TO: Wallace Brown

FROM: John W. King, Jr. *JWK/jr.*

RE: Transfer 88020

DATE: January 5, 1988

The attached transfer, AT88020, requests the third quarter 25% replacement of the budgetary veto for which we were assessed \$13,835.00.

The amount of the requested transfer is \$3,458.75.

11216

VETO 130 - Section 30, State Education Department, Page
30-003, Line 38, Contractual Services, \$159,461

VETO 131 - Section 30, State Education Department, Page
30-003, Line 15, Equipment, \$45,820

VETO 132 - Section 30, State Education Department, Page
30-005, Line 28, Equipment, \$1,250

VETO 133 - Section 30.98, State Department of Education,
Page 30-024; Line 13-38:

This proviso requires 10% of the total state dollars appropriated for gifted and talented programs to be set aside for serving artistically gifted and talented students. It also states that, "any funds allocated to a school district that has identified a lesser number of artistically gifted and talented students than the number permitted by their proportionate share of the ten percent (10%) shall be redistributed on a proportionate share basis to those districts that have identified a greater number of artistically gifted and talented students than permitted by their proportionate share of the ten percent (10%)."

This language clearly allows some school districts to receive more than their proportionate share of gifted and talented funds. While this may be beneficial for districts which have well-developed arts programs, other districts will lose their proportionate share of these funds. It is possible that some of the school districts which would lose funds under this proviso are poor districts. I believe these are the very districts which need funds for gifted students, and that we would be making a mistake to allow this diversion of money to other, wealthier districts.

Based on this reason, I am vetoing Section 30.98.

VETO 134 - Section 31, Educational Television Commission,
Page 31-001, Line 18, Travel, \$20,000

VETO 135 - Section 31, Educational Television Commission,
Page 31-001, Line 22, Transportation, \$58,975

VETO 136 - Section 32, Wil Lou Gray Opportunity School, Page
32-003, Line 9, Equipment \$13,835

VETO 137 - Section 34, School for the Deaf and Blind,
Page 34-001, Line 22, Travel \$33,741

VETO 138 - Section 35, Department of Archives and History,
Page 35-002, Line 20, Contractual Services, \$24,650

EXHIBIT

JAN 12 1988

NO. 13

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

REGULAR SESSION
ITEM NUMBER

6

AGENCY: Budget Division

SUBJECT: Veto-related Transfer Request (1st and 2nd Quarters)

The Budget Division recommends Board approval of a Division of General Services request to transfer \$3,500 from light, power and heat to travel for the first two quarters of the year. This amount does not exceed 25% of the vetoed amount for the first two quarters.

BOARD ACTION REQUESTED:

Approve a Division of General Services request to transfer \$3,500 from light, power and heat to travel for the first two quarters of the year.

ATTACHMENTS:

Agenda item worksheet; attachment

11218

EXHIBIT

JAN 12 1988

NO. 13

BUDGET AND CONTROL BOARD AGENDA STATE BUDGET & CONTROL BOARD

Regular Session

Meeting of January 12, 1988

AGENCY: Budget Division

SUBJECT:

Veto-Related Appropriation Transfer Requests (First and Second Quarters)

The Division recommends that the Board approve the following appropriation transfer request which does not exceed 25% of the vetoed amount (for each of the first two quarters of the year):

(a) BCB-General Services: \$3,500 from Light, Power and Heat to Travel (88-145).

BOARD ACTION REQUESTED:

Approve.

ATTACHMENTS:

Agenda item worksheet and attachments.

EXHIBIT

JAN 12 1988

NO. 13

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

88-145

Meeting Scheduled for: January 12, 1988

Regular Agenda

1. Submitted By:

(a) Agency: State Budget Division

(b) Authorized Official Signature: 

2. Subject:

Budget & Control Board-General Services Division Veto-Related Transfer Request for the First and Second Quarters

3. Summary Background Information:

The Division of General Services requests the transfer of \$3,500 from Building Services, Light, Power and Heat to Audit and Certification Travel account. This transfer is necessary to replace funds previously vetoed by the Governor. Prior to now, the Division has been utilizing other funds for travel. It is anticipated that this transfer will be needed for this quarter.

4. What is Board asked to do?

Approve General Services' request to transfer \$3,500 from Light, Power and Heat to Travel.

5. What is recommendation of Board Division involved?

Approve the request for the first and second quarters' veto line item.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Agency Letter
2. Transfer Form #30

(b) List Those Not Attached But Available From Submitter:

11220

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

1201 MAIN STREET, SUITE 700
COLUMBIA, S.C. 29201
(803) 737-0500



REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

M E M O R A N D U M

ie Case

Brice

fer #

1076

5-87

the attached transfer totaling \$ 3,500.00

n F 12 Section Bldg Services

n F 12 Section Audit & Certification

for 1/2 of retired amount from

to Audit & Certification

2 shortage in travel account

does not exceed 20% of the program budget as
ction 129.17B of the 1987-88 Appropriation Act; nor
sfer violate legislative intent of appropriations.

11222

VETO 42 - Section 16E, Budget and Control Board, General Services Division, Page 16-019, Line 11, Fixed Charges and Contributions, \$16,100

VETO 43 - Section 16E, Budget and Control Board, General Services Division, Page 16-019, Line 12, Travel, \$15,000

VETO 44 - Section 16E, Budget and Control Board, General Services Division, Page 16-019, Line 25, Fixed Charges and Contributions, \$24,235

VETO 45 - Section 16F, Budget and Control Board, State Fire Marshal, Page 16-027, Line 39, Supplies and Materials, \$1,525

VETO 46 - Section 16F, Budget and Control Board, State Fire Marshal, Page 16-028, Line 3, Library Books, Maps and Films, \$1,100

VETO 47 - Section 16F, Budget and Control Board, State Fire Marshal, Page 16-028, Line 25, Supplies and Materials, \$23,994

VETO 48 - Section 16G, Budget and Control Board, Motor Vehicle Management Division, Page 16-030, Line 15, Supplies and Materials, \$2,617

VETO 49 - Section 16H, Budget and Control Board, Human Resource Management, Page 16-032, Line 17, Travel, \$11,600

VETO 50 - Section 16H, Budget and Control Board, Human Resource Management, Page 16-032, Line 18, Equipment, \$12,144

VETO 51 - Section 16H, Budget and Control Board, Human Resource Management, Page 16-032, Line 37, Travel, \$5,000

VETO 52 - Section 16J, Budget and Control Board, State Auditor, Page 16-038, Line 14, Contractual Service, \$10,008

VETO 53 - Section 16J, Budget and Control Board, State Auditor, Page 16-038, Line 32, Supplies and Materials, \$24,300

VETO 54 - Section 17, Commission on Higher Education, Page 17-001, Line 10, Per Diem, \$6,658

VETO 55 - Section 17, Commission on Higher Education, Page 17-001, Line 17, Equipment, \$15,403

VETO 56 - Section 18, Higher Education Tuition Grants Committee, Page 18-001, Line 8, Temporary Positions, \$1,000

VETO 57 - Section 18, Higher Education Tuition Grants Committee, Page 18-001, Line 9, Per Diem, \$1,050

EXHIBIT

JAN 12 1988 NO. 13

STATE BUDGET & CONTROL BOARD

EXHIBIT

JAN 12 1988

NO. 14

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF January 12, 1988 ITEM NUMBER

7

AGENCY: General Services

SUBJECT: Automobile Reinsurance Contract Bid

The Division of General Services advises that the existing automobile reinsurance contract expires February 1, 1988. Bids for a replacement contract were solicited and were opened on December 14, 1987.

Letters announcing the solicitation were sent to 104 insurance companies. of those, approximately 40 requested copies of the complete solicitation package. Four bids were received, two of which were found to be responsive to the requirements set forth in the solicitation.

The low bid of \$5,902,278 was submitted by the Davis-Garvin Agency through America Southern. Staff has concluded that this is the lowest responsive and responsible bid.

The second low bid of \$6,195,476 was submitted by the Thomas Brown Agency through Michigan Mutual Insurance Company.

Bids received from Anderson Insurance Agency and Grier-Sullivan were found non-responsive.

BOARD ACTION REQUESTED:

Authorize the Division of General Services to award the automobile reinsurance contract to the Davis-Garvin Agency.

ATTACHMENTS:

Agenda item worksheet; attachments

11224

EXHIBIT

JAN 12 1988

NO. 14

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

STATE BUDGET & CONTROL BOARD

Meeting Scheduled for: January 12, 1988 Agenda Regular

1. Submitted By:

(a) Agency: Division of General Services, Insurance Reserve Fund

(b) Authorized Official Signature: Richard W. Kelly

2. Subject: Bid for Automobile Reinsurance Contract.

3. Summary Background Information:

The existing automobile reinsurance contract expires 02/01/88. Bids for a replacement contract were solicited and opened on 12/14/87. Letters announcing the solicitation were sent to 104 insurance companies. Of those companies, approximately 40 requested copies of the complete solicitation package. Four bids were received, two of which were found to be responsive to the requirements set forth in the solicitation. The low bid was submitted by the Davis-Garvin Agency through America Southern in the amount of \$5,902,278. The second low bid was submitted by the Thomas Brown Agency through Michigan Mutual Insurance Company for \$6,195,476. Bids received from the Anderson Insurance Agency and Grier-Sullivan were found non-responsive. Staff has concluded that Davis-Garvin is the lowest responsive and responsible bidder.

4. What is Board asked to do?

Authorize the Division of General Services to proceed on the contract.

5. What is recommendation of Board Division involved?

To proceed under the Consolidated Procurement Code with award of the contract.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Bid Tabulation Sheet

2. Memorandum of December 15, 1987, from John Trussell to

Tom DeLoach

(b) List Those Not Attached But Available From Submitter:

Bid specifications and addendums, bids and all correspondence relating to the bid.

11225

BID# 6-793-1107200-11/12/87-P
 REQ# 00882
 AGENCY GEN. SERV.
 BUYER TOM DELOACH(18)

STATE OF SOUTH CAROLINA
 DIVISION OF GENERAL SERVICES
 MATERIALS MANAGEMENT

Tabulated by SE
 Page 1 of 1

TABULATION & AWARD

3:00 P.M.

BID ISSUE DATE SEPT. 22, 1987
 BID OPEN DATE NOV. 12, 1987
 AMENDMENT ad 26/1987
nov. 2 1987
nov. 17, 1987
nov. 23, 1987

Item(s): PROVIDE 100% REINSURANCE ON
 FLEET OF VEHICLES MAINTAINED
 BY GOVERNMENTAL ENTITIES IN THE
 STATE OF SOUTH CAROLINA FOR
 INSURANCE RESERVE FUND

| BIDDER | CODE | ASA | D ₁ C | RVP | DDP | SUP | SUB | TOTAL ANNUAL PREMIUM | | | | |
|------------------------------|------|-----|------------------|-----|-----|-----|-----|----------------------|--|--|---------------------|--|
| Thomas Brown Agency | | | | | | | | (2) | | | | |
| Columbia SC | | | | | | | | 6,135,496 | | | | |
| Larick Garvin Agency | | | | | | | | (1) | | | | |
| Columbia SC | | | | | | | | 5,902,278 | | | | |
| Arthur J. Hallgren | | | | | | | | N/B | | | | |
| Greenville SC | | | | | | | | | | | | |
| Grier Sullivan (Spartanburg) | | | | | | | | | | | Non responsive | |
| Spartanburg SC | | | | | | | | 10,500,000 3,500,000 | | | see attached letter | |
| Anderson Ins Agency | | | | | | | | ? | | | Non responsive | |
| Clemson SC | | | | | | | | | | | see attached letter | |
| | | | | | | | | | | | | |
| | | | | | | | | | | | | |
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EXHIBIT
 JAN 12 1988
 NO. 14
 STATE BUDGET & CONTROL BOARD

ADD CLAUSES

NOTES:

Rev. 6/87 MMO #127

11226

EXHIBIT

JAN 12 1988

NO. 14

STATE OF SOUTH CAROLINA BUDGET AND CONTROL BOARD

DIVISION OF GENERAL SERVICES

P.O. BOX 10666
1201 MAIN STREET, SUITE 500
COLUMBIA, S.C. 29201
(803) 737-0020

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



JAMES E. BENNETT, CPCU
ASSISTANT DIVISION DIRECTOR

REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. MCLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

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

MEMORANDUM

TO: Tom DeLoach
Materials Management Office

FROM: John Trussell
Insurance Reserve Fund

RE: Automobile Reinsurance Bids

DATE: December 15, 1987

You asked me to review the four bids submitted to MMO on 12/14/87.

Grier-Sullivan submitted two "bids". Both bids are through Illinois Insurance Exchange. This "company" (actually a Lloyds-type organization) is not licensed in South Carolina. Therefore, neither bid is responsive to bid specifications "Other Provisions" A.2. Further, the bid for \$5.5 million requires the Fund to carry a \$100,000 per occurrence/\$5,000,000 per year deductible and is non-responsive to the 100% reinsurance requirement. *YLD*

Anderson Insurance Agency submitted a non-responsive bid requiring a \$750,000 deductible per occurrence. *YLD*

Davis-Garvin Agency has submitted a responsive bid. *YLD*

Thomas C. Brown Agency has submitted a responsive bid. *YLD*

Both Davis-Garvin Agency and Thomas C. Brown Agency use the same approach for calculating quarterly premiums - i.e. divide the annual premium by four with no interest. *YLD*

11227

INSURANCE RESERVE FUND

PROFESSIONAL LIABILITY
INSURANCE

LEGAL

CASUALTY
INSURANCE

SAFETY
ENGINEERING

CLAIMS

PROPERTY
INSURANCE

MANAGEMENT INFORMATION
SERVICES

EXHIBIT

JAN 12 1988

NO. 14

STATE BUDGET & CONTROL BOARD

Tom DeLoach
December 15, 1987
Page Two

Please advise me as to the sequence of events to be followed in awarding this bid.

JT/lh

cc: Jim Bennett

11228

EXHIBIT

JAN 12 1988

NO. 15

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

STATE BUDGET & CONTROL BOARD
REGULAR SESSION
ITEM NUMBER

8

AGENCY: General Services

SUBJECT: Procurement Code Exemption

The Division of General Services advises that, through the National Diffusion Network, the US Department of Education makes available to state departments of education, school districts and post secondary institutions proven educational programs that it has determined to be exemplary. The only source for each program is the school district which developed it.

In accord with Code Section 11-35-710, the Division recommends that the Board exempt procurements of the US Department of Education certified National Diffusion Network programs and related costs to include materials and those contractual consultant services necessary to provide the professional instruction.

BOARD ACTION REQUESTED:

In accord with Code Section 11-35-710, the Division recommends that the Board exempt procurements of the US Department of Education certified National Diffusion Network programs and related costs to include materials and those contractual consultant services necessary to provide the professional instruction.

ATTACHMENTS:

Agenda item worksheet; attachments

11229

EXHIBIT

JAN 12 1988

NO. 15

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: January 12, 1988

Agenda Regular Session

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Division Director

2. Subject: Exemption From the Consolidated Procurement Code for U.S. Department of Education Certified National Diffusion Network Programs.

3. Summary Background Information: Through the National Diffusion Network, the U.S. Department of Education makes available to state departments of education school districts and post secondary institutions proven educational programs that it has determined to be exemplary. The only source for each program is the school district which developed it. Under authority granted the Board in Section 11-35-710 of the S.C. Consolidated Procurement Code, the Division of General Services recommends an exemption for:

U.S. Department of Education Certified National Diffusion Network programs and related costs to include materials and the contractual consultant services necessary to provide the professional instruction.

4. What is Board asked to do?

Grant the above exemption.

5. What is recommendation of Board Division involved?

U.S. Department of Education Certified National Diffusion Network programs be exempted from the purchasing procedures of the Consolidated Procurement Code.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Recommendation of the Office of Audit and Certification.
2. Department of Education's request for exemption.

(b) List Those Not Attached But Available From Submitter:

National Diffusion Network Project Description Manual.

11230

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
1201 MAIN STREET, SUITE 600
COLUMBIA, S.C. 29201
(803) 737-0600

EXHIBIT

JAN 12 1988

NO. 15

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



RICHARD E. CAMPBELL
ASSISTANT DIVISION DIRECTOR

REIMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE

DR. JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

MEMORANDUM

TO: Mr. D.L. McMillin
Acting Materials Management Officer

FROM: Voight Shealy, Manager
Audit and Certification

SUBJECT: Exemption Request of the Department
of Education for the National Diffusion
Network

DATE: December 7, 1987

*Concur
D.L. McMillin
12/15/87*

I have researched the Department of Education's request for an exemption from the Consolidated Procurement Code for purchases made through the National Diffusion Network. In doing so, I have reviewed and read in part the National Diffusion Network's catalog "Education Programs That Work", Edition 13, 1987. I have also discussed the matter with the following Department of Education officials: Mr. Doug Hamrick, Director of Purchasing, Mr. John Seurynck, Director, Office of Federal Programs and Mr. Leon Temples, Project Supervisor, National Diffusion Network State Facilitator.

The National Diffusion Network (NDN) is a systematic delivery system administered by the U.S. Department of Education, Office of Educational Research and Improvement. All programs of the NDN have been determined to be "exemplary" by the U.S. Department of Education's Joint Dissemination Review Panel (JDRP). This requires certification by the JDRP and recertification every four years.

The purpose of the National Diffusion Network is to promote the transfer of successful programs from development sites to those involved in education throughout the country. The NDN was established upon the belief that there are few problems encountered by schools that have not been solved successfully in some other location.

MATERIALS MANAGEMENT OFFICE

State Supply & Surplus Property Management
Surplus Property
Boston Avenue
W. Columbia, S.C. 29169
734-4335

Supply, Warehousing & IMS
1942 Laurel Street
Columbia, S.C. 29201
734-7919

Training & Research
300 Gervais Street
Annex 3
Columbia, S.C. 29201
737-2060

State Procurement &
Information Technology Management Office
1201 Main Street
Suite 600
Columbia, S.C. 29201
737-0600

Office of Audit & Certification
1201 Main Street
Suite 600
Columbia, S.C. 29201
737-0600

Installation Purchase Program
1201 Main Street
Suite 600
Columbia, S.C. 29201
737-0600

11231

EXHIBIT

JAN 12 1988

NO. 15

STATE BUDGET & CONTROL BOARD

The National Dissemination Study Group, a professional organization of educational disseminators, makes available a catalog of all programs approved by the U.S. Department of Education. The catalog is made available to school districts, intermediate service agencies, state departments of education and post secondary institutions. The State Department of Education acts as the coordinator of NDN programs for the State of South Carolina.

The programs of the NDN have been developed as a result of funding provided through grants by the U.S. Department of Education. Further, once such programs are developed and certified by the U.S. Department of Education, eligible program participants are encouraged to use them. In fact, federal fund participation increases when certified programs are used.

The State receives approximately \$90,000 annually from the federal government for the NDN program. Of this, the State Department of Education retains approximately \$40,000 per year to promote, finance and coordinate the NDN program.

The NDN program has been in existence for fifteen years. State government agencies that might participate in the NDN program would include:

- Department of Youth Services
- Department of Corrections
- Wil Lou Gray Opportunity School
- John de la Howe School
- School for the Deaf and Blind
- Department of Education
- School Districts

When a user wishes to participate in one of the certified programs, they contract with the individual school district which developed it. That school district has proprietary rights to the program, which are registered and copyrighted.

The originating school district makes available to eligible users materials and training consultants for implementation of their program. The user must pay the originating school district for the materials. The user must also pay either the originating school district or the training consultant personally for necessary training and travel.

Currently, all of these transactions are handled as sole source procurements. They are valid as such, because, if you wish to participate in these nationally certified programs, you must go to the originating school district. However, the administrative paperwork of declaring and reporting each transaction as a sole source procurement is burdensome. Further, it is fruitless since each of these programs has been determined to be the best of its kind by the U.S. Department of Education.

11232

In order to eliminate unnecessary administrative paperwork, I recommend that the Budget and Control Board, under authority granted in Section 11-35-710 of the Consolidated Procurement Code, exempt procurements of U.S. Department of Education certified National Diffusion Network programs and related costs to include materials and those contractual consultant services necessary to provide the professional instruction.

I have attached a proposed agenda item and the supporting documentation.

EXHIBIT

JAN 12 1988 NO. 15

STATE BUDGET & CONTROL BOARD

11233



CHARLIE G. WILLIAMS
STATE SUPERINTENDENT OF EDUCATION

STATE OF SOUTH CAROLINA
DEPARTMENT OF EDUCATION

COLUMBIA 29201

October 15, 1987

RECEIVED
OCT 16 AM 11:43
OFFICE
EXHIBIT

JAN 12 1988 NO. 15

STATE BUDGET & CONTROL BOARD

Mr. Richard Campbell
Assistant Division Director
Materials Management Office
Budget and Control Board
1201 Main Street
Suite 600
Columbia, South Carolina 29201

Dear Mr. Campbell:

I am writing to secure an exemption from the bidding requirements outlined in the South Carolina Consolidated Procurement Code for those consultant services and materials which our agency purchases through the National Diffusion Network (NDN). The NDN system consists of more than 400 educational programs that have been recognized and certified by the U. S. Department of Education as being effective educational programs worthy of adoption in all public schools in the United States. Since cost for programs, consultant services, and materials in the NDN system are one of a kind, preset, and unique to the project in which they were developed, we feel all NDN purchases should be considered as sole source like procurements and, as such, exempt from the bidding requirements.

Your consideration concerning this matter will be appreciated. We look forward to receiving your decision.

Respectfully,

Charlie G. Williams
Charlie G. Williams
State Superintendent of Education

CGW/cd

11234

§ 11-35-710. Exemptions.

The board may upon the recommendation of the Division of General Services, exempt governmental bodies from purchasing certain items through the respective chief procurement officer's area of responsibility. The board may exempt specific supplies or services from the purchasing procedures herein required and for just cause may by unanimous written decision limit or withdraw any exemptions provided for in this section. The following exemptions are hereby granted in this chapter:

- (a) The construction, maintenance and repair of bridges, highways and roads; vehicle and road equipment maintenance and repair; and any other emergency type parts or equipment utilized by the Department of Highways and Public Transportation;
- (b) The purchase of raw materials by the South Carolina Department of Corrections, Division of Prison Industries;
- (c) S. C. State Ports Authority;
- (d) S. C. Public Railways Commission;
- (e) S. C. Public Service Authority;
- (f) Expenditure of funds at state institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations and from the operation of canteens and bookstores, except as such funds are used for the procurement of construction, architect-engineer, construction-management and land surveying services;
- (g) Livestock, feed and veterinary supplies;
- (h) Articles for commercial sale by all governmental bodies;
- (i) Fresh fruits, vegetables, meats, fish, milk and eggs;
- (j) South Carolina Arts Commission and South Carolina Museum Commission for the purchase of one-of-a-kind items such as paintings, antiques, sculpture and similar objects. Before any governmental body procures any such objects, the head of the purchasing agency shall prepare a written determination specifying the need for such objects and the benefits to the State. The South Carolina Arts Commission shall review such determination and forward a recommendation to the board for approval;
- (k) Published books, periodicals and technical pamphlets.
- (l) South Carolina Research Authority.

HISTORY: 1981 Act No. 148, § 1; 1984 Act No. 309, § 4.

Cross references—

As to application of this section to vesting of central materials management authority in Division of General Services, see § 11-35-510.

For provision that contracts entered into by State Health and Human Services Finance Commission with health and human services agencies be in accordance with State Consolidated Procurement Code, see § 44-6-50.

EXHIBIT

JAN 12 1988

NO. 16

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

STATE BUDGET & CONTROL BOARD

REGULAR SESSION

ITEM NUMBER

9

AGENCY: General Services

SUBJECT: Sale of Board Property in Pineridge, Lexington County

The Division of General Services advises that the Budget and Control Board is the owner of a vacant 116-acre parcel of land that joins the Charwood Golf Club in the Pineridge Section of Lexington County.

The tract is traversed by a 200-foot wide SCE&C power line right-of-way. A recent appraisal values the property at \$1,000 per acre. Property Management is not aware of any past use of the property or of any plans for future use.

The owner of the Charwood Country Club has expressed an interest in obtaining the property.

The Division recommends that the property be declared surplus to the needs of the Board and that it be offered for sale under the standard surplus property procedures with the proceeds from the sale, less 4% to Property Management for appraisal and administrative costs, to be deposited in the general fund.

BOARD ACTION REQUESTED:

Declare 116 acres adjacent to the Charwood Golf Club in the Pineridge Section of Lexington County surplus to the needs of the Board and authorize disposition of the tract under the standard surplus property procedures with the proceeds of the sale, less 4% to Property Management to cover appraisal and administrative costs, to be deposited in the general fund.

ATTACHMENTS:

Agenda item worksheet; attachment

11236

EXHIBIT

JAN 12 1988

NO. 16

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84) **STATE BUDGET & CONTROL BOARD**

Meeting Scheduled for: January 12, 1987

Regular Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard C. Kelly

2. Subject:

Sale of 116 acres in Pineridge, Lexington County

3. Summary Background Information:

The Budget and Control Board is the owner of a vacant parcel of land consisting of 116 acres more or less located in Pineridge section of Lexington County. The owners of Charwood Golf Club have approached the Board concerning their interest in purchasing the property. The Charwood Golf Club joins the State-owned tract. The subject tract is dissected by a 200 foot wide SCE&G power line right-of-way. Property Management is not aware of any past use of the property nor any plans for future use. A recent appraisal places the value of the property at \$1,000 per acre.

4. What is Board asked to do?

Declare 116 acres in Pineridge as surplus property and authorize its disposition under standard Board procedure.

5. What is recommendation of Board Division involved?

Property Management recommends that the property be declared surplus to the needs of the Board and offered for sale under standard procedures. Proceeds from the sale, less 4% to Property Management to cover appraisal and administrative costs, will be deposited in the General Fund.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Map of the property
2. Appraisal
3. Letter from Charwood Golf Club
4. Copy of SC Code §1-11-65
5. Copy of Surplus Real Property Procedure

(b) List Those Not Attached But Available From Submitter:

11237

CHARWOOD COUNTRY CLUB
4082 Bachman Road
West Columbia, South Carolina 29169
(803) 755-2000

EXHIBIT

JAN 12 1988 NO. 1 6

STATE BUDGET & CONTROL BOARD

July 2, 1987

Mr. Bruce Taylor
State Budget and Control Board
Wade Hampton Building
Columbia, South Carolina 29201

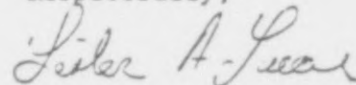
Dear Mr. Taylor:

My intent to purchase the State-owned property adjacent to Charwood Golf Course has gained the support of Senators Joe Wilson and Sturkie, as well as Mayor Marvin Watson of Pine Ridge and the Cayce-West Columbia Chamber of Commerce. These people realize that with the expansion of Charwood to a 27-hole semi-public course it will benefit both the local community as well as attract tourists to the area. A five percent tax on all increased gross revenue will add to the State coffer, not only from the course but also from the development of the surrounding properties.

In order to expedite the release of the subject 116 acres, I would like to make the following proposal to the State Budget and Control Board. I own 153+ acres in Gaston, South Carolina, which has 200 frontage feet on paved county road, as well as rolling hills and several ponds. In order to acquire the 116 acres for the Charwood expansion, I would be willing to exchange the 153+ acres for the 116 acres in Pine Ridge. I would appreciate your serious consideration of this proposal.

In the meantime, I will forward to you letters of support from the individuals and groups mentioned above. If you have any questions regarding the proposal or the support generated, please feel free to contact myself or those mentioned. I look forward to hearing from you.

Respectfully,



Lester A. Lucas
Owner

LAL/bj

11238

JEFFERY WYMAN & ASSOCIATES
REAL ESTATE APPRAISERS AND CONSULTANTS
17 CALENDAR COURT, SUITE 4
COLUMBIA, SOUTH CAROLINA 29208
TELEPHONE (803) 782-5008

EXHIBIT

JAN 12 1988

NO. 16

October 28, 1987

STATE BUDGET & CONTROL BOARD

Mr. Bruce Taylor
South Carolina Budget and Control Board
1201 Main Street, Suite 401
Columbia, SC 29201

RE: Appraisal of a tract of land containing approximately 116.7 acres located within the city limits of Pine Ridge, Lexington County, South Carolina. Located on Lexington County Tax Map System on Map 07996, Block 3, Parcel 11. Property of the South Carolina Budget and Control Board.

Dear Mr. Taylor:

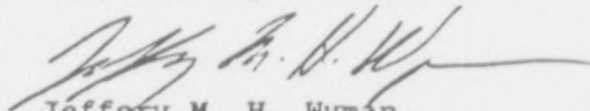
Pursuant to your request, I have inspected and appraised all that piece, parcel or tract of land as referenced above for the purpose of estimating its market value.

It should be noted at this time, 10.79 +/- acres of the property which is the subject of this report is located within a 200' power line right-of-way. Also, access by way of a 30' easement, as explained in the attached report, is assumed.

After applying the methods and techniques recommended by the American Institute of Real Estate Appraisers, the Society of Real Estate Appraisers, the American Society of Farm Managers and Rural Appraisers and after analyzing the data presented, including the attached Assumptions and Limiting Conditions, it is my opinion that the Market Value of the subject property, as of October 28, 1987, is:

ONE HUNDRED SIX THOUSAND DOLLARS
(\$106,000)

Respectfully submitted,


Jeffery M. H. Wyman
Real Estate Appraiser
and Consultant

11239

EXHIBIT

JAN 12 1988

NO. 16

STATE BUDGET & CONTROL BOARD

6.40 AC

12

205.55 AC.

(SC. HWY. 103)

24

11
116.7 AC

(S.C.E. & G. R/W)

CHARWOOD

3

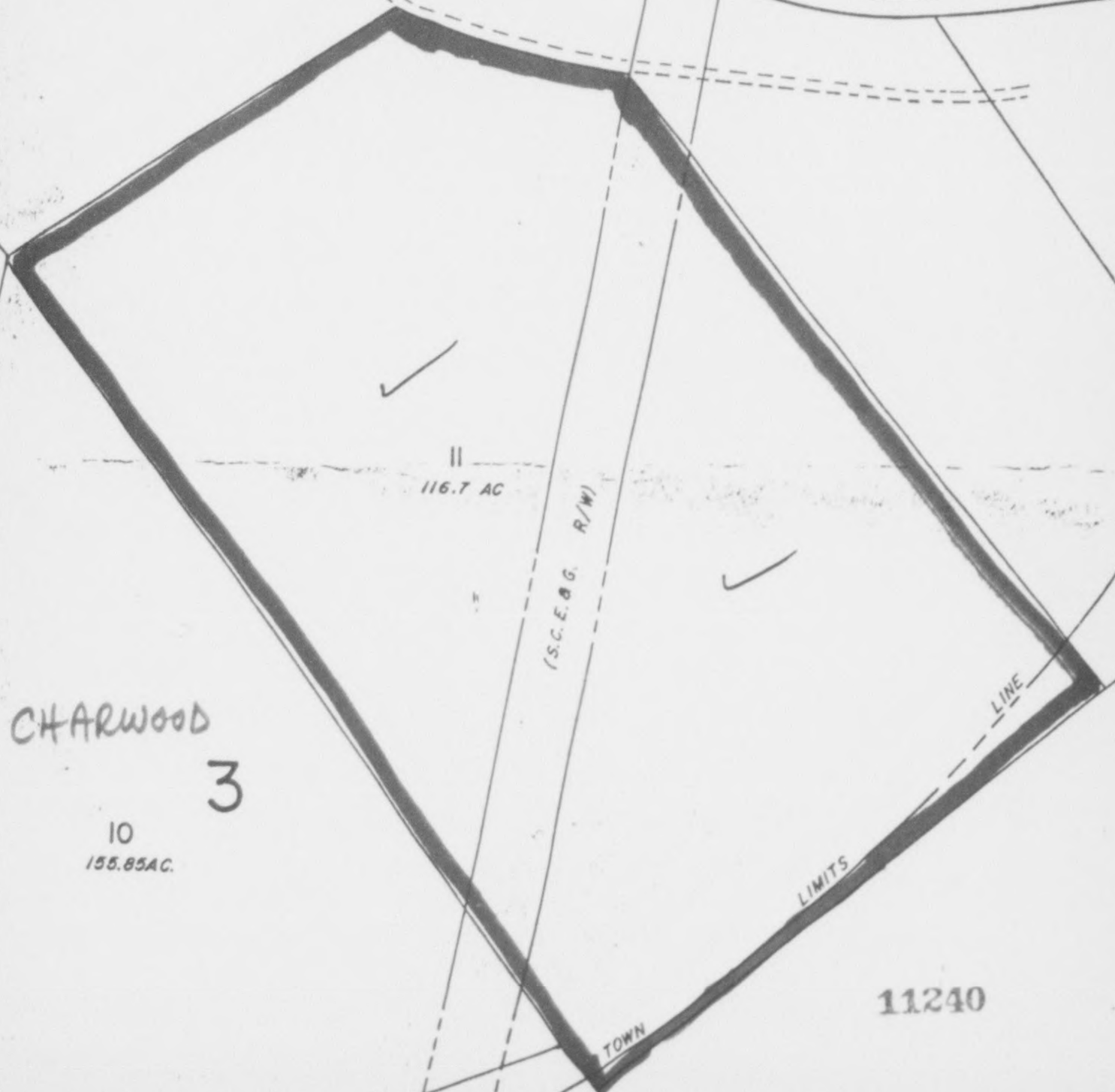
10
155.85 AC.

LIMITS

11240

TOWN

LINE



§ 11-9-630. Sales of property not in actual public use.

The State Budget and Control Board shall sell and convey, for and on behalf of the State, all such real property, assets and effects belonging to the State as are not in actual public use, such sales to be made from time to time in such manner and upon such terms as it may deem most advantageous to the State. This shall not be construed to authorize the sale by the Board of any property held in trust for a specific purpose by the State or the property of the State in the phosphate rocks or phosphatic deposits in the beds of the navigable streams and waters and marshes of the State.

HISTORY: 1962 Code § 1-793; 1952 Code § 1-793; 1942 Code § 2139; 1931 Code § 2139; Civ. C. '22 § 100; Civ. C. '12 § 95; Civ. C. '02 § 91; G. S. 63 R. S. 85; 1878 (16) 558, 811; 1887 (19) 863; 1892 (21) 87; 1950 (46) 3605 1981 Act No. 148, § 6.

Related Local Laws—

For a local law approving and ratifying conveyance of real property in Fairfield County under the authority of this section, see Local Law Index.

Cross references—

As to State Budget and Control Board granting easements and rights of way over vacant lands or marshlands, see §§ 1-11-80 and 1-11-90.

Research and Practice References—

72 Am Jur 2d, States, Territories, and Dependencies §§ 67, 68.
81A CJS, States § 149.

CASE NOTES

Land held for State University not to be sold.—This section [Code 1962 § 1-793], which declares that it shall not be construed to authorize the sale by the Board of any property held in trust for a specific purpose by the State, does not authorize the Board to convey lands held by the State for the use of the State University. *Trustees of University v Columbia* (1917) 108 SC 244, 93 SE 934.

Duty of Board.—This section [Code 1962 § 1-793] makes it the duty of the Board to sell and convey, for and on behalf of the State, all such real and personal property of the State as is not

in actual public use, the sales to be made upon such terms as they may deem most advantageous to the State. *Tindal v Wesley* (1897) 167 US 204, 42 L Ed 137, 17 S Ct 770 (ovrld on other grounds *Larson v Domestic & Foreign Commerce Corp.*, 337 US 682, 93 L Ed 1628, 69 S Ct 1457, reh den 338 US 840, 94 L Ed 514, 70 S Ct 31 and (superseded by statute as stated in *Block v North Dakota*, 461 US 273, 75 L Ed 2d 840, 103 S Ct 1811, on remand (CA8 ND) 711 F2d 118)) as stated in *Pennhurst State School & Hospital v Halderman*, 465 US 89, 79 L Ed 2d 67, 104 S Ct 900, later proceeding (ED Pa) 610 F Supp 1221.

ATTORNEY GENERAL'S OPINIONS

Sale of tidelands and submerged lands not authorized.—The Budget and Control Board does not have the authority to sell tidelands and submerged lands. 1964-65 Ops. Att'y Gen., No 1855, p 115; 1965-66 Ops. Att'y Gen., No 1963, p 9.

But such lands may be leased.—The Budget and Control Board does have the authority to lease areas of tidelands and submerged lands to the Federal government when the lease in no way interferes with the public rights of navigation and fishing and other public purposes. 1964-65 Ops. Att'y Gen., No 1855, p 115.

Disposition of revenues.—In the event revenue from the sale of gravel on lands owned by the South Carolina State Penitentiary is not used for specified purposes, such revenue will become part of the State Sinking Fund. 1964-65 Ops. Att'y Gen., No 1923, p 217.

The Budget and Control Board does not have the authority to lease the tidelands and submerged lands in any way that will interfere with the public rights of navigation and fishing and other public purposes. 1965-66 Ops. Att'y Gen., No 1963, p 9.

EXHIBIT

JAN 12 1988

NO. 1 6

STATE BUDGET & CONTROL BOARD

§ 1-11-35 ADMINISTRATION OF THE GOVERNMENT

§ 1-11-35. Procurement of products manufactured or produced in South Carolina or United States; priority over foreign products.

The State Budget and Control Board by regulation shall develop and implement a policy whereby this State, and its agencies, departments, institutions of higher learning, boards, commissions, and committees in procuring necessary products to perform their assigned duties and functions must obtain products made, manufactured, or grown in South Carolina if available or must obtain products made, manufactured, or grown in the United States if similar South Carolina products are not available before any foreign made, manufactured, or grown products may be procured.

HISTORY: 1985 Act No. 201, Part II, § 70.

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board unless a governmental body is expressly exempted by the Budget and Control Board.

HISTORY: 1985 Act No. 201, Part II, § 5.

§ 1-11-70. Lands subject to Board's control.

All vacant lands and lands purchased by the former land commissioners of the State shall be subject to the directions of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357; 1952 Code § 1-357; 1942 Code § 2137; 1932 Code § 2137; Civ. C. '22 § 98; Civ. C. '12 § 93; Civ. C. '02 § 89; G. S. 61; R. S. 83; 1878 (16) 559; 1950 (46) 3605.

Cross references—

As to State Budget and Control Board granting easements and rights of way over vacant lands or marshlands, see §§ 1-11-80 and 1-11-90.

As to lease of gas, oil and certain other mineral interests upon lands and waters under control of State Budget and Control Board, see § 10-9-10.

As to duties and authority of State Budget and Control Board over state's phosphate interests, see §§ 10-9-110 et seq.

Research and Practice References—

63A Am Jur 2d, Public Lands § 113.

73B CJS, Public Lands §§ 178, 180.

§ 1-11-75. Board may charge fee to applicants for permits to engage in construction, alteration, dredging, filling and the like in state's navigable waters.

The State Budget and Control Board may charge a fee to an

STATEWIDE PROCEDURE FOR STATE OWNED SURPLUS REAL PROPERTY
UNDER THE PURVIEW OF THE DIVISION OF GENERAL SERVICES

EXHIBIT

NO. 16

JAN 12 1988

STATE BUDGET & CONTROL BOARD

1. The State Budget and Control Board will review periodic reports addressing real property which the Division of General Services has deemed to be surplus to the State. General Services shall take into account special needs for such property such as its direct or indirect use in establishing a State research park or parks.
2. A listing of properties approved by the Budget and Control Board for surplus dispersment will then be forwarded to all State Agencies. The agency will have 45 days to present their request for possible usage, with justifications to the Division of General Services.
3. The Division of General Services will prepare recommendations concerning agency requests for possible usage of some of these properties. Upon review of this information, the Budget and Control Board may authorize the Division of General Services to assign the property requested by the respective agency.
4. The Division of General Services may authorize leases of up to ten years, to political subdivisions of the State, at below fair market rates provided the leased premises are used for public purposes. Such leases shall be contingent upon the official request of the local political subdivision's governing body or bodies before they can be considered.
5. The Budget and Control Board may then authorize the Division of General Services to lease, sell or swap any remaining unassigned surplus real property. The dispersment of this property will be made at fair market value as determined by an independent appraiser. Prior to any agreement being reached, the Division shall publish in the South Carolina Business Opportunities weekly bulletin (published weekly) its intent to dispose of the property and the method by which disposal shall take place. All parties interested in the property to be disposed shall have a reasonable time to submit bids, provided that the appraised fair market value shall be established as a floor price which all bids must meet or exceed.

Approved July 29, 1981

"5" revised and approved 2/9/82

EXHIBIT

JAN 12 1988

NO. 17

STATE BUDGET AND CONTROL BOARD REGULAR SESSION
MEETING OF January 12, 1988

ITEM NUMBER

10

AGENCY: General Services

SUBJECT: Purchase ESC Building in Myrtle Beach

The Division of General Services advises that the Employment Security Commission has a ten-year lease of 3,570 square feet in an office building at 1100 Legion Street, Myrtle Beach. The yearly lease payment is \$16,080; the lease expires January 31, 1988.

In response to a phone call from ESC, the owner of the building offered to sell the property for \$230,000. In February 1987, ESC received approval of a permanent improvement project to obtain an appraisal of the property.

An appraisal estimate of \$162,000 was submitted to Property Management in March 1987. Based on appraisal date, Property Management determined the property value should be \$182,000 and advised ESC to reject the owner's offer.

In December 1987, the owner lowered his offer to \$195,000. A new appraisal estimates the value at \$205,000 and Property Management agrees with this estimate.

The Division recommends that the Employment Security Commission be authorized to purchase the property for \$195,000.

BOARD ACTION REQUESTED:

Authorize the Employment Security Commission to purchase an office building at 1100 Legion Street in Myrtle Beach for \$195,000; approve the permanent improvement project (#9405) subject to its favorable review by the Joint Bond Review Committee.

ATTACHMENTS:

Agenda item worksheet; attachments

11214

EXHIBIT

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84) JAN 12 1988

NO. 17

Meeting Scheduled for: January 12, 1988

Regular Agenda

STATE BUDGET & CONTROL BOARD

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard A. Kelly

2. Subject:

Purchase of Employment Security Office Building in Myrtle Beach

3. Summary Background Information:

1. The Employment Security Commission has a ten-year lease of 3,570 sq. ft. in an office building located at 1100 Legion Street in Myrtle Beach. Their yearly lease payment is \$16,080. The lease expires at the end of January, 1988.
2. In response to a phone call from the SC Employment Security Commission, the owner of the building has offered to sell the property for \$230,000.
3. On February 25, 1987, the SC Employment Security Commission received approval of a Permanent Improvement Project to obtain an appraisal of the property.
4. An appraisal estimate of \$162,000 was submitted to the Office of Property Management on March 6, 1987. Property Management, based on the appraisal data, determined that property value should be \$182,000. ESC was advised to reject the owner's offer.
5. In late December, the owner lowered his offer to \$195,000.
6. A new appraisal was obtained by the owner on December 23, 1987, which gave an estimate of \$205,000 for the property. Property Management is in agreement with this value estimate.

4. What is Board asked to do?

Approve the purchase of the property for \$195,000.
Approve the Permanent Improvement Project (Project 9405) contingent upon favorable review by the Joint Bond Review Committee.

5. What is recommendation of Board Division involved?

Approve the purchase of the property for \$195,000.
Approve the Permanent Improvement Project (Project 9405) contingent upon favorable review by the Joint Bond Review Committee.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Letter to Mike Mungo dated October 6, 1986
2. Plot Plan of Site
3. Form A-13
4. Appraisal Report dated December 23, 1987
5. SC Code §1-11-65
6. Appraisal dated February 17, 1987

11245

**Appraisal
Services
of Myrtle Beach, Inc.**

POST OFFICE BOX 7423
MYRTLE BEACH, SOUTH CAROLINA 29577



December 23, 1987

EXHIBIT

JAN 12 1988 NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Hoyt P. Piver
General Manager
Piver Corporation
4907 U.S. Highway 17 Bypass South
Myrtle Beach, South Carolina 29577

Re: 1100 Legion Street
Lot 25, Block 5-C, East Chester Section
Myrtle Beach, Horry County, South Carolina
Tax Map #181-07-22-013

Dear Mr. Piver:

Upon your authorization, I have conducted the investigations and analyses necessary to form an opinion of the market value of the fee simple interest in the above captioned property.

The opinions set forth in this letter are stated as of December 16, 1987.

The term "market value"* is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. buyer and seller are typically motivated;
- b. both parties are well informed or well advised, and each acting in what he considers his own best interest;
- c. a reasonable time is allowed for exposure in the open market;
- d. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- e. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

* As defined by Federal Home Loan Bank Board Memorandum R41C.

EXHIBIT

JAN 12 1988

NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Hoyt P. Piver
December 23, 1987
Page 2

This appraisal report is not intended to conform with Federal Home Loan Bank Board memorandum R41C guidelines and requirements.

The analyses and opinions in this letter are subject to the following premises, assumptions, and limitations:

Per the request of the client, this appraisal is limited in that the interest valued is fee simple. All data developed and reasoning supporting my analyses, conclusions, and opinions have been retained in my files, and if needed, could be expanded into a more detailed report for an additional fee.

Based upon these investigations and analyses, and upon my experience as real estate appraiser, I have reached the opinion that the subject, as of December 16, 1987, had a market value of:

TWO HUNDRED FIVE THOUSAND DOLLARS

(\$205,000)

I certify that during the completion of the assignment, I personally inspected the property that is the subject of this report.

The undersigned hereby certify that, except as specifically noted:

1. I have no present or contemplated future interest in the real estate or personal interest with respect to the subject matter or the parties involved in this appraisal letter, and our employment in this matter is not in any manner contingent upon anything other than the delivery of this report.
2. To the best of my knowledge and belief, the statements of fact contained in this appraisal letter, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.
3. This appraisal letter sets forth all of the limiting conditions (imposed by the terms of my assignment or by the undersigned) affecting the analyses, opinions, and conclusions contained in this report.

11247

EXHIBIT

JAN 12 1988 NO. 17

STATE BUDGET & CONTROL BOARD

Mr. Hoyt P. Piver
December 23, 1987
Page 3

4. This appraisal letter has been made in conformity with, and is subject to, the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the American Institute of Real Estate Appraisers of the National Association of Realtors. If a further statement of these conditions is desired by the client, they will be supplied upon a request made within a reasonable period of time from the date of this report.
5. I alone have prepared the analyses, opinions, and conclusions concerning real estate that are set forth in this appraisal letter.

Disclosure of the contents of this appraisal letter is governed by the Bylaws and Regulations of the American Institute of Real Estate Appraisers of the National Association of Realtors. In furtherance of the aims of the Institute to develop higher standards of professional performance by its members, the appraiser may be required to submit to authorized committees of said Institute copies of this report and any subsequent changes or modifications thereof.

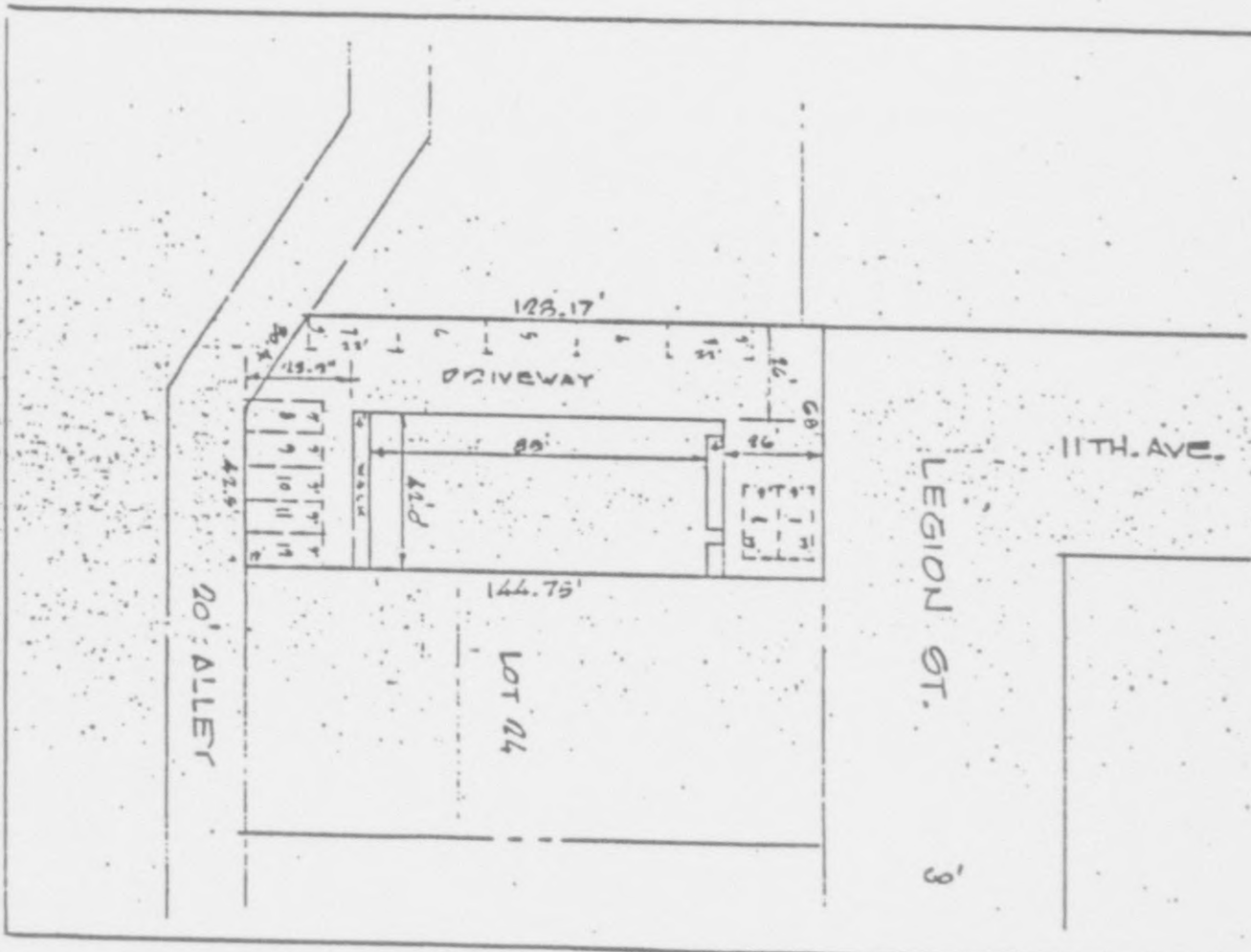
Respectfully submitted,


John E. Bonnoitt

JEB:jne

11248

PLOT PLAN
 PROPOSED BUILDING ON LOT 25, BLOCK 5-C,
 EAST CHESTER SEC., MYRTLE BEACH, S.C.
 SCALE: 1" = 30' OCT 10, 1971
 ROBERT L. BELLAMY & ASSOC.



EXHIBIT

JAN 12 1988 NO. 17

STATE BUDGET & CONTROL BOARD

11249

REAL ESTATE APPRAISALS
COMMERCIAL INDUSTRIAL
MULTIFAMILY RESIDENTIAL
RESORT PROPERTIES

ROBERT M. CHRISTOPHER, MAI

REAL ESTATE APPRAISER AND CONSULTANT

MAILING ADDRESS:
P. O. BOX 1247
FLORENCE, SOUTH CAROLINA 29503

OFFICES
FLORENCE, S. C.
2231 W. PALMETTO ST.
SUITE 201
PHONE (803) 665-4446
MYRTLE BEACH, S. C.
2167 AVE. AT CROMLEY CR.
PHONE (803) 448-3833

February 17, 1987

EXHIBIT

JAN 12 1988

NO. 17

STATE BUDGET & CONTROL BOARD

Mr. R. Bruce Taylor
Supervisor, Sales and Acquisition
Budget and Control Board
300 Gervais Street
Columbia, South Carolina 29201

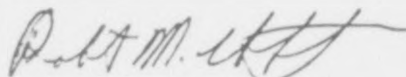
RE: Appraisal of 1100 Legion Street, Myrtle Beach, South
Carolina

Dear Mr. Taylor:

Pursuant to your request, I submit herewith an estimate of
the market value of the fee simple interest in the above
described property.

After careful consideration of all the pertinent facts and
information outlined in this report, it is my judgment
that the market value of the fee simple interest in the
above described property, as of February 10, 1987, was
\$162,000.

Sincerely,



Robert M. Christopher, MAI

RMC:js

11250

EXHIBIT

JAN 12 1988

NO. 17

STATE BUDGET & CONTROL BOARD

PIVER CORP.

4907 U.S. Highway 17 Bypass South
MYRTLE BEACH, S. C. 29577
803/293-7866



October 6, 1986

SC Employment Security Commission
Post Office Box 995
Columbia, SC 29202

ATTENTION: Mr. Mike Mungo

Dear Mr. Mungo:

Reference to your phone call concerning the possibility of the State purchasing the office at 1100 Legion Street, Myrtle Beach, SC.

We have done some comparables and have arrived at the following - - - commercial lots in that area of Myrtle Beach are selling anywhere from \$7.08 to \$21.87 per square foot.

Comparable buildings are selling from \$38.00 to \$55.00 per square foot.

1100 Legion Street, Myrtle Beach, SC:

| | |
|---|------------------|
| Lot size: 68x144.75x128.17 = 9632 sq. ft. @ \$7.80/sq. ft. = | \$ 75,130 |
| Building: 42x85 heated area = 3570 sq. ft @ \$40.00/sq. ft. = | 142,800 |
| Porches & entrances: 288 sq. ft. @ \$25.00/sq. ft. = | 7,200 |
| Paving & outside improvements = | 6,500 |
| | <u>\$231,630</u> |

Reasonable sale price --- rounded @ --- \$230,000.00

At the price of \$230,000 and if our lease with the SC Employment Security Commission was escalated at the rate of 6% per year over the past ten years to be effective for the next ten years, the next lease period would be at the rate of \$28,797 per year (\$2,399.75 per month).

| | | |
|-----------------------------------|-----------------------|--------------------|
| Our 1986 expenses are as follows: | Taxes (county & city) | \$ 1,226.00 |
| | Insurance | 544.00 |
| | Depreciation | 2,350.00 |
| | Maint. & repairs | 750.00 |
| | Total expenses | <u>\$ 4,870.00</u> |

| | | |
|---------------|-----------------|--|
| Income | \$28,797.00 | |
| Less expenses | <u>4,870.00</u> | |
| | \$23,927.00 | gross return on \$230,000 = 10.04% annual return on investment |

11251

EXHIBIT

JAN 12 1988

NO. 17

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4907 U.S. Highway 17 Bypass South
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11251

EXHIBIT

SC Employment Security Commission
Mr. Mike Mungo
October 2, 1986
Page 2

JAN 12 1988

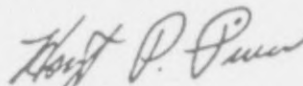
NO. 17

STATE BUDGET & CONTROL BOARD

After looking over these figures and if you have any questions or comments, please give me a call. If the price is acceptable for the purchase of this property, subject to an appraisal, I will be glad to have an appraisal done.

If you prefer to lease instead of buy, I will be glad to discuss this aspect also.

Sincerely,



Hoyt P. Piver
General Manager
PIVER CORP.

HPP/ks

Enclosures: comparable computer report
copy of plot



11252

For Board Use Only

Packet Number

PROJECT PROPOSAL AND JUSTIFICATION STATEMENT

FOR ANNUAL PERMANENT IMPROVEMENT PROGRAM FOR FISCAL YEAR 1987

1. PROJECT IDENTIFIERS:

A. Agency: Number R-60 Name South Carolina Employment Security Commission
B. Contact Person C. Michael Munco, Support Services Manager Phone: 737-2547
C. Project Name: Myrtle Beach Employment Security Office Building #9405
D. Facility Affected: Name _____ Number _____

2. PROJECT DESCRIPTION (What does it consist of? Attach supporting documentation):

Purchase of land and building now housing Employment Security operations.

Site Description: (Attach a map showing project location)

Location: Horry 26 Myrtle Beach 1100 Legion Street
county code city site

3. PROJECT JUSTIFICATION (What does it consist of? Attach supporting documentation):

To realize cost savings in the long term by owning the building rather than continuing to lease.

(What specific needs does this project address?):

The office building now housing our ES and UI operations is in excellent condition, and in a good location with adequate space. Purchasing the lot and building will save money. We are currently paying \$16,080 per year in rent, with no services included.

4. ALTERNATIVES CONSIDERED AS A MEANS OF MEETING NEEDS SPECIFIED IN #3:

The alternative to purchase is to continue to lease.

5. PRIORITY: This project is priority number 8 of 8 projects proposed in this program.

6. ADDITIONAL OPERATING COSTS: Will this project require additional annual operating costs?

Yes X No _____ If yes, complete and attach addendum A-49.

7. ESTIMATES OF PROPOSED PROJECT COSTS:

A. Total estimated cost of project \$ 195,000 10,000

B. Total estimated cost of project includes the following (1. through 10. = 7A above)

- (1) \$ _____ Planning/design services
- (2) _____ Site work (including utilities)
- (3) _____ Central energy systems repair/replacement
- (4) _____ Mechanical systems repair/replacement
- (5) _____ General renovation/repair of floor space (Gross sq. ft.: _____)
- (6) _____ Roof repair/replacement
- (7) _____ Construction of additional floor space: (Gross sq. ft.: _____)
- (8) _____ Equipment/supplies
- (9) 195,000 Purchase of facilities: (Floor space, gross sq. ft. 3,570)
(Land, acres: 1/4)
- (10) _____ Other (Specify) _____

\$ 195,000 10,000 Total (Same as 7 A)

11253

EXHIBIT NO. 17 JAN 12 1988

STATE BUDGET & CONTROL BOARD

7. C. Total estimated cost of project by broad purpose: Total cost: \$ 195,000
(equals 1 through 8, below and is same as 7A)

| | | | |
|----------------------------------|-------------------|----------------------|----------|
| 1. Purchase land | \$ _____ | 5. Restore facility | \$ _____ |
| 2. Purchase facility | \$ <u>195,000</u> | 6. Maintain facility | \$ _____ |
| 3. Demolish facility | \$ _____ | 7. Replace facility | \$ _____ |
| 4. Construct additional facility | \$ _____ | 8. Other: _____ | \$ _____ |

8. PROJECT COMPLETION SCHEDULE AND ESTIMATED EXPENDITURES BY FISCAL YEAR:

A. Estimated expenditures and expenditure purposes, this FY: 1987 \$ 195,000 10,000
(Expenditure purposes (use 7B categories): _____)

B. Estimated expenditures after this FY: \$ _____

C. Total (Same as 7A, 7B and 7C): \$ 195,000 10,000

| 9. PROPOSED SOURCES OF FUNDS: Type | Amount | Revenue Code | Treasurer ID Number | Sub Fund | Mini Code | Object Code |
|--|------------------------------------|--------------|---------------------|----------|-----------|-------------|
| (0) Capital Improvement Bonds | \$ <u>195,000</u> | 8115 | 028 074 | 3043 | 9001 | 0700 |
| <i>To establish bond acquisition project</i> | | | | | | |
| (1) Dept Capital Imp Bonds | <u>10,000</u> | | | | | |
| (2) Inst-(tuition) Bonds | | | | | | |
| (3) Revenue Bonds | | | | | | |
| (4) Excess Debt Service | | | | | | |
| (6) Appropriated State | | | | | | |
| (7) Federal | | | | | | |
| (8) Athletic | | | | | | |
| (9) Other | | | | | | |
| TOTAL (Same as 7A): | \$ <u>195,000</u> <u>10,000</u> | | | | | |

EXHIBIT

JAN 12 1988

NO. 17

STATE BUDGET & CONTROL BOARD

10. Submitted By:

Authorized Official: Robert E. David, Executive Director
Typed Name and Title and Signature

Date Submitted 2/19/87

FY Submitted 1987

11. APPROVED (For Board Use Only):

William A. McInnis
Typed Name and Title and Signature

WILLIAM A. MCINNIS
Deputy Executive Director

FEB 25 1987

Date

PROJECT NUMBER _____

PROJECT NAME: _____

11254

EXHIBIT

JAN 12 1988

NO. 17

STATE BUDGET & CONTROL BOARD

§ 1-11-35 ADMINISTRATION OF THE GOVERNMENT

§ 1-11-35. Procurement of products manufactured or produced in South Carolina or United States: priority over foreign products.

The State Budget and Control Board by regulation shall develop and implement a policy whereby this State, and its agencies, departments, institutions of higher learning, boards, commissions, and committees in procuring necessary products to perform their assigned duties and functions must obtain products made, manufactured, or grown in South Carolina if available or must obtain products made, manufactured, or grown in the United States if similar South Carolina products are not available before any foreign made, manufactured, or grown products may be procured.

HISTORY: 1985 Act No. 201, Part II, § 70.

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board unless a governmental body is expressly exempted by the Budget and Control Board.

HISTORY: 1985 Act No. 201, Part II, § 5.

§ 1-11-70. Lands subject to Board's control.

All vacant lands and lands purchased by the former land commissioners of the State shall be subject to the directions of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357; 1952 Code § 1-357; 1942 Code § 2137; 1932 Code § 2137; Civ. C. '22 § 98; Civ. C. '12 § 93; Civ. C. '02 § 89; G. S. 61; R. S. 83; 1878 (16) 559; 1950 (46) 3605.

Cross references—

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As to lease of gas, oil and certain other mineral interests upon lands and waters under control of State Budget and Control Board, see § 10-9-10.

As to duties and authority of State Budget and Control Board over state's phosphate interests, see §§ 10-9-110 et seq.

Research and Practice References—

63A Am Jur 2d, Public Lands § 113.

73B CJS, Public Lands §§ 178, 180.

§ 1-11-75. Board may charge fee to applicants for permits to engage in construction, alteration, dredging, filling and the like in state's navigable waters.

The State Budget and Control Board may charge a fee to an

EXHIBIT

JAN 12 1988

NO. 18

STATE BUDGET AND CONTROL BOARD STATE BUDGET & CONTROL BOARD REGULAR SESSION
MEETING OF January 12, 1988 ITEM NUMBER

11

AGENCY: General Services

SUBJECT: Mental Retardation Greenwood Property Sale

The Division of General Services advises that the Department of Mental Retardation has requested authorization to sell a portion of its property on Jenkins Spring Road in Greenwood to the Piedmont Multi-County Mental Retardation Board.

The County Board, formed in accord with Section 44-21-830, will use the property to construct a community residence for clients certified by the Department. This proposal is in keeping with the Department's goal to strengthen local services through county boards.

The parcel to be sold has been appraised at \$6,000; Property Management agrees with that estimate. The proceeds from the sale will be returned to the general fund.

Authority to approve the sale of this property is vested in the Budget and Control Board by Sections 1-11-65 and 11-9-630.

The Division recommends that this property be exempted from the surplus property procedures since it will be used by the purchaser as a community residence for the mentally-retarded. The limited warranty deed will have a right of reversion should the purchaser not construct and operate a community residence for the mentally retarded within five years.

BOARD ACTION REQUESTED:

Authorize the Department of Mental Retardation to sell a portion of its property on Jenkins Spring Road in Greenwood to the Piedmont Multi-County Mental Retardation Board at the appraised value of \$6,000 with the proceeds to be returned to the general fund.

ATTACHMENTS:

Agenda item worksheet; attachments

11256

EXHIBIT

JAN 12 1988 NO. 18

STATE BUDGET & CONTROL BOARD

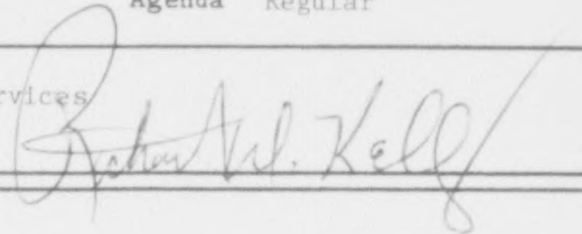
BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

Meeting Scheduled for: January 12, 1988

Agenda Regular

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: 

2. Subject:

Sale of Mental Retardation Property in Greenwood

3. Summary Background Information:

The Department of Mental Retardation desires to sell a portion of its property on Jenkins Spring Road in Greenwood to the Piedmont Multi-County Mental Retardation Board. This county Board was formed in accordance with S.C. Code Section 44-21-830. The Board will utilize the property for the construction of a community residence for persons with Mental Retardation as certified by the Department. This proposal is in keeping with Department of Mental Retardation goals of strengthening local services through county Boards. The parcel to be sold has been appraised at \$6,000.00. The proceeds from the sale will be returned to the General Fund. Property Management agrees with the appraiser's estimate of \$6,000.00.

The authority to approve the sale of this property is vested in the Budget & Control Board by 1-11-65 and 11-9-630. continued

4. What is Board asked to do?

Approve Department of Mental Retardation's request to sell property in Greenwood to the County Mental Retardation Board for construction of a community residence.

5. What is recommendation of Board Division involved?

Approve.

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Appraisal
2. Map

(b) List Those Not Attached But Available From Submitter:

1. Letter dated June 22, 1986
2. Letter dated October 16, 1987
3. Contract of Sale
4. Minutes of Department of Mental Retardation of June 18, 1987

11257

EXHIBIT

JAN 12 1988

NO. 18

STATE BUDGET & CONTROL BOARD

3. Summary Background Information cont.

The Board established a procedure for addressing surplus State-owned real property on July 29, 1981. General Services agrees with the request that this property be exempted from the surplus property procedures as it will be used by the purchaser as a community residence for the retarded. The limited warranty deed will have a right of reversion should the purchaser not construct and operate a community residence for mentally retarded within five years.

11258

EXHIBIT

JAN 12 1988 NO. 18

STATE BUDGET & CONTROL BOARD

LAND APPRAISAL REPORT

X183

Borrower: Whitten Center Census Tract: NA Map Reference: _____
 Property Address: Jenkins Springs Road
 City: Greenwood County: Greenwood State: SC Zip Code: 29616
 Legal Description: .78+ Acres
 Sale Price \$ _____ Date of Sale _____ Loan Term _____ yrs Property Rights Appraised ☒ Fee ☐ Leased ☐ De Minimis
 Actual Real Estate Taxes \$ _____ (or) Loan charges to be paid by seller \$ _____ Other sales concessions _____
 Lender/Client: Whitten Center Address: Laurens, SC
 Occupant: Vacant Appraiser: D. Brown Instructions to Appraiser: Market Value

Location: ☐ Urban ☒ Suburban ☐ Rural
 Built Up: ☐ Over 75% ☒ 25% to 75% ☐ Under 25%
 Growth Rate: ☐ Fully Dev. ☐ Rapid ☒ Steady ☐ Slow
 Property values: ☐ Increasing ☒ Stable ☐ Declining
 Demand/Supply: ☐ Shortage ☒ In Balance ☐ Over Supply
 Marketing Time: ☐ Under 3 Mos. ☒ 4-6 Mos. ☐ Over 6 Mos.
 Present Land Use: 75% Family 25% Vacant ☐ Industrial ☐ Apts. ☐ Condo ☐ Commercial
 Change in Present Land Use: ☒ None Likely ☐ Likely (1) ☐ Taking Place (1)
 Predominant Occupancy: ☒ Owner ☐ Tenant ☐ Vacant
 Single Family Price Range: \$ 30,000 to \$ 75,000 Predominant Value \$ 55,000
 Single Family Age: 2 yrs to 25 yrs Predominant Age 15 yrs

Employment Stability: ☐ ☒ ☐
 Convenience to Employment: ☐ ☒ ☐
 Convenience to Shopping: ☐ ☒ ☐
 Convenience to Schools: ☐ ☒ ☐
 Adequacy of Public Transportation: ☐ ☒ ☐
 Recreational Facilities: ☐ ☒ ☐
 Adequacy of Utilities: ☐ ☒ ☐
 Property Compatibility: ☐ ☒ ☐
 Protection from Detrimental Conditions: ☐ ☒ ☐
 Peace and Fire Protection: ☐ ☒ ☐
 General Appearance of Properties: ☐ ☒ ☐
 Appeal to Market: ☐ ☒ ☐

Comments including those factors favorable or unfavorable affecting marketability is of public parks, schools, new homes:
The subject property is located on Jenkins Springs Road near Ellenwood Acres and Page Place Subdivision.

Dimensions: 135+ X 250+ .78+ Sq. Ft. or Acres ☐ Corner Lot
 Zoning classification: I-1 Present improvements: ☐ do ☐ do not conform to zoning regulations
 Highest and best use: ☐ Present use ☐ Other (Specify): _____
 Etc: ☒ Public ☐ Other (Describe): _____
 Gas: ☐ _____
 Water: ☒ _____
 San Sewer: ☐ _____
 Underground Etc. & Tel: ☐ _____
 OFF SITE IMPROVEMENTS: ☒ Street Access ☐ Public ☐ Private
 Surface: Tar/Gravel ☒ Public ☐ Private
 Maintenance: ☒ Public ☐ Private
 Storm Sewer: ☐ Curb/Gutter: ☐ Street Lights: ☐
 Topo: Slope from Left to Right
 Size: Average
 Shape: Rectangular
 View: Average
 Drainage: Average
 Is the property located in a HUD identified Special Flood Hazard Area? ☒ No ☐ Yes

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions): None Noted

The undersigned has received three recent sales of properties most similar and proximate to subject and has considered them in the market analysis. The same system as herein used adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a superior and more similar comparable property is superior or more favorable than the subject property a minus (-) adjustment is made, thus reducing the indicated value of subject. If a significant item in the comparison is inferior to the subject property a plus (+) adjustment is made, thus increasing the indicated value of the subject.

| ITEM | Subject Property | COMPARABLE NO. 1 | COMPARABLE NO. 2 | COMPARABLE NO. 3 |
|----------------------------------|---------------------------|--|--|---|
| Address | Lot - Jenkins Springs Rd. | Lot 7 Page Place | Lot 3-F Laguna Lane | Lot 8 Westpoint |
| Proximity to Subj. | | 2 Blocks | 1-2 Miles Comp. | 1-2 Miles Comp. |
| Sales Price | \$ - | \$ 6600 | \$ 7500 | \$ 6200 |
| Price | \$ - | \$ - | \$ - | \$ - |
| Date Source | Inspection | Co. Records | Co. Records | Co. Records |
| Date of Sale and Time Adjustment | DESCRIPTION | DESCRIPTION | DESCRIPTION | DESCRIPTION |
| | - | 2/86 | 3/87 | 4/87 |
| Location | Average | Average | Average | Average |
| Site/View | Average | Average | Average | Average |
| Topography | Fair-Avg. | Equal | Average -1000 | Equal |
| Size | .78 Acres | 1. acres | 1.09 acres -500 | .7 acres |
| Utilities | Average | Average | Average | Average |
| Sales or Financing Concessions | - | None | None | None |
| Net Adj. (Total) | | <input type="checkbox"/> Plus <input checked="" type="checkbox"/> Minus \$ 500 | <input type="checkbox"/> Plus <input checked="" type="checkbox"/> Minus \$ 1,500 | <input type="checkbox"/> Plus <input type="checkbox"/> Minus \$ -0- |
| Indicated Value of Subject | | \$ 6,100 | \$ 6,000 | \$ 6,200 |

Comments on Market Data: Market data good. All comps are similar properties and locations and are good indicators of value.

Comments and Conditions of Appraisal: None

Final Reconciliation: Market approach is the best indicator of value.

11259

ESTIMATE THE MARKET VALUE AS DEFINED OF SUBJECT PROPERTY AS OF June 1 19 87 to be \$ 6,000.00

Appraiser: D. Brown Review Appraiser (if applicable): ☐ D-1 ☐ Out and Physically Inspected Property



STATE BUDGET & CONTROL BOARD

JAN 12 1988 NO. 18

EXHIBIT

RENEWOOD PETROLEUM CO. INC.

S.C. DEPT. OF
MENTAL RETARDATION
EIGHT BED RESIDENCE

NEW LOT "A"
0.747 ACRES

BOARD COAST LINE INC

11260

DESCRIPTION:
LOT CONTAINING 0.747 AC.
RENEWOOD COUNTY, S.C.
THE FOLLOWING CALLS:
RUNNING 546.417 W FOR 66.36
TO ADJACENT ON R/W; THENCE 549.1945 W
OR ON R/W ADJOINING, OTHER PROP
C. DEPT. OF MENTAL RETARDATION; THENCE
36 W FOR 256.96 FT. TO CORNER ADJOIN-
GREENWOOD PETROLEUM CO. INC.; THENCE
35.56 E FOR 136.18 FT TO COR ADJOINING
PET. CO. INC. AND SEABOARD COAST

JENKINS SPRING ROAD 66' R/W

I HEREBY CERTIFY
THAT THE PRECISION OF
THIS SURVEY IS 1:7500
AND AREA BY CO-ORD.
METHOD

SCALE 1" = 50'

BL
SCL

John H. Wilson

EXHIBIT

JAN 12 1988

NO. 18

STATE BUDGET & CONTROL BOARD

§ 1-11-35 ADMINISTRATION OF THE GOVERNMENT

§ 1-11-35. Procurement of products manufactured or produced in South Carolina or United States; priority over foreign products.

The State Budget and Control Board by regulation shall develop and implement a policy whereby this State, and its agencies, departments, institutions of higher learning, boards, commissions, and committees in procuring necessary products to perform their assigned duties and functions must obtain products made, manufactured, or grown in South Carolina if available or must obtain products made, manufactured, or grown in the United States if similar South Carolina products are not available before any foreign made, manufactured, or grown products may be procured.

HISTORY: 1985 Act No. 201, Part II, § 70.

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board unless a governmental body is expressly exempted by the Budget and Control Board.

HISTORY: 1985 Act No. 201, Part II, § 5.

§ 1-11-70. Lands subject to Board's control.

All vacant lands and lands purchased by the former land commissioners of the State shall be subject to the directions of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357; 1952 Code § 1-357; 1942 Code § 2137; 1932 Code § 2137; Civ. C. '22 § 98; Civ. C. '12 § 93; Civ. C. '02 § 89; G. S. 61; R. S. 83; 1878 (16) 559; 1950 (46) 3605.

Cross references—

As to State Budget and Control Board granting easements and rights of way over vacant lands or marshlands, see §§ 1-11-80 and 1-11-90.

As to lease of gas, oil and certain other mineral interests upon lands and waters under control of State Budget and Control Board, see § 10-9-10.

As to duties and authority of State Budget and Control Board over state's phosphate interests, see §§ 10-9-110 et seq.

Research and Practice References—

63A Am Jur 2d, Public Lands § 113.

73B CJS, Public Lands §§ 178, 180.

§ 1-11-75. Board may charge fee to applicants for permits to engage in construction, alteration, dredging, filling and the like in state's navigable waters.

The State Budget and Control Board may charge a fee to an

§ 11-9-630. Sales of property not in actual public use.

The State Budget and Control Board shall sell and convey, for and on behalf of the State, all such real property, assets and effects belonging to the State as are not in actual public use, such sales to be made from time to time in such manner and upon such terms as it may deem most advantageous to the State. This shall not be construed to authorize the sale by the Board of any property held in trust for a specific purpose by the State or the property of the State in the phosphate rocks or phosphatic deposits in the beds of the navigable streams and waters and marshes of the State.

HISTORY: 1962 Code § 1-793; 1952 Code § 1-793; 1942 Code § 2139; 1931 Code § 2139; Civ. C. '22 § 100; Civ. C. '12 § 95; Civ. C. '02 § 91; G. S. 63 R. S. 85; 1878 (16) 558, 811; 1887 (19) 863; 1892 (21) 87; 1950 (46) 3605 1981 Act No. 148, § 6.

Related Local Laws—

For a local law approving and ratifying conveyance of real property in Fairfield County under the authority of this section, see Local Law Index.

Cross references—

As to State Budget and Control Board granting easements and rights of way over vacant lands or marshlands, see §§ 1-11-80 and 1-11-90.

Research and Practice References—

72 Am Jur 2d, States, Territories, and Dependencies §§ 67, 68.
 81A CJS, States § 149.

CASE NOTES

Land held for State University not to be sold.—This section [Code 1962 § 1-793], which declares that it shall not be construed to authorize the sale by the Board of any property held in trust for a specific purpose by the State, does not authorize the Board to convey lands held by the State for the use of the State University. *Trustees of University v Columbia* (1917) 108 SC 244, 93 SE 934.

Duty of Board.—This section [Code 1962 § 1-793] makes it the duty of the Board to sell and convey, for and in behalf of the State, all such real and personal property of the State as is not

in actual public use, the sales to be made upon such terms as they may deem most advantageous to the State. *Tindal v Wesley* (1897) 167 US 204, 42 L Ed 137, 17 S Ct 770 (ovrld on other grounds *Larson v Domestic & Foreign Commerce Corp.*, 337 US 682, 93 L Ed 1628, 69 S Ct 1457, reh den 338 US 840, 94 L Ed 514, 70 S Ct 31 and (superseded by statute as stated in *Block v North Dakota*, 461 US 273, 75 L Ed 2d 840, 103 S Ct 1811, on remand (CA8 ND) 711 F2d 118)) as stated in *Pennhurst State School & Hospital v Halderman*, 465 US 89, 79 L Ed 2d 67, 104 S Ct 900, later proceeding (ED Pa) 610 F Supp 1221.

ATTORNEY GENERAL'S OPINIONS

Sale of tidelands and submerged lands not authorized.—The Budget and Control Board does not have the authority to sell tidelands and submerged lands. 1964-65 Ops. Att'y Gen., No 1855, p 115; 1965-66 Ops. Att'y Gen., No 1963, p 9.

But such lands may be leased.—The Budget and Control Board does have the authority to lease areas of tidelands and submerged lands to the Federal government when the lease in no way interferes with the public rights of navigation and fishing and other public purposes. 1964-65 Ops. Att'y Gen., No 1855, p 115.

Disposition of revenues.—In the event revenue from the sale of gravel on lands owned by the South Carolina State Penitentiary is not used for specified purposes, such revenue will become part of the State Sinking Fund. 1964-65 Ops. Att'y Gen., No 1923, p 217.

The Budget and Control Board does not have the authority to lease the tidelands and submerged lands in any way that will interfere with the public rights of navigation and fishing and other public purposes. 1965-66 Ops. Att'y Gen., No 1963, p 9.

STATEWIDE PROCEDURE FOR STATE OWNED SURPLUS REAL PROPERTY
UNDER THE PURVIEW OF THE DIVISION OF GENERAL SERVICES

EXHIBIT

JAN 12 1988 NO. 18

STATE BUDGET & CONTROL BOARD

1. The State Budget and Control Board will review periodic reports addressing real property which the Division of General Services has deemed to be surplus to the State. General Services shall take into account special needs for such property such as its direct or indirect use in establishing a State research park or parks.
2. A listing of properties approved by the Budget and Control Board for surplus dispersement will then be forwarded to all State Agencies. The agency will have 45 days to present their request for possible usage, with justifications to the Division of General Services.
3. The Division of General Services will prepare recommendations concerning agency requests for possible usage of some of these properties. Upon review of this information, the Budget and Control Board may authorize the Division of General Services to assign the property requested by the respective agency.
4. The Division of General Services may authorize leases of up to ten years, to political subdivisions of the State, at below fair market rates provided the leased premises are used for public purposes. Such leases shall be contingent upon the official request of the local political subdivision's governing body or bodies before they can be considered.
5. The Budget and Control Board may then authorize the Division of General Services to lease, sell or swap any remaining unassigned surplus real property. The dispersement of this property will be made at fair market value as determined by an independent appraiser. Prior to any agreement being reached, the Division shall publish in the South Carolina Business Opportunities weekly bulletin (published weekly) its intent to dispose of the property and the method by which disposal shall take place. All parties interested in the property to be disposed shall have a reasonable time to submit bids, provided that the appraised fair market value shall be established as a floor price which all bids must meet or exceed.

Approved July 29, 1981

"5" Revised and approved 2/9/82

11283

EXHIBIT

JAN 12 1988

NO. 19

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

STATE BUDGET & CONTROL BOARD

REGULAR SESSION

ITEM NUMBER

12

AGENCY: General Services

SUBJECT: Sale of Forestry Silverton Fire Tower Residence (Aiken Co.)

The Division of General Services advises that the Forestry Commission has requested approval to sell the abandoned fire tower residence in Aiken County known as the Silverton residence.

The Division does not deem this house to be surplus property even though it technically is defined as real estate. The Division feels that it would be impractical to follow the standard procedure in this case as the house is 40-50 years old and beyond repair; it will not be replaced.

The State Engineer's Office has reviewed the request and agrees that the residence should be removed from the property.

The Division recommends that the Board authorize the sale and removal of the house to avoid the cost of demolition. The Division also recommends that this disposition be exempt from the standard surplus property procedures.

BOARD ACTION REQUESTED:

Authorize the Forestry Commission to sell the abandoned fire tower residence in Aiken County through the competitive bid process to avoid the cost of demolition and exempt this from the standard surplus property procedures.

ATTACHMENTS:

Agenda item worksheet; attachments

11264

EXHIBIT

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (12/84)

JAN 12 1988

NO. 19

Meeting Scheduled for: January 12, 1988

Regular Agenda

STATE BUDGET & CONTROL BOARD

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard P. Kelly

2. Subject:

Forestry Commission Sale of Silverton Fire Tower Residence in Aiken County

3. Summary Background Information:

The Forestry Commission requests Board approval to sell the abandoned fire tower residence in Aiken County known as the Silverton Residence. The Division of General Services does not deem this house to be surplus property even though it is technically defined as real estate. General Services feels that it would be impractical to follow the surplus property procedure in the disposal of this house. The house is forty to fifty years old, beyond repair and will not be replaced. The State Engineers Office has reviewed the Forestry Commission request and agrees that the residence should be removed from the property.

4. What is Board asked to do?

Approve the sale and removal of the Silverton Fire Tower Residence to avoid the cost of demolition and exempt this disposal from normal surplus property procedure.

5. What is recommendation of Board Division involved?

Approve

6. Recommendation of other Division/agency (as required)?

(a) Authorized Signature: _____

(b) Division/Agency Name: _____

7. Supporting Documents:

(a) List Those Attached:

1. Letter from Forestry dated August 13, 1987
2. Letter from State Engineer dated August 18, 1987
3. Copy of SC 1-11-65 and Surplus Real Property Procedure

(b) List Those Not Attached But Available From Submitter:



South Carolina Forestry Commission

LEONARD A. KILIAN, JR. STATE FORESTER

P.O. BOX 21707 COLUMBIA, S.C. 29221 (803) 737-6800

EXHIBIT

August 13, 1987

JAN 12 1988

NO. 19

STATE BUDGET & CONTROL BOARD

Mr. Jay Flanagan
State Engineer
Division of General Services
300 Gervais St.
Columbia, SC 29201

Dear Mr. Flanagan:

We are requesting authorization to dispose of a fire tower residence located at Jackson, SC in Aiken County.

The forty to fifty year old house is beyond repairs and will not be replaced.

Hopefully the building can be sold under State Competitive Bidding procedures and thus save the Forestry Commission the cost of dismanteling.



Silverton Tower Residence

Sincerely,

Leonard A. Kilian, Jr.
Staff Forester

11236

GL/ef

CC: Jones
Shirer
Watts
Heath
Kelly✓

STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
DIVISION OF GENERAL SERVICES
300 GERVAS STREET
COLUMBIA, SOUTH CAROLINA 29201
(803) 737-2150

EXHIBIT

JAN 12 1988

NO. 19

CARROLL A. CAMPBELL, JR.
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



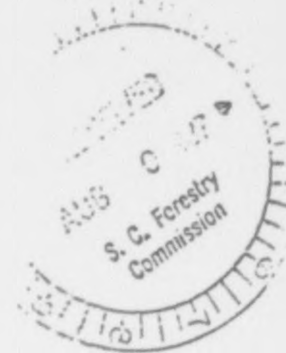
WILLIAM J. CLEMENT, AIA
ASSISTANT DIVISION DIRECTOR
August 18, 1987

STATE BUDGET & CONTROL BOARD

REMBERT C. DENNIS
CHAIRMAN,
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN,
HOUSE WAYS AND MEANS COMMITTEE

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



Mr. Gene Lambrecht
S. C. Forestry Commission
P. O. Box 21707
Columbia, South Carolina 29221

Dear Mr. Lambrecht:

As you requested in your letter of August 13, 1987, permission is granted to
demolish the fire tower residence at Jackson, S. C. in Aiken County.

Very truly yours,

Jay A. Flanagan, P.E.
State Engineer

/rl

11267

§ 1-11-35. Procurement of products manufactured or produced in South Carolina or United States; priority over foreign products.

The State Budget and Control Board by regulation shall develop and implement a policy whereby this State, and its agencies, departments, institutions of higher learning, boards, commissions, and committees in procuring necessary products to perform their assigned duties and functions must obtain products made, manufactured, or grown in South Carolina if available or must obtain products made, manufactured, or grown in the United States if similar South Carolina products are not available before any foreign made, manufactured, or grown products may be procured.

HISTORY: 1985 Act No. 201, Part II, § 70.

§ 1-11-65. Approval and recordation of real property transactions involving governmental bodies.

All transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board unless a governmental body is expressly exempted by the Budget and Control Board.

HISTORY: 1985 Act No. 201, Part II, § 5.

§ 1-11-70. Lands subject to Board's control.

All vacant lands and lands purchased by the former land commissioners of the State shall be subject to the directions of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357; 1952 Code § 1-357; 1942 Code § 2137; 1932 Code § 2137; Civ. C. '22 § 98; Civ. C. '12 § 93; Civ. C. '02 § 89; G. S. 61; R. S. 83; 1878 (16) 559; 1950 (46) 3605.

Cross references—

As to State Budget and Control Board granting easements and rights of way over vacant lands or marshlands, see §§ 1-11-80 and 1-11-90.

As to lease of gas, oil and certain other mineral interests upon lands and waters under control of State Budget and Control Board, see § 10-9-10.

As to duties and authority of State Budget and Control Board over state's phosphate interests, see §§ 10-9-110 et seq.

Research and Practice References—

63A Am Jur 2d, Public Lands § 113.

73B CJS, Public Lands §§ 178, 180.

§ 1-11-75. Board may charge fee to applicants for permits to engage in construction, alteration, dredging, filling and the like in state's navigable waters.

The State Budget and Control Board may charge a fee to an

EXHIBIT

NO. 19

JAN 12 1988

applicant filling or project is that charge services, a is non-con have no c ten dollars

The fee the Gener to the Sta Board to a mending application HISTORY:

§ 1-11-80. Easements and rights of way over vacant lands or marshlands.

The Sta easements maintenance railroad fa land as ar value there

HISTORY:

Cross refere As to sale 3, § 31.

§ 1-11-90. State agency.

The Sta political su way throu for the co ways or pe Control B affected th HISTORY:

Cross refere As to sale 3, § 31.

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

REGULAR SESSION
ITEM NUMBER

13

AGENCY: General Services

SUBJECT: Easements

A. The Division of General Services recommends that the Board approve the following easement in accord with Code Sections 1-11-80 and 1-11-100:

County Location: Charleston County
From: State of South Carolina
To: SCE&G Company
Description/Purpose: relocate existing overhead power line across Filbin Creek at intersection of proposed Mark Clark Expressway and Virginia Avenue, North Charleston
Consideration: \$164

B. The Division recommends that the Board approve the following conveyance and reconveyance of easements in accord with Code Sections 1-11-90 and 1-11-100:

County Location: Charleston County
From: Budget and Control Board
To: Commissioners of Public Works
Description/Purpose: reconvey original easement granted 3/10/87 to Board and grant new easement to install a ductile iron water main across Fiddler Creek on west side of O'Hear Avenue

C. The Division recommends that the Board concur and acquiesce in the granting of the following easements in accord with Code Section 10-1-130:

1. County Location:
From: Clarks Hill-Russell Authority
To: Department of Highways & Public Transportation
Description/Purpose: Relocate intersection of Highway 7 and 378 in conjunction with the development of the Indian Hill project
Consideration: Highway Department will provide a quit claim deed to the Authority for the portion of Road 7 being abandoned as a result of the relocation
2. County Location: Richland County
From: Clemson University
To: Richland County
Description/Purpose: Drainage easement required by the County for proposed development of surrounding properties
Consideration:

11269

AGENCY: General Services

SUBJECT: Easements

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

BOARD ACTION REQUESTED:

- A. In accord with Code Sections 1-11-80 and 1-11-100, grant a utility easement to SCE&G to relocate an existing overhead powerline across Filbin Creek at the intersection of the proposed Mark Clark Expressway and Virginia Avenue in North Charleston.
- B. In accord with Code Sections 1-11-90 and 1-11-100, grant an easement which reconveys the original easement and which grants a new easement to the Commissioners of Public Works, Charleston County, to install a ductile iron water main across Fiddler Creek.
- C. In accord with Code Section 10-1-130, concur and acquiesce in the granting of the following easements: (1) from Clarks Hill-Russell Authority to Department of Highways and Public Transportation to relocate the intersection of Highways 7 and 378; and (2) from Clemson University to Richland County, drainage easement required by the County for proposed development of surrounding properties.

ATTACHMENTS:

Agenda item worksheets; referenced easements

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

§ 1-11-80. Board authorized to grant easements for public utilities on vacant State lands.

The State Budget and Control Board is authorized to grant easements and rights of way to any person for construction and maintenance of power lines, pipe lines, water and sewer lines and railroad facilities over, on or under such vacant lands or marshland as are owned by the State, upon payment of the reasonable value thereof.

HISTORY: 1962 Code § 1-357.1; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const, Art 3, § 31.

§ 1-11-90. Board authorized to grant rights of way over State marshlands for roads or power or pipe lines to State agencies or political subdivisions.

The State Budget and Control Board may grant to agencies or political subdivisions of the State, without compensation, rights of way through and over such marshlands as are owned by the State for the construction and maintenance of roads, streets and highways or power or pipe lines, if, in the judgment of the Budget and Control Board, the interests of the State will not be adversely affected thereby.

HISTORY: 1962 Code § 1-357.2; 1963 (53) 177.

Cross references—

As to sale or donation of, or rights of way over, public lands, see SC Const, Art 3, § 31.

§ 1-11-100 ADMINISTRATION OF THE GOVERNMENT

§ 1-11-100. Execution of instruments conveying rights of way or easements over marshlands or vacant lands.

Deeds or other instruments conveying such rights of way or easements over such marshlands or vacant lands as are owned by the State shall be executed by the Governor in the name of the State, when authorized by resolution of the Budget and Control Board, duly recorded in the minutes and records of such Board and when duly approved by the office of the Attorney General; deeds or other instruments conveying such easements over property in the name of or under the control of State agencies, institutions, commissions or other bodies shall be executed by the majority of the governing body thereof, shall name both the State of South Carolina and the institution, agency, commission or governing body as grantors, and shall show the written approval of the majority of the members of the State Budget and Control Board.

HISTORY: 1962 Code § 1-357.3; 1963 (53) 177.

Cross References—

As to authority of State institutions and agencies to grant easements and rights of way, see § 10-1-130.

Research and Practice References—

63A Am Jur 2d, Public Lands § 115.

73B CJS, Public Lands §§ 178, 180.

17 Am Jur Legal Forms 2d, States, Territories, and Dependencies § 239:21 (agricultural lease-provision-reservation of right to grant easements).

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

For meeting scheduled for:

January 12, 1988

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject:

Right-of-Way Easement from the State to South Carolina Electric and Gas Company.

3. Summary Background Information:

This is a utility right-of-way easement from the State to SCE&G for the purpose of relocating an existing overhead powerline across Filbin Creek at the intersection of the proposed Mark Clark Expressway and Virginia Avenue in the City of North Charleston, Charleston County, South Carolina.

This easement has been reviewed and approved by the Attorney General's Office and executed by SCE&G's Vice President, Mr. Grover C. Croft.

Consideration in the amount of One Hundred Sixty-four and NO/100 (\$164.00) Dollars has been paid by SCE&G for this easement which involves .84 acre of State land.

EXHIBIT

JAN 12 1988 NO. 20

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Approve and execute the proposed easement in accordance with §§1-11-80 and 1-11-100, Code of Laws of South Carolina, 1976, as amended.

5. What is recommendation of the Board Division involved?

That the proposed easement be granted by the Board in accordance with §§1-11-80 and 1-11-100, Code of Laws of South Carolina, 1976, as amended.

6. Recommendation of other office (as required).

(a) Office Name:

(b) Authorized Signature:

7. Supporting Documents:

List Those Not Attached But Available from Submitter

List Those Attached

1. Easement document.
2. Drawing dated 10/29/87 attached as Exhibit A.
3. Copy of Code §1-11-80 and §1-11-100.

11273

A.

EXHIBIT

JAN 12 1988

NO. 20

ORIGINAL

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

EASEMENT

This Copy to be returned for
Files of S. C. Electric & Gas Company.

THIS EASEMENT, made and entered into this 15th day of December, 1987, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and South Carolina Electric and Gas Company, as Grantee (hereinafter "SCE&G").

WITNESSETH

WHEREAS, SCE&G is an investor-owned utility company authorized to do business within the State of South Carolina. SCE&G's mailing address is Post Office Box 167, Columbia, South Carolina 29218; and

WHEREAS, SCE&G proposes to relocate an existing overhead powerline across Filbin Creek at the intersection of the proposed Mark Clark Expressway and Virginia Avenue in the City of North Charleston, Charleston County, South Carolina. The overhead powerline and easement area are more particularly shown and delineated on Drawing No. CP-29331 entitled "ACCABEE-HANAHAN SW.46KV LINE #1 CROSSING FILBIN CREEK FOR STATE BUDGET AND CONTROL BOARD," dated October 29, 1987, which is attached hereto and incorporated herein by reference as Exhibit A.

WHEREAS, pursuant to Section 1-11-80 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of powerlines over, on, or under such land or marshland as are owned by the STATE; and

11274

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, SCE&G is desirous of obtaining the hereinafter described easement through and over riverbeds and marshlands in Charleston County, and the STATE considers the granting of such an easement to be in the public interest.

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto SCE&G, its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Charleston County and lying below the mean high water line.

This Easement of right-of-way shall be used solely for the purposes incidental with the relocation of an existing overhead powerline crossing Filbin Creek at the intersection of the proposed Mark Clark Expressway and Virginia Avenue in the City of North Charleston, Charleston County, South Carolina. The easement area is more particularly described as follows:

A 50' wide Utility Easement (25 feet on either side of the centerline) beginning at a point 25 feet northeast of structure #129 and extending North 70 Degrees 15 Minutes East for a distance of 149.51 feet; thence, extending North 7 Degrees 11 Minutes 41 Seconds East for a distance of 250 feet; thence, extending North 24 Degrees 37 Minutes 19 Seconds West for a distance of 315.49 feet for a total distance of 715 feet.

The easement area is bounded on the west by Virginia Avenue and on the east by property of Westvaco Corporation.

The overhead powerline and easement area are more particularly shown and delineated on Drawing No. CP-29331 entitled "ACCABEE-HANAHAN SW.46KV LINE #1 CROSSING FILBIN CREEK FOR STATE BUDGET AND CONTROL BOARD," dated October 29, 1987, which is attached hereto and incorporated herein by reference as Exhibit A.

11275

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

The vertical clearance of all electrical wire, conductors, cables and live parts of equipment across all navigable waters and/or waters of the State of South Carolina shall be constructed in accordance with National Electrical Safety Code (ANSI - C2 - 1981) Part 2, Section 23, as amended.

SCE&G hereby agrees and covenants with the STATE that SCE&G, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. SCE&G shall use the easement area solely for the purposes incidental with the construction, operation, and maintenance of said overhead powerline and shall maintain such easement area and powerline in good condition.

SCE&G further agrees and covenants that SCE&G shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

11276

SCE&G will comply with and be bound by any and all applicable State statutes, regulations and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if SCE&G, its successors and assigns: (1) quits and abandons all use of such overhead powerline, in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 12th day of January, 1987.

WITNESSES:

Mark R. Blum
Willie L. Tate

(signatures continue)

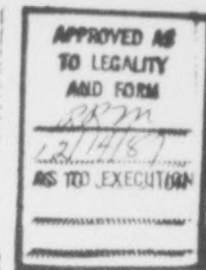
STATE OF SOUTH CAROLINA
BUDGET & CONTROL BOARD

BY: Carroll A. Campbell, Jr.
Governor Carroll A. Campbell, Jr.
Chairman

EXHIBIT

11277 JAN 12 1988

NO. 20



SOUTH CAROLINA ELECTRIC &
GAS COMPANY

Darius N. Sargi
W.A. Steubing

BY: [Signature]
TITLE: Vice President

ATTORNEY GENERAL'S OFFICE

Approved: [Signature]

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

11278

EXHIBIT

JAN 12 1988

NO. 20

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD

PERSONALLY appeared before me Mark R. Elam
and made oath that he/she saw the within named State of South
Carolina, Budget and Control Board, by its Chairman, Governor
Carroll A. Campbell, Jr., sign, seal, and as its act and deed
deliver the within written Easement, and that he/she, along with
Willie H. Cathe, witnessed the execution thereof.

Mark R. Elam

SWORN to before me this 14th
day of JANUARY, 1988.

Jay Adkins (L.S.)
Notary Public for South Carolina

My Commission Expires: 3-21-95

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

PERSONALLY appeared before me Patricia N. Feagin
and made oath that he/she saw the within named South Carolina
Electric and Gas Company, by G. C. Croft, Jr, its
Vice President, sign, seal, and as its act and deed
deliver the within written Easement, and that he/she, along with
W. A. Hentz, witnessed the execution thereof.

Patricia N. Feagin

SWORN to before me this 15th
day of December, 1987.

William Edwin Hentz (L.S.)
Notary Public for South Carolina

My Commission Expires: 4-24-91

11279

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

For meeting scheduled for:

January 12, 1988

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject: Conveyance and Reconveyance of Easements for the Commissioners of Public Works.

3. Summary Background Information:

An easement for the installation of a ductile iron water main across Fiddler Creek in Charleston County, South Carolina, was granted by the State Budget and Control Board to the Commissioners of Public Works on March 10, 1987. The easement was recorded with the Charleston County RMC Office in Deed Book E164 at page 233, et seq.

Just prior to construction it was discovered that the adjacent landowner had filled in his property with asbestos. In order to avoid the asbestos landfill, the Commissioners redesigned the project to cross Fiddler Creek on the west side of O'Hear Avenue thus requiring a new easement.

This document serves to reconvey the original easement back to the state and grant a new easement for the project as outlined. It has been approved by the Attorney General's Office and executed by the Commissioners of Public Works.

4. What is Board asked to do?

Approve and execute the easement document in accordance with §1-11-90 and §1-11-100 of the Code of Laws of South Carolina, 1976, as amended.

5. What is recommendation of the Board Division involved?

That the easement document be approved and executed in accordance with §1-11-90 and §1-11-100 of the Code of Laws of South Carolina, 1976, as amended.

6. Recommendation of other office (as required).

EXHIBIT

(a) Office Name:

JAN 12 1988

NO. 20

(b) Authorized Signature:

STATE BUDGET & CONTROL BOARD

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available from Submitter

1. Proposed Easement with copy of drawing attached.
2. Copy of previously granted easement.
3. Copy of Resolution authorizing Commission Chairman or Manager to execute easements.
4. Copy of request for new easement dated September 28, 1987.
5. Copy of §1-11-90 and §1-11-100.

11231

B.

EXHIBIT

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

EASEMENT JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

THIS EASEMENT, made and entered into this 2nd day of March, 1987, by and between the State of South Carolina, Budget and Control Board, as Grantor (hereinafter "STATE"), and the Commissioners of Public Works, as Grantee (hereinafter "COMMISSIONERS").

WITNESSETH

WHEREAS, COMMISSIONERS is a political subdivision of the City of Charleston which produces and delivers potable water and collects and treats wastewater for the City of Charleston. COMMISSIONERS' mailing address is PO Drawer B, 103 St. Phillips Street, Charleston, South Carolina 29402; and

WHEREAS, COMMISSIONERS propose to install, operate and maintain a ductile iron water main across Fiddler Creek in Charleston County for the purpose of transmitting potable water to increase pressure in the City of Charleston's water distribution system. The water line and easement area are more particularly shown and delineated on a plat entitled "Peninsula Water Trunk Main Phase II", dated January, 1987, prepared by William C. Boineau, Jr., PLS, which is attached hereto and incorporated herein by reference as Exhibit A.

WHEREAS, pursuant to Section 1-11-90 of the Code of Laws of, South Carolina, 1976, (1986 Cum. Supp.) the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance

of water lines over, on, or under such land or marshland as are owned by the STATE; and

WHEREAS, COMMISSIONERS is desirous of obtaining the herein-after described easement through and over riverbeds and marshlands in Charleston County, and the STATE considers the granting of such an easement to be in the public interest.

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto COMMISSIONERS, its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Charleston County and lying below the mean high water line.

This Easement of right-of-way shall be used solely for the purposes incidental with the installation, operation and maintenance of said ductile iron water main across Fiddler Creek in Charleston County, South Carolina. The easement area is more particularly described as follows:

A 50' wide utility easement (25' on each side of the centerline) beginning at a stake in the mean high water line on the north bank of Fiddler Creek, being South 90 Degrees 00 Minutes East, 58' from the centerline of S-10-379, also known as O'Hear Avenue on the north edge of Fiddler Creek; thence extending North 88 Degrees 00 Minutes East, 25'; thence extending South 00 Degrees 00 Minutes East a distance of 40', plus or minus, along the east right-of-way of S-10-379 to a stake in the mean high water line on the south bank of Fiddler Creek.

The ductile iron water main and easement area are more particularly shown and delineated on a plat entitled "Peninsula Water Trunk Main Phase II", dated January, 1987, prepared by William C. Boineau, Jr., RLS, which is attached hereto and incorporated herein by reference as Exhibit A.

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

COMMISSIONERS hereby agrees and covenants with the STATE that COMMISSIONERS, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. COMMISSIONERS shall use the easement area solely for the purposes incidental with the installation, operation, and maintenance of said aerial ductile water main and shall maintain such easement area and water main in good condition.

COMMISSIONERS further agrees and covenants that COMMISSIONERS shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees resulting in personal injury or death to any person or persons or damage to any property at any time that arises from or is incident to the construction, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

COMMISSIONERS WILL COMPLY WITH AND BE BOUND BY ANY AND ALL APPLICABLE STATE STATUTES, REGULATIONS, AND TERMS AND CONDITIONS OF ANY PERMITS OR AGREEMENTS CONCERNING THIS PROJECT AND ANY AND ALL LANDS AND WATERS INVOLVED THEREWITH.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if COMMISSIONERS, its successors and assigns: (1) quits and abandons all use of such ductile water main, in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 10th day of March, 1987.

WITNESSES:

Graham Taylor
Mark T. Elara

STATE OF SOUTH CAROLINA
BUDGET & CONTROL BOARD

BY: Carroll A. Campbell, Jr.
Governor Carroll A. Campbell, Jr.

John D. Judd
Jim Davis

COMMISSIONERS OF PUBLIC WORKS

BY: Mark F. Cline
TITLE: DESIGN ENGINEER

3KE 164 PG 237

ATTORNEY GENERAL'S OFFICE

Approved: Keneth C. Woot

STATE OF SOUTH CAROLINA)
)
 COUNTY OF RICHLAND)

PERSONALLY appeared before me Mark Elam
 and made oath that he/she saw the within named State of South
 Carolina, Budget and Control Board, by its Chairman, Governor
 Carroll A. Campbell, Jr., sign, seal, and as its act and deed
 deliver the within written Easement, and that he/she, along with
Graham Tew, witnessed the execution thereof.

Mark R. Elam

SWORN to before me this 10th
 day of March, 1987.

Jay Adkins (L.S.)
 Notary Public for South Carolina

My Commission Expires: 3-21-95

STATE OF SOUTH CAROLINA)
)
 COUNTY OF CHARLESTON)

PERSONALLY appeared before me John D. Todd
 and made oath that he/she saw the within named Commissioners of
 Public Works by Mark E. Cline, its
Design Engineer, sign, seal, and as its act and deed
 deliver the within written Easement, and that he/she, along with
Kim Dean, witnessed the execution thereof.

John D. Todd

SWORN to before me this 2nd
 day of March, 1987.

J. Delphine Bagnin (L.S.)
 Notary Public for South Carolina

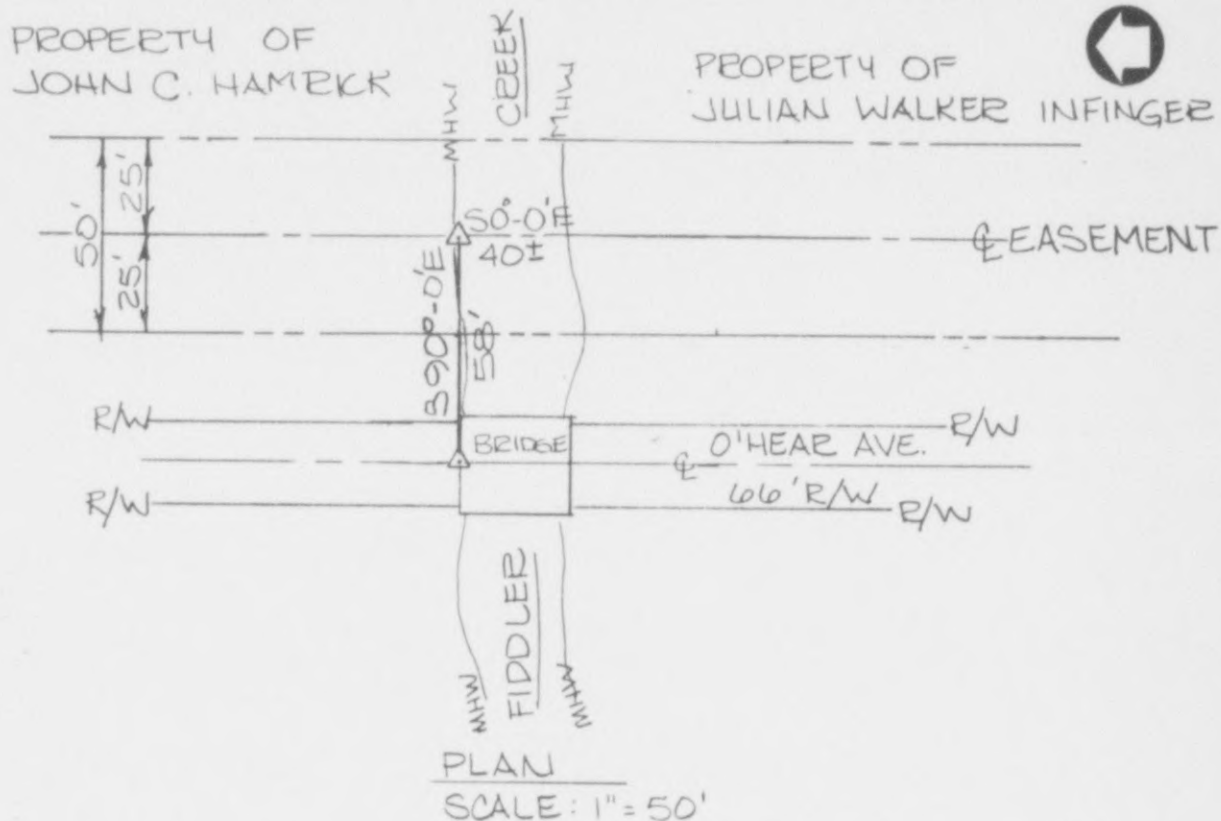
My Commission Expires: 9-9-90

EXHIBIT A

BKE 164 PG239

AF 18405

A Plat showing a pipeline easement
crossing Fiddler Creek
prepared for the Commissioners of Public Works



A utility easement 50 feet wide running from mean high water line on the North bank to the mean high water line on the South bank of Fiddler Creek.

11238

City of North Charleston
Charleston County
South Carolina

Datum: Mean Sea Level

William C. Boineau, Jr. RLS SC Reg 4173

This plat intended only to show
location of the easement for the
South Carolina Budget and
Control Board.

Commissioner of Public Works
of the City of Charleston, SC

Peninsula Water Trunk Main
Phase II



Jordan Jones & Goukling Inc.
Consulting Engineers

SCALE: AS SHOWN

DATE: Jan 1987

K & E 19-1253

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
COUNTY OF CHARLESTON)

EASEMENT

WHEREAS, an easement for the installation of a ductile iron water main across Fiddler Creek in Charleston County, South Carolina, was granted by the State of South Carolina, Budget and Control Board, to the Commissioners of Public Works on March 10, 1987. Said easement was recorded on April 20, 1987, in the RMC office for Charleston County in Deed Book E164 at page 233, et seq; and

WHEREAS, the Commissioners of Public Works, in order to avoid an asbestos land fill, have redesigned the project to cross Fiddler Creek on the west side of O'Hear Avenue requiring a new easement; and

WHEREAS, COMMISSIONERS is a political subdivision of the City of Charleston which produces and delivers potable water and collects and treats wastewater for the City of Charleston. COMMISSIONERS' mailing address is PO Drawer B, 103 St. Phillips Street, Charleston, South Carolina 29402; and

WHEREAS, COMMISSIONERS proposes to install, operate and maintain a ductile iron water main across Fiddler Creek in Charleston County for the purpose of transmitting potable water to increase pressure in the City of Charleston's water distribution system. The water line and easement area are more particularly shown and delineated on a plat entitled "Peninsula Water Trunk Main Phase II," dated June, 1987, prepared by William C. Boineau, Jr., RLS, which is attached hereto and incorporated herein by reference as Exhibit A.

11289

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

WHEREAS, pursuant to Section 1-11-90 of the South Carolina Code of Laws, 1976, as amended, the STATE is empowered to grant certain rights-of-way or easements through and over riverbeds and marshlands for construction, operation, and maintenance of water lines over, on, or under such land or marshland as are owned by the STATE; and

WHEREAS, COMMISSIONERS is desirous of obtaining the herein-after described easement through and over riverbeds and marshlands in Charleston County, and is desirous of reconveying the above-referenced easement which involves the crossing of Fiddler Creek at a point South 90 Degrees 00 Minutes East, 58' from the centerline of S-10-379, also known as O'Hear Avenue, and the STATE considers the granting of a new easement to be in the public interest.

NOW, THEREFORE, the STATE as Grantor, in consideration of the sum of One (\$1.00) Dollar and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant, remise, and release unto COMMISSIONERS, its successors and assigns, a right-of-way easement in, to, upon and over the below described portion of riverbed and marshland; such riverbed and marshland situate in Charleston County and lying below the mean high water line.

This Easement of right-of-way shall be used solely for the purposes incidental with the installation, operation and maintenance of said ductile iron water main across Fiddler Creek in Charleston County, South Carolina. The easement area is more particularly described as follows:

A 50' wide Utility Easement located 50' west of the described easement line. Beginning at a stake in the mean high water line on the south bank of Fiddler Creek, said stake being North 90 Degrees 00 Minutes West, 33' from the centerline of S-10-379, also known as O'Hear Avenue; thence North 00 Degrees 00 Minutes East, 333',

11290

plus or minus, along the west right-of-way of S-10-379 to a stake in the mean high water line on the north bank of Fiddler Creek.

The ductile iron water main and easement area are more particularly shown and delineated on a plat entitled "Peninsula Water Trunk Main Phase II," dated June, 1987, prepared by William C. Boineau, Jr., RLS, which is attached hereto and incorporated herein by reference as Exhibit A.

This easement of right-of-way is subject to all easements and rights-of-way of record or which may be revealed by inspection of the property and extends only to the STATE's prima facie ownership.

COMMISSIONERS hereby agrees and covenants with the STATE that COMMISSIONERS, its successors and assigns, shall not block or obstruct navigable waters or cause unreasonable adverse impact on fish, wildlife, or water quality in its use of the easement area. COMMISSIONERS shall use the easement area solely for the purposes incidental with the installation, operation, and maintenance of said ductile iron water main and shall maintain such easement area and water main in good condition.

COMMISSIONERS further agrees and covenants that COMMISSIONERS shall indemnify and hold harmless the STATE from and against any and all liabilities, claims, causes of action and expenses including, but not limited to, reasonable costs and attorney fees, resulting from bodily injury or death to any person or persons or damage to any property at any time that arises from or is incident to the installation, operation, maintenance, or use of the easement granted herein.

In the event of major maintenance, after construction, affecting the bed of the waterway, the South Carolina Coastal

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

Council and the South Carolina Water Resources Commission shall be notified in writing prior thereto.

COMMISSIONERS will comply with and be bound by any and all applicable State statutes, regulations and terms and conditions of any permits or agreements concerning this project and any and all lands and waters involved therewith.

This Easement may be terminated by the STATE, in its discretion and such interests as the STATE may have shall revert to the STATE if COMMISSIONERS, its successors and assigns: (1) quits and abandons all use of such ductile iron water main, in which case this easement of right-of-way shall terminate thirty (30) days after the date of such abandonment; or (2) continues an uncorrected violation or breach of any of the terms and conditions herein.

It is further understood and agreed that this easement is not to be construed as an easement granted to the exclusion of the STATE or to others later granted a similar right. This easement is subject to all easements, permits, restrictions and covenants of record, or of plats of record, or which may be revealed upon inspection of the property.

AND, further, by the execution of this instrument, COMMISSIONERS conveys back to the State and relinquishes all right, title and interest to that parcel of land described in the easement dated March 10, 1987, and recorded April 20, 1987, in the Charleston County RMC Office in Deed Book E164 at page 233, et seq., and agrees, represents and warrants that the previously granted easement as referenced above is hereby terminated and released, to be of no force or effect and shall not affect the property of the State.

11292

IN WITNESS WHEREOF, this instrument is being executed in accordance with the action of the South Carolina Budget and Control Board at its meeting held on the 14th day of January, 1988.

WITNESSES:

Mark R. Elam
William J. Carter

STATE OF SOUTH CAROLINA
BUDGET & CONTROL BOARD

BY: Carroll A. Campbell Jr.
Governor Carroll A. Campbell Jr.
Chairman

Patricia A. Black
Edythe J. Jones

COMMISSIONERS OF PUBLIC WORKS

BY: Steve D. Thomas
TITLE: Manager

ATTORNEY GENERAL'S OFFICE

Approved: Kenneth A. Woodruff

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

11293

EXHIBIT

JAN 12 1988

NO. 20

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD

PERSONALLY appeared before me MARK R. ELAM
and made oath that he/she saw the within named State of South
Carolina, Budget and Control Board, by its Chairman, Governor
Carroll A. Campbell, Jr., sign, seal, and as its act and deed
deliver the within written Easement, and that he/she, along with
William A. Catoe, witnessed the execution thereof.

Mark R. Elam

SWORN to before me this 14th
day of JANUARY, 1988.
Jaye Perkins (L.S.)
Notary Public for South Carolina

My Commission Expires: 3-21-95

STATE OF SOUTH CAROLINA)
)
COUNTY OF CHARLESTON)

PERSONALLY appeared before me PATRICIA A. BLOCK
and made oath that he/she saw the within named Commissioners of
Public Works, by STEVE W. KILGARD, its
MANAGER, sign, seal, and as its act and deed
deliver the within written Easement, and that he/she, along with
CLIFFORD C. WORTEN, witnessed the execution thereof.

Patricia A. Block

SWORN to before me this 8th
day of December, 1987.
Annabelle C. McCabe (L.S.)
Notary Public for South Carolina

My Commission Expires: Oct 19, 1995

11294

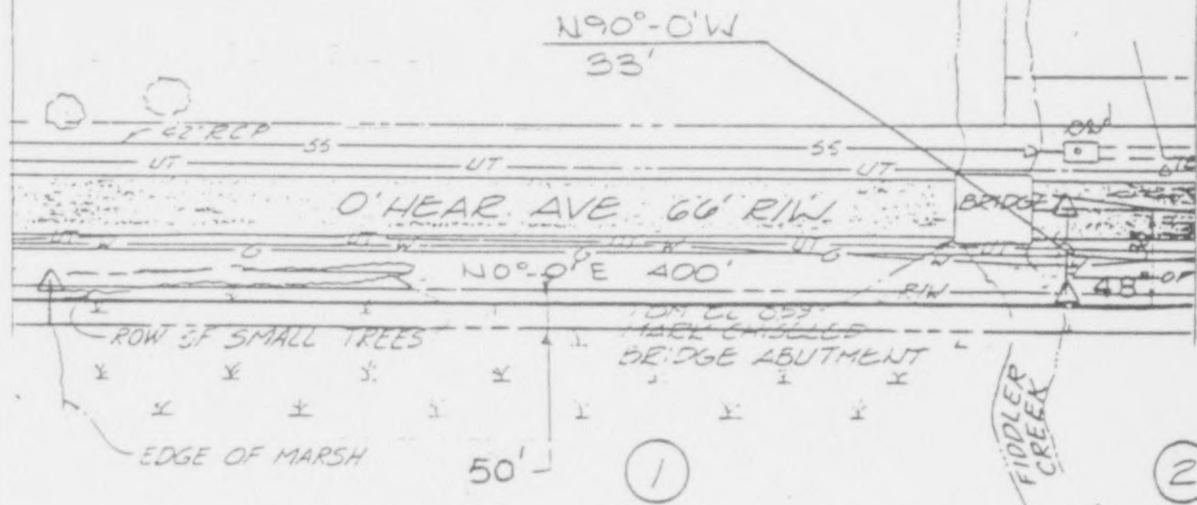
A plat showing a pipeline easement crossing Fiddler Creek prepared for the Commissioners of Public Works.

A utility easement 50 feet wide running from mean high water line on the North Bank to the mean high water line on the South Bank of Fiddler Creek.



STA 271+00

STA 275+64



Datum: Mean Sea Level

William C. Boineau, Jr.

William C. Boineau, Jr.
RLS SC Reg. 4173

PLAN
NTS

This plat intended only to show location of the easement for the South Carolina Budget and Control Board.

① FRANCES S. LAROCHE

② ARTHUR WEIL, JR.

Commissioners of Public Works
Of the City of Charleston, SC

Peninsula Water Trunk Main
Phase II



Jordan Jones & Goukling Inc.
Consulting Engineers

SCALE: AS SHOWN

DATE: June, 1987

11295

A RESOLUTION AUTHORIZING THE CHAIRMAN OR THE MANAGER OF THE COMMISSIONERS OF PUBLIC WORKS OF THE CITY OF CHARLESTON TO EXECUTE RIGHTS-OF-WAY, EASEMENTS, AND CONTRACTS TRANSFERRING WATER AND SEWER SYSTEMS TO THE COMMISSIONERS OF PUBLIC WORKS.

WHEREAS, in the ordinary course of conducting its business, it is necessary for the Commissioners of Public Works (hereinafter "CPW") to obtain rights-of-way and easements in, through and across parcels of property, for the installation and maintenance of its utility lines; and

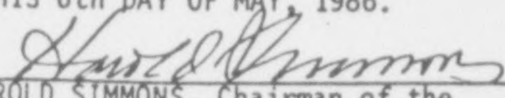
WHEREAS, it is also necessary in the ordinary course of conducting its business for the CPW to execute contracts transferring water and sewer systems to CPW; and

WHEREAS, in order to facilitate the execution of said rights-of-way, easements and contracts transferring water and sewer systems to CPW in a timely manner, the Commissioners consider it appropriate to have the Chairman or the Manager execute the legal documents on behalf of the Commissioners without additional approvals.

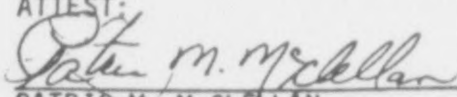
NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS IN MEETING DULY ASSEMBLED ON MAY 6, 1986, it is hereby

RESOLVED that the Chairman or the Manager of the CPW shall be and is authorized to sign all rights-of-way, easements and contracts transferring water and sewer systems to CPW in the ordinary course of business of the Commissioners of Public Works with no further approval being required.

DONE IN MEETING ASSEMBLED THIS 6th DAY OF MAY, 1986.


HAROLD SIMMONS, Chairman of the
Commissioners of Public Works
of the City of Charleston

ATTEST:


PATRIC M. McCLELLAN
Director of Administrative Services



Jordan, Jones & Goulding, Inc.
Engineers & Planners

RECEIVED

SEP 29 1987

S.C. WATER RESOURCES
COMMISSION

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

September 28, 1987

Mr. Jeff Havel
South Carolina Water Resources Commission
Post Office Box 4440
Columbia, South Carolina 29240

RE: Wetlands Easement for Commissioners of Public Works
Charleston, South Carolina - 5.2005.006.00

Dear Mr. Havel:

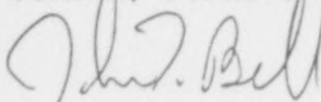
We are resubmitting a wetlands crossing (Permit #CC-84-399) to South Carolina Coastal Council. The permit in question was for a water pipeline crossing Fiddler Creek at its intersection with O'Hear Avenue in North Charleston.

In order to avoid an asbestos land fill, we have redesigned this crossing to the west (upstream) side of O'Hear Avenue.

Enclosed for your review is a new easement application for the proposed crossing. We are requesting that the existing easement be amended to reflect the new location.

Sincerely,

JORDAN, JONES & GOULDING, INC.


John T. Bell
Project Engineer

JTB:csm

Enclosure

cc: Mark Cline
Cliff Wooten

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

For meeting scheduled for:

January 12, 1987

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject:

Right-of-Way Easement from Clarks Hill-Russell Authority to the Department of Highways and Public Transportation.

3. Summary Background Information:

This is an easement from the Clarks Hill-Russell Authority to the State Highway Department for the construction of a section of the State Highway from US 378 to existing Road S-7.

This project is in conjunction with the development of the Indian Hill Project and in essence serves to relocate the intersection of Highway 7 and 378. Permission was given by the Board for the developer to relocate this intersection as part of the development at its meeting of July 14, 1987.

The Highway Department is to provide a Quit-Claim Deed to Clarks Hill-Russell Authority for that portion of Road S-7 which is being abandoned by the Department as a result of this relocation.

This easement has been executed by the Clarks Hill-Russell Authority.

4. What is Board asked to do?

Approve and execute the easement document in accordance with §10-1-130 of the Code of Laws of South Carolina, 1976, as amended.

5. What is recommendation of the Board Division involved?

That the proposed easement be approved and executed in accordance with §10-1-130 of the Code of Laws of South Carolina, 1976, as amended.

6. Recommendation of other office (as required).

(a) Office Name:

(b) Authorized Signature:

7. Supporting Documents:

List Those Attached

List Those Not Attached But Available from Submitter

1. Original Executed Easement.
2. Copy of letter dated 07/06/87.
3. Copy of Summary of B&C Board Actions dated 07/14/87 (Item 24).
4. Copy of § 10-1-130

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

11298

C (11)

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

§ 10-1-130. State institutions and agencies may grant easements and rights of way on consent of Budget and Control Board.

The trustees or governing bodies of State institutions and agencies may grant easements and rights of way over any property under their control, upon the concurrence and acquiescence of the State Budget and Control Board, whenever it appears that such easements will not materially impair the utility of the property or damage it and, when a consideration is paid therefor, any such amounts shall be placed in the State Treasury to the credit of the institution or agency having control of the property involved.

HISTORY: 1962 Code § 1-49.3; 1963 (53) 177.

Cross references—

As to composition, powers and duties of State Budget and Control Board generally, see Chapter 11 of Title 1.

As to the State Budget and Control Board, generally, see §§ 1-11-10 et seq.

As to execution of conveyances of such easements, see § 1-11-100.

The State of South Carolina

TRACT.....1

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

COUNTY OF.....McGermick
Road.....S-7
Route No.File No.

Project No.

Approx. survey station, from.....0+00.....to.....11+40 Rt.
0+00.....11+66.327 Lt.

KNOW ALL MEN BY THESE PRESENTS, That I (or we).....

Right of Way Easement

Clarks Hill Russell Authority of
South Carolina
P. O. Drawer K
McCormick, S. C. 29835

in consideration of the sum of One Dollar, to me (or us) in hand paid, and other valuable consideration at and before sealing and delivering thereof, by the South Carolina Department of Highways and Public Transportation, receipt of which is hereby acknowledged, have granted, bargained, sold, and released, and by these presents do grant, bargain, sell and release, unto the said South Carolina Department of Highways and Public Transportation, its successors and assigns a right

of way for the construction of a section of the State Highway from.....U. S. Route 378.....
Name of Place

to.....existing Road S-7.....Road.....S-7.....State and
Name of Place on Route No.

County aforesaid, as shown by plans prepared by the South Carolina Department of Highways and Public Transportation, on and over all lands which I (or we) may own in whole or in part, for the purpose of locating, constructing, improving, and maintaining the above described highway with the bridges and causeways thereon, and the right to construct and maintain controlled access facilities to said highway.

Bounded by the lands of.....U. S. 378 on the north and other lands of the property owner
Show only the Land Owners along the Highway.

on the east & west & by McCormick Health Care Center on the south.....and others.

Said right of way to have a width of.....66.....feet, that is.....33.....feet on each side of the center line of the highway. The grantor expressly recognizes the possibility that the property described herein may be used in the future by cable television companies for the purposes provided by Act No. 668 of the Acts of Joint Resolutions (1976).

"Special Provisions:" Herein described right of way is along a relocated centerline

for Road S-7 and extends from the right of way of U. S. Route 378 on the north

southerly to station 11+40 on the right and 11+66.327 left at which station the

right of way ties with the existing right of way on Road S-7. The relocated Road

S-7 survey ties with U. S. 378 survey at tie quality station 479+76 U. S. Route

Together with, all and singular, the rights, members, hereditaments and appurtenances thereunto belonging, or in any wise incident or appertaining, it is agreed that buildings, fences, signs or other obstructions will not be erected by me (or us), my heirs, assigns or administrators within the limits of the right of way herein conveyed and that such buildings and fences as are now within the limits of the right of way herein conveyed will be moved from the right of way and restored in as good condition as before moving at the expense of the South Carolina Department of Highways and Public Transportation. (over)

TO HAVE AND TO HOLD, all and singular, the said right of way and the rights hereinbefore granted, unto the said South Carolina Department of Highways and Public Transportation, its successors and assigns forever.

IN WITNESS WHEREOF, I (or we) have hereunto set my (or our) hand... and seal... this.....1st.....day
of.....December.....in the year of our Lord, One Thousand Nine Hundred and.....eighty-seven.....

Signed, sealed and delivered in the presence of:

CLARKS HILL RUSSELL AUTHORITY OF SOUTH CAROLINA

John C. Blythe, Jr.
Fred Catchings
Kathy Hollingsworth

[Signature] (L.S.)

NOTE: All Right of Way Agreements must be in writing and are subject to rejection by the South Carolina Department of Highways and Public Transportation.

The State of South Carolina

COUNTY OF.....McGermick.....

Personally appeared.....Kathy Hollingsworth.....

and made oath that.....she.....saw the within named.....Morrison Parrott, Executive Director of
Print or Type Name

Clarks Hill Russell Authority of South Carolina

sign, seal and, as.....his.....act and deed, deliver the within written easement; and that.....she.....with

John C. Blythe, Jr. and Fred Catchings.....witnessed the execution thereof.

Sworn to before me this.....

day of.....December.....A. D., 19..87..

E. L. [Signature] M. M. [Signature] (L.S.)
My Commission expires.....10-23-74.....
Notary Public for South Carolina

Kathy Hollingsworth
Witness sign here

11300

The State of South Carolina

RENUNCIATION OF DOWER

COUNTY OF.....

I,..... Notary Public for S. C.

do hereby certify unto whom it may concern, that Mrs.

the wife of the within named....., did this day appear before me, and upon being privately and separately examined by me, did declare that she does freely, voluntarily, and without any compulsion, dread or fear of any person or persons whomsoever, renounce, release, and forever relinquish unto the within named South Carolina Department of Highways and Public Transportation, its successors and assigns, all her interest and estate, and also her right and claim of dower of, in and to, all and singular, the premises within mentioned and released.

Given under my hand and seal, this.....day of.....

Anno Domini, 19.....

Signature of Wife.....

Sworn to before me this.....day of.....A. D., 19.....

.....(L. S.)

My Commission expires.....
Notary Public for South Carolina

The State of South Carolina

MORTGAGE RELEASE

COUNTY OF.....

KNOW ALL MEN BY THESE PRESENTS, That I (or we).....do for certain valuable consideration release from the lien and operation of my (or our) mortgage the property conveyed by the within deed so that the said property shall be free and unaffected by said mortgage.

Witness our hand and seal this.....day of....., 19.....

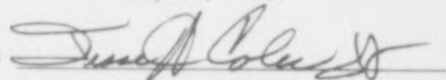
In the presence of:

(Cont. Special Provisions)

378 = station 0+00 relocated Road S-7 survey. The right of way herein described is more particularly shown on the plat titled "Staking Plan Proposed Relocation State Highway 7" as prepared by Cooper Consultants of 1 Carlisle Drive, Bella Vista, Arkansas, and dated 5-29-87.

Approved by the State Budget and Control Board on January 12, 1988.

BY:



EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

11301

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

July 6, 1987

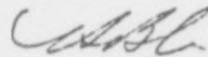
Road S-7 - McCormick County

Mr. Bruce Taylor
S. C. Budget & Control Board
Real Estate Division
Columbia, South Carolina

Dear Mr. Taylor:

Attached is the Right of Way Easement to be executed by Clarks Hill Russell Authority conveying right of way for the referenced road. This easement will provide the Department right of way along the new alignment. When the construction has been completed by the Authority and traffic is operating on the newly constructed road, then the Department will provide a Quitclaim to Clarks Hill Russell Authority for that portion of Road S-7 being abandoned by the Department. I trust that you find the attached instrument to be proper, and should you need anything additional, please call me.

Yours very truly,



H. B. Link
Director, Rights of Way

HEL:br

11302

EXHIBIT


JAN 12 1988

NO. 20

Summary of BCB Actions
July 14, 1987 Meeting
Page 4

STATE BUDGET & CONTROL BOARD

of State land for 190.23 acres of US Forest Service land with the values of each party's property being \$287,388.50; and authorized the School to enter into a land exchange agreement with the US Forest Service;

- 
22. Approved the acquisition by the Wildlife and Marine Resources Department of (a) 65.5 acres on Nipper Creek in Richland County for \$600 per acre; and (b) 61.03 acres in Laurens County for \$1,000 per acre;
 23. Approved the purchase by the Employment Security Commission of 2.33 acres of land on Richland Avenue in Aiken for \$50,000;
 24. Granted permission to Clark Hill-Russell Authority's Indian Hill project developer to install water and sewer lines along the relocated intersection of Highways 7 and 378 in McCormick County and authorized the Authority to convey four sewer pump sites to McCormick County with temporary easements for ingress and egress;
 25. Authorized the University of South Carolina to execute the restrictive covenant required by the City of Conway as a condition of providing water service to the dormitories now under construction at the Coastal Carolina campus;
 26. Exempted tuition paid to all institutions of higher learning from certain requirements of the procurement code in accordance with Code Section 11-35-710;
 27. Certified the Tax Commission for procurement within the parameters described in the audit report for a period of two years for the following, as recommended by the Division of General Services: printing services, \$10,000 per purchase commitment (total commitment whether single-year or multi-year contracts are used);
 28. Approved the promulgation of emergency regulations on fire prevention and life safety - buildings as an amendment of existing regulation 19-300, as recommended by the Fire Commission;
 29. Approved promulgation of emergency regulations on explosives, as recommended by the Fire Commission;
 30. Approved the travel of Clemson University Associate Professor R. Lynn Harwell to New Zealand during the July 26 - August 7, 1987 period to participate in a technical tour of New Zealand grassland farming at an estimated cost of \$3,000 of which \$1,500 are State funds;
 31. In accord with Code Section 8-11-135, authorized the Department of Mental Retardation to pay an additional \$480 as a reimbursement to Dr. Michael Dey for the costs incurred in moving personal and household effects from Winfield, Kansas to Columbia;

11303

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET

For meeting scheduled for:

January 12, 1988

☒ Blue Agenda
☐ Regular Session Agenda
☐ Executive Session Agenda

1. Submitted By:

(a) Agency: Division of General Services

(b) Authorized Official Signature: Richard W. Kelly, Director

2. Subject:

Drainage Easement from Clemson University to Richland County

3. Summary Background Information:

This is a Drainage Easement from Clemson University to Richland County which involves a portion of that property sold by Clemson University to Liberty Life Insurance Company (a portion of the Sandhill Experiment Station), a transaction which was approved by the Budget and Control Board on July 29, 1987. This drainage easement is a requirement of Richland County for proposed development of the surrounding properties in accordance with the County's Subdivision Regulations.

This easement has been executed by Clemson University's Board of Trustees.

EXHIBIT

JAN 12 1988

NO. 20

4. What is Board asked to do?

STATE BUDGET & CONTROL BOARD

Approve the granting of the proposed easement in accordance with §10-1-130 of the Code of Laws of South Carolina, 1976, as amended.

5. What is recommendation of the Board Division involved?

That the Board approve the granting of this easement in accordance with §10-1-130 of the Code of Laws of South Carolina, 1976, as amended.

6. Recommendation of other office (as required).

(a) Office Name:

(b) Authorized Signature:

7. Supporting Documents:

List Those Not Attached But Available from Submitter

List Those Attached

1. Original Drainage Easement (5 Pages)
2. Copy of letter dated 12/29/87 indicating Board of Trustee approval.
3. Copy of Board Summary, Item 25, dated 07/29/87.
4. Copy of §10-1-130 of the Code of Laws of South Carolina, 1976, as amended.

11304

C(2)



RECEIVED
DEC 30 1987
DIV. OF GEN. SERVICES
PROPERTY MANAGEMENT

SECRETARY OF THE BOARD OF TRUSTEES

December 29, 1987

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

Ms. Marcia B. Szerlip
Executive Manager
Budget and Control Board
1201 Main Street, Suite 401
Columbia, South Carolina 29201

Dear Marcia:

I am responding to your letter of December 8th concerning the Liberty Property transactions.

Both the deed and the easement have been executed by the Chairman of our Board. I returned both documents to Jeff Randolph of Liberty Properties for transmission to your office. I thought that this would probably be the fastest way to get the papers back to you. You should have received them by this time. If there is a problem, please let me know.

Thanks for your help.

Sincerely,


Hugh J. Clausen
MAJ GEN (USA, Ret)

rc

11305

EXHIBIT

JAN 12 1988

NO. 20

Summary of BCB Actions
July 29, 1987, Meeting
Page 4

STATE BUDGET & CONTROL BOARD

19. Directed that the Secretary of State's Office be notified of the Board's concern that it had not been notified of a possible deficit by that agency as required by Section 135 of Part I of the 1986-87 Appropriations Act;
20. Did not allocate \$12,000 from the Civil Contingent Fund to the Medical University to help pay the costs of hosting the annual meeting of the National Organization for Victim Assistance in Charleston in November;
21. Adopted a resolution approving the Colleton County and Dorchester County proposal to issue \$5,000,000 Pollution Control Revenue Bonds on behalf of the South Carolina Electric and Gas Company project, on the condition that the required reviews are completed with satisfactory results, and allocated \$5,000,000 of the State ceiling to the project;
22. Received as information the status report on the State Ceiling as of July 14, 1987, (year elapsed 54%) which showed:

| | CY 1986 Ceiling | Allocated | (%) | Not Allocated | (%) |
|------------|-----------------|--------------|-------|---------------|-------|
| State Pool | \$101,340,000 | \$ 9,030,000 | (9%) | \$ 92,310,000 | (91%) |
| Local Pool | 152,010,000 | 73,683,850 | (48%) | 78,326,150 | (52%) |
| Total | \$253,350,000 | \$82,713,850 | (33%) | \$170,636,150 | (67%) |

23. Approved the use of capital improvement bond funds authorized in Act 538 of 1986 as follows: (1) \$792,000, MUSC Teaching Hospital Asbestos Removal; (2) \$1,000,000, Clemson Barnett Hall Asbestos Removal; and (3) \$1,200,000, USC Columbia Hall Asbestos Removal;
24. Approved the following two land exchanges approved by the Clemson University Board of Trustees: (a) 84 acres from Clemson for 100 acres of equal value owned by Mr. Don McAllister; and (b) two tracts totalling 3.82+ acres from Clemson for 6.013 acres and \$10,000 from Mr. Jack Shadwick; on the condition that the acquisitions are reviewed favorably as permanent improvement projects by the Joint Bond Review Committee;
25. Authorized Clemson University (Sandhill Experiment Station) to:
 - (a) Sell 0.43 acre to Liberty Life Insurance Company for \$5,000;
 - (b) Sell a portion of a 0.34 acre parcel \$3,000 to Liberty Life Insurance Company to ensure Clemson's continued access to the area;
 - (c) Issue a license for discharging storm water in to the ditch along the east property line in return for certain improvements to the area;
26. Authorized Vocational Rehabilitation to purchase 5.3 acres of land adjacent to its facility in Aiken for \$93,000 to be financed by funds earned in production work by the Aiken workshop personnel;
27. Authorized the Department of Parks, Recreation and Tourism to purchase 3.69 acres of land adjacent to the Colleton State Park for \$7,380 using Recreation Land Trust Funds as the source;

11306

EXHIBIT

JAN 12 1988

NO. 20

STATE BUDGET & CONTROL BOARD

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

CLEMSON UNIVERSITY)
Grantor,)

to)

RICHLAND COUNTY,)
a Political Subdivision,)
of the State of South)
Carolina,)
Grantee,)

EASEMENT FOR DRAINAGE

WHEREAS, Clemson University (formerly Clemson Agricultural College of South Carolina) is the owner of the real property hereinbelow described and has heretofore held the same under the general supervisory auspices of its Board of Trustees as part and parcel of the institution's Sandhill Research and Education Center in Richland County, South Carolina; and,

WHEREAS, said owner has heretofore or contemporaneously herewith sold to Liberty Life Insurance Company of Greenville, South Carolina a certain portion of its said Sandhill Research and Education Center properties, specifically including a parcel lying adjacent and to the south of the properties hereinbelow described; and,

WHEREAS, this easement is granted in conjunction with a parallel and contiguous easement granted to the Grantee herein by the said Liberty Life Insurance Company in order to enable the unimpeded flow of surface water and storm drainage through an existing ditch across the properties owned by said Liberty Life Insurance Company, inclusive

of that portion of said properties acquired from Clemson University, the said drainage and easement being a requirement of Richland County, South Carolina for development of the surrounding properties in accord with said County's Subdivision Regulations;

KNOW ALL MEN BY THESE PRESENTS, that Clemson University (hereinafter referenced "Grantor"), by and through its Board of Trustees, for and in consideration of the sum of Ten and No/100 (\$10.00) Dollars to it in hand paid at and before the sealing of these presents by Richland County, South Carolina (hereinafter referenced "Grantee"), a political subdivision of the State of South Carolina, the receipt and sufficiency thereof being hereby acknowledged, has granted, bargained, sold and released and by these presents does grant, bargain, sell and release unto the said Grantee, its successors and assigns, over, through, across and upon that certain portion of the Grantor's properties hereinbelow described that certain easement and right-of-way hereinbelow more specifically described and identified.

THE PROPERTY

All that certain piece, parcel, tract and lot of land, constituting a portion of grantor's properties known as Clemson University Sandhill Research and Education Center, situate, lying and being, in part, on the southern side of S. C. Highway S-40-52 (Clemson Road) Northeast of the City of Columbia, in Richland County, South Carolina, specifically shown as a parcel identified as "NOW OR FORMERLY CLEMSON UNIVERSITY SANDHILL RESEARCH AND EDUCATION CENTER" on that certain Plat prepared for Liberty Life Insurance Company by U. S. Construction Company, Inc., Rosser W. Baxter, Jr., R.L.S, dated December 30, 1985 and revised through August 3, 1987, to be recorded in the Office of R.M.C. for Richland County, South Carolina, said Parcel being bounded on the North by the 66 foot right-of-way for S. C. Highway S-40-52; on the East by a portion of Parcel A as shown on said Plat; on the South, Southwest and West by Parcel B, Parcel A and Parcel C as shown on said Plat.

PLAT RECORDED: Plat Book ____ page ____ in the Office of R.M.C. for

EXHIBIT

JAN 12 1988

NO. 20

Richland County, South Carolina.

STATE BUDGET & CONTROL BOARD

The property hereinabove described having been acquired by Grantor herein by deed from P.H. Moffatt to Clemson Agricultural College of South Carolina, dated September 17, 1937, and recorded in the Office of R.M.C. for Richland County in Deed Book EH page 38.

THE EASEMENT

Grantor herein has bargained, sold, released and by these presents does grant, bargain, sell and release unto the aforesaid Grantee, its successors and assigns an easement and right-of-way appurtenant to and running with the land hereinabove described, for the unrestricted flow and drainage of storm water runoff and surface water runoff, said easement and right-of-way being Fifteen and No/100 (15.0') feet wide running parallel and adjacent to the southernmost property boundary of the parcel hereinabove described, being the common boundary line between Grantor's said properties and the properties of Liberty Life Insurance Company designated as Parcel B on the aforesaid plat, said Parcel B having been heretofore or contemporaneously herewith conveyed to said Liberty Life Insurance Company by Grantor herein; said common boundary being identified as the centerline of that certain ditch dividing the said parcels, running generally along the bearings, course and distances shown on said plat, to wit: S35°-59'W for a distance of 106.88 feet, thence turning and running along the line S28°-24'W for a distance of 57.46 feet.

Together with all and singular of the rights, members, hereditaments and appurtenances to the said premises belonging or in anywise incident and appertaining.

To have and to hold, all and singular, the said premises before

mentioned unto the said Grantee, its successors and assigns forever.

IN WITNESS WHEREOF, the Board of Trustees of Clemson University has caused these presents to be executed in its name and its seal to be hereto affixed to this 3rd day of ~~October~~^{November}, 1987.

CLEMSON UNIVERSITY
BY: Louis P. Batson
Louis P. Batson
ITS: Chairman, Board of Trustees

Signed, sealed and delivered in the presence of:

James B. Cox
Witness

Thylla B. Campbell
Witness

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

This grant of Easement for Drainage was approved by the Budget and Control Board of the State of South Carolina at its meeting held on January 12, 1988. ~~1987~~^{dur}

BY: James A. Clardy
ITS: Executive Director

STATE OF SOUTH CAROLINA)
GREENVILLE)
COUNTY OF PICKENS)

PROBATE

PERSONALLY APPEARED before me the undersigned witness who on oath says that he saw the within named Clemson University, by Louis P.

Batson, its Chairman, Board of Trustees, sign the within Easement and that the said Clemson University, by said officer seal said Easement and as the act and deed of Clemson University deliver same, and that (s)he with the second witness named above witnessed the execution thereof.

Jama B. Coy

SWORN to before me this 3rd
day of ~~October~~ ^{November}, 1987.

Lucille K. Merrett
Notary Public for South Carolina

My Commission Expires: 4-8-88

EXHIBIT

JAN 12 1988 NO. 20

STATE BUDGET & CONTROL BOARD

EXHIBIT

JAN 12 1988

NO. 21

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1988

ITEM NUMBER

14

AGENCY: Human Resource Management

SUBJECT: State Personnel Regulations Revision

The Human Resource Management Division requests Board approval of proposed revisions to State Personnel Regulations to bring Sections 19-700 (Definitions) and 19-708.06 (Personnel Programs and Records) into compliance with the Freedom of Information Act.

The Division advises that notice of drafting period was published in the November 27 State Register and that no comments were received.

Upon approval by the Board, the proposed regulations will be published in the State Register.

BOARD ACTION REQUESTED:

Approve for publication in the State Register revisions to State Personnel Regulations 19-700 and 19-708.06.

ATTACHMENTS:

Agenda item worksheet; attachments

11312

BUDGET AND CONTROL BOARD AGENDA ITEM WORKSHEET (Revised 8/84)

For meeting scheduled for:

January 12, 1988

Blue Agenda

☒ Regular Session Agenda

Executive Session Agenda

1. Submitted By:

(a) Agency: Division of Human Resource Management

(b) Authorized Official Signature: Phyllis M. Mayes

2. Subject:

Proposed Revisions to State Personnel Regulations

3. Summary Background Information:

Act 190, 1975, authorized the Budget and Control Board to develop the State Personnel Regulations.

Board approval is requested of the attached revisions to the State Personnel Regulations.

A notice of drafting period of regulations was published in the November 27, 1987 issue of the South Carolina State Register. No comments were received.

Upon approval of the Budget and Control Board, the regulations will be submitted for publication in the South Carolina State Register.

4. What is Board asked to do?

Approve proposed revisions.

EXHIBIT

JAN 12 1988 NO. 21

STATE BUDGET & CONTROL BOARD

5. What is recommendation of the Board Division involved?

Approval.

6. Recommendation of other office (as required)?

(a) Office Name _____ (b) Signature _____

7. Supporting Documents:

List Those Attached
Revisions to State Personnel
Regulations.

List Those Not Attached But Available
from Submitter

11313

EXHIBIT

JAN 12 1988 NO. 2 1

STATE BUDGET & CONTROL BOARD

BUDGET AND CONTROL BOARD

Regular Agenda Item Fact Sheet

Subject: Revision to State Personnel Regulations

1. Act 190, 1975, authorized the Budget and Control Board to develop the State Personnel Regulations.
2. Board approval is requested of the attached revisions to the State Personnel Regulations to bring Sections 19-700 Definitions and 19-708.06 Personnel Programs and Records into compliance with the Freedom of Information Act.
3. A notice of drafting period of regulations and definitions pertaining to the Freedom of Information Act Amendments was published in the November 27, 1987 issue of the South Carolina State Register. No comments were received.
4. Upon approval of the Budget and Control Board, the regulations will be submitted for publication in the South Carolina State Register.

Prepared by the Division of Human Resource Management

11314

EXHIBIT

JAN 12 1988

NO. 21

STATE BUDGET & CONTROL BOARD

Narrative

Division of Human Resource Management

State Personnel Regulations

11315

EXHIBIT

JAN 12 1988

NO. 21

ARTICLE 7

STATE BUDGET & CONTROL BOARD

DIVISION OF HUMAN RESOURCE MANAGEMENT

SUBARTICLE 1. STATE PERSONNEL REGULATIONS

The extent to which each regulation affects related provisions of the State Personnel Regulations is summarized below under each regulation.

Statutory Authority: S.C. Code of Laws

8-5-10 (Nepotism)

8-7-20 (Military Leave, Tour of Duty)

8-7-90 (Military Leave, Training)

8-11-40 (Sick Leave)

8-11-50 (Compensatory Holiday Time)

8-11-110 (Alcoholism)

8-11-210 through 8-11-300 (State Personnel Act)

8-11-610 through 8-11-680 (Annual Leave)

8-12-60 (Interchange of Government Employee Act)

8-15-60 (In-service Training)

8-17-310 through 8-17-380 (State Grievance Act)

30-4-10 through 30-4-100 (Freedom of Information Act)

53-5-10 through 53-5-30 (Holidays)

EXHIBIT

JAN 12 1988

NO. 21

STATE BUDGET & CONTROL BOARD

REGULATION

EXISTING: U. Department Head (Agency Head)—the chief administrative officer who has the ultimate authority and responsibility for an agency, department, commission, board or institution within State government.

19-700 DEFINITIONS

Department Head or Agency Head (for use in interpreting the Freedom of Information Act) - any person who has authority and responsibility for any department or any institution, board, commission, council, division, bureau, center, school, hospital, or other facility that is a unit of a public body.

19-708 PERSONNEL PROGRAMS AND RECORDS

19-708.06 is changed to read as follows:

708.06 Records Release

In responding to requests for information from personnel records, whether pursuant to the Freedom of Information Act or otherwise, agencies of the State of South Carolina may provide an employee's name, date of employment, title, position description, sex, and race. The determination to disclose other types of information should be made on a case by case basis. Requests for salary information should be answered in accordance with the Freedom of Information Act. When responding to requests pursuant to the Freedom of Information Act, the agency may assess the requesting party a reasonable charge for the costs incurred in providing the information requested, as provided in the Freedom of Information Act.

19-708.06. Records Release.

EXISTING: Under the Freedom of Information Act, the State of South Carolina and its political subdivisions should release only the employee's salary range, grade, job description, date of employment, position questionnaire, sex, race, name and title. Actual salaries of the directors of agencies, departments, institutions and commissions must be released. Such information shall be released only upon a written request signed by the party requesting it. Any further disclosure could come only if the employee authorizes the release or a court of competent jurisdiction orders such disclosure. The agency may assess the requesting party a reasonable charge for the costs incurred in providing the information requested.

11317

JAN 13 1988

The State of South Carolina



EXHIBIT

JAN 12 1988

NO. 22

Office of the Attorney General

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803/734-3680

January 12, 1988

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: Not Exceeding \$6,000,000, Greenville County, South
Carolina, Multi-Modal Interchangeable Rate
Industrial Development Revenue Bonds: National
Electric Carbon Corporation; Projected Issue Date -
January 27, 1988

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the
Petition and other documents submitted to the State Budget and
Control Board for its approval pursuant to Section(s) 4-29-140,
et seq., Code of Laws of South Carolina, 1976, as amended, and
the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the
documents you have provided for our review. No opinion is
expressed as to any other matters, including whether the Petition
should be approved as a matter of policy.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "DCE".

David C. Eckstrom
Assistant Attorney General

DCE:tgc

Enclosures

11318

Please send to
EAV for OK. He
and Margaret can
sign in his absence
(until Monday).
The objectionable
language has been removed.

51

WACHOVIA INT'L

EXHIBIT

JAN 12 1988

NO. 2 2

STATE BUDGET & CONTROL BOARD

FIRST
WACHOVIA

WACHOVIA BANK & TRUST CO., N.A.

Winston-Salem, NC 27150

Telecopier: (919) 770-5931

Telex: 440858 WACH INT WSL
440588

COVER SHEET FOR TELECOPY

TO: William Mc INNES / Give to Ed Vaughn to deliver
FROM: Jack Clayton / Burton French

Number of pages (including this cover page): 3

Please call 919-770-4099 if there are any problems.

FAX # 803 734 2117

11319

EXHIBIT

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Credit Enhancement Letter

JAN 12 1988

NO. 22

TO: Secretary, State Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

STATE BUDGET & CONTROL BOARD

RE: Sale by Greenville County, South Carolina (the "Issuer")
Of its \$6,000,000 Industrial Development Revenue Bonds (the "Bonds")
On behalf of National Electrical Carbon Corporation (the "Company")
National Electrical Carbon Corporation Project (the "Project")
Credit Enhancement Provided by Wachovia Bank and Trust Company, N.A.
(the "Letter of Credit Bank")

DATE: November 9, 1987

The Letter of Credit Bank has agreed to issue a Letter of Credit with respect to the issuance of the Bonds on behalf of the Company. In connection with the referenced sale of Bonds by the Issuer, the Letter of Credit Bank makes the following representations and certifications:

1. The Letter of Credit Bank has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of its prospective credit enhancement with respect to the Bonds;
2. The Letter of Credit Bank is financially able to bear the economic risk of its proposed credit enhancement with respect to the Bonds for an indefinite period;
3. The Letter of Credit Bank is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its credit enhancement with respect to the Bonds and to make an informed investment judgment in connection with the credit enhancement with respect to the Bonds;
4. The Letter of Credit Bank has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its credit enhancement with respect to the Bonds.

11329

01/13/88

11:52

WACHOVIA INT'L

003

SWORN to and subscribed
before me this 13 day
of January, 1988

[Signature]
Notary Public

My Commission Expires:
March 30, 1990

2987b FELIPE M. VILLALON
NOTARY PUBLIC
FORSTH COUNTY, N. C.

LETTER OF CREDIT BANK:

Name: Wachovia Bank and Trust Company, N.A.

Address: 301 N. Main Street

Winston-Salem, NC 27150

By: [Signature]
Signature of Authorized Official

APPROVED

[Signature]
EDGAR A. VAUGHN, JR., State Auditor
Date January 13, 1987

EXHIBIT

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

11321

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Credit Enhancement Letter

TO: Secretary, State Budget and Control Board
P.O. Box 12444
Columbia, SC 29211

RE: Sale by Greenville County, South Carolina (the "Issuer")
Of its \$6,000,000 Industrial Development Revenue Bonds (the "Bonds")
On behalf of National Electrical Carbon Corporation (the "Company")
National Electrical Carbon Corporation Project (the "Project")
Credit Enhancement Provided by Wachovia Bank and Trust Company, N.A.
(the "Letter of Credit Bank")

DATE: November 9, 1987

The Letter of Credit Bank has agreed to issue a Letter of Credit with respect to the issuance of the Bonds on behalf of the Company. In connection with the referenced sale of Bonds by the Issuer, the Letter of Credit Bank makes the following representations and certifications:

1. The Letter of Credit Bank has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risk of its prospective credit enhancement with respect to the Bonds;
2. The Letter of Credit Bank is financially able to bear the economic risk of its proposed credit enhancement with respect to the Bonds for an indefinite period;
3. The Letter of Credit Bank is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its credit enhancement with respect to the Bonds and to make an informed investment judgment in connection with the credit enhancement with respect to the Bonds;
4. The Letter of Credit Bank has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its credit enhancement with respect to the Bonds.

EXHIBIT

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

SWORN to and subscribed
before me this 13 day
of January, 1988

Felipe M. Villalon
Notary Public

My Commission Expires:

March 30, 1990

2987b FELIPE M. VILLALON
NOTARY PUBLIC
FORSYTH COUNTY, N. C.

LETTER OF CREDIT BANK:

Name: Wachovia Bank and Trust Company, N.A.

Address: 301 N. Main Street

Winston-Salem, NC 27150

By: Jack L. Clayton
Signature of Authorized Official

11323

EXHIBIT

JAN 12 1988

NO. 22

STATE OF SOUTH CAROLINA)

National Electrical Carbon Corp.

COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. McINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable James M. Waddell, Jr., Vice Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, January 12, 1988, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Senator Waddell, who moved its adoption; the motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

5

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

January 13, 1988

William A. McInnis

11324

A RESOLUTION APPROVING THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING \$6,000,000 PRINCIPAL AMOUNT MULTI-MODAL INTERCHANGEABLE RATE INDUSTRIAL DEVELOPMENT REVENUE BONDS (NATIONAL ELECTRICAL CARBON CORPORATION PROJECT) SERIES 1988, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

EXHIBIT

JAN 12 1988 NO. 22

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Greenville County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Greenville County (the "County") pursuant to the Act of its Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds (National Electrical Carbon Corporation Project) Series 1988, in the aggregate principal amount of not exceeding \$6,000,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the cost of acquiring, by construction and purchase, certain land and a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing carbon brushes; and

WHEREAS, the Project is to be made available to National Electrical Carbon Corporation (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Bonds; and

WHEREAS, the Bonds will be payable from and secured by an assignment of the obligations of the Corporation; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on December 15, 1987;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Loan Agreement, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Corporation, and do not make the inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Greenville News, which is a newspaper having general circulation in Greenville County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

JAN 12 1988 NO. 22

STATE BUDGET & CONTROL BOARD

EXHIBIT

JAN 12 1988

NO. 22

EXHIBIT A

STATE BUDGET & CONTROL BOARD

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

The issuance by Greenville County of its Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds (National Electrical Carbon Corporation Project) Series 1988, in the original principal amount of not exceeding \$6,000,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings by National Electrical Carbon Corporation, a Delaware corporation, to be used as an industrial facility for the purpose of manufacturing carbon brushes (the "Project") to be located in Greenville County. The Project will be made available to National Electrical Carbon Corporation which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by National Electrical Carbon Corporation for the use of the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Greenville County to finance the same, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: January 12, 1988.

11327

EXHIBIT

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

1/13

\$6000000

Re: Greenville County,
National Electrical Carbon

I called Nancy Page to tell her of Ed Vaughn's objection to some language in the letter of credit (which, in effect, says I am the only person who can rely on the letter's assurances). Ed wants that language out.

Nancy agrees + had told NY + Atlanta lawyers it probably wouldn't fly. She says Ed's objection gives her clout to get it removed. If successful, she will FAX the revised version today.

11328

EXHIBIT

JAN 12 1988

NO. 22

State of South Carolina

State Budget and Control Board BUDGET & CONTROL BOARD

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



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 21, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

FINAL ALLOCATION, CALENDAR YEAR 1988

TO: Greenville County
c/o Ms. Nancy Page
McNair Law Firm
1201 Bankers Trust Plaza
Greenville, SC 29601

RE: Issue of \$6,000,000 Greenville County, South Carolina
Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds
(National Electrical Carbon Corporation Project)
Issue Date Certified By Issuing Authority: January 27, 1988
Allocation Expiration Date: April 11, 1988
Issue Amount Certificate Date: January 19, 1988

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 6(B) of Act 117 of 1987, effective May 26, 1987, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1988 will not exceed the 1988 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

11329

JAN 20 1988

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 1201

NCNB PLAZA

7 NORTH LAURENS STREET

GREENVILLE, SOUTH CAROLINA 29601

803-271-4940

TELECOPIER 803-271-4015

COLUMBIA OFFICE
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

January 19, 1988

ANDERSON ARMORED CAR

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
Room 600
Columbia, South Carolina 29201

Re: \$6,000,000 Greenville County, South Carolina,
Multi-Modal Interchangeable Rate Industrial
Development Revenue Bonds (National Electrical
Carbon Corporation Project), Series 1988

Dear Mr. McInnis:

In accordance with the regulations of the State Budget and Control Board, I am submitting on behalf of Greenville County and National Electrical Carbon Corporation IRS Form 8038. Please confirm the allocation of \$6,000,000 of the State volume to the above-captioned issue. This issue is scheduled to close January 27.

Sincerely,

McNAIR LAW FIRM, P.A.

Nancy Page

Nancy Page

NP/dcp
Enclosure

11330

**Information Return for Tax-Exempt
Private Activity Bond Issues**
Under Section 149(e)

OMB No. 1545-0720
Expires 12/31/89

Part I Reporting Authority

Check box if Amended Return ☐

| | |
|---|---|
| 1 Issuer's name Greenville County, South Carolina | 2 Issuer's employer identification number 57-6000356 |
| 3 Number and street County Square, 301 University Ridge | 4 Report number PA198 8 - 1 |
| 5 City or town, state, and ZIP code Greenville, South Carolina 29601 | 6 Date of issue January 27, 1988 |

Part II Type of Issue (check box(es) that applies)

Issue Price

| | |
|--|-----------|
| 7 <input type="checkbox"/> Qualified hospital bond (section 145(c)) | |
| 8 <input type="checkbox"/> Qualified section 501(c)(3) bond other than a qualified hospital bond (section 145) | |
| 9 <input type="checkbox"/> Qualified student loan bond (section 144(b)) | |
| 10 <input type="checkbox"/> Qualified mortgage bond (section 143(a)). Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/> | |
| 11 <input type="checkbox"/> Qualified veterans' mortgage bond (section 143(b)). Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/> | |
| 12 <input type="checkbox"/> Qualified redevelopment bond (section 144(c)) | |
| 13 <input checked="" type="checkbox"/> Qualified small issue bond (section 144(a)). Check box for \$10 million small issue exemption <input checked="" type="checkbox"/> | 6,000,000 |
| 14 Exempt facility bond: | |
| a <input type="checkbox"/> Airport (section 142(a)(1)) | |
| b <input type="checkbox"/> Docks and wharves (section 142(a)(2)) | |
| c <input type="checkbox"/> Mass commuting facilities (section 142(a)(3)) | |
| d <input type="checkbox"/> Water furnishing facilities (section 142(a)(4)) | |
| e <input type="checkbox"/> Sewage facilities (section 142(a)(5)) | |
| f <input type="checkbox"/> Solid waste disposal facilities (section 142(a)(6)) | |
| g <input type="checkbox"/> Residential rental projects (section 142(a)(7)) | |
| h <input type="checkbox"/> Facilities for the local furnishing of electric energy or gas (section 142(a)(8)) | |
| i <input type="checkbox"/> Local district heating or cooling facilities (section 142(a)(9)) | |
| j <input type="checkbox"/> Qualified hazardous waste facilities (section 142(a)(10)) | |
| k <input type="checkbox"/> Sports facilities (see instructions) | |
| l <input type="checkbox"/> Convention or trade show facilities (see instructions) | |
| m <input type="checkbox"/> Pollution control facilities (see instructions) | |
| n <input type="checkbox"/> Hydroelectric generating facilities (see instructions) | |
| o <input type="checkbox"/> Parking facilities (see instructions) | |
| 15 <input type="checkbox"/> Industrial parks (see instructions) | |
| 16 <input type="checkbox"/> Other. Describe (see instructions) <input type="checkbox"/> | |

Part III Description of Bonds

| | (a) Maturity date | (b) Interest rate | (c) Issue price | (d) Stated redemption price at maturity | (e) Weighted average maturity | (f) Yield | (g) Net interest cost |
|-------------------|----------------------|----------------------|--------------------|--|----------------------------------|--------------|--------------------------|
| 17 Final maturity | 1/1/98 | VR % | 6,000,000 | 6,000,000 | | | |
| 18 Entire issue | | | 6,000,000 | 6,000,000 | 6.5 years | VR | VR |

Part IV Uses of Original Proceeds of Issue (including underwriters' discount)

| | | |
|--|----|-----------|
| 19 Proceeds used for accrued interest | 19 | -0- |
| 20 Proceeds used for bond issuance costs (including underwriters' discount) | 20 | 120,000 |
| 21 Proceeds used for credit enhancement | 21 | -0- |
| 22 Proceeds allocated to reasonably required reserve or replacement fund | 22 | -0- |
| 23 Proceeds used to refund prior issues (complete Part VI) | 23 | -0- |
| 24 Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c)) | 24 | 5,880,000 |

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

Form 8038 (Rev. 12-85)

11331

Part V Description of Property Financed by Nonrefunding Proceeds

(Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.)

| 25 Type of Property Financed by Nonrefunding Proceeds | | Amount |
|---|--|-----------|
| a | Land | 500,000 |
| b | Buildings and structures | 4,304,000 |
| c | Equipment with an ACRS life of more than 5 years | 1,076,000 |
| d | Equipment with an ACRS life of 5 years or less | 0 |

| 26 Standard industrial classification (SIC) of nonrefunding proceeds for the financed projects. | | | |
|---|----------|--------------------------|---|
| | SIC Code | Nonrefunding proceeds \$ | |
| a | 3624 | 5,880,000 | c |
| b | | | d |

Part VI Description of Refunded Bonds (complete this part only for refunding bonds)

27 Enter the remaining weighted average maturity of the bonds to be refunded ▶ _____ years

28 Enter the last date on which the refunded bonds will be called ▶ _____

29 Enter the date(s) the refunded bonds were issued ▶ _____

Part VII Miscellaneous

30 Name of governmental unit(s) approving issue ▶ Greenville County Council

31 Arbitrage rebate:

a Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply ▶ ☐

b Check box if you expect to earn and rebate arbitrage profits to the U.S. ▶ ☒

32 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) ▶ _____

Part VIII Volume Cap

33 Check box if qualified veterans' mortgage bonds. ▶ ☐ Enter the amount of the state veterans' limit ▶ _____

34 Check box if any part of the issue is subject to the unified state volume cap ▶ ☒

35 Amount of volume cap allocated to the issue. You must attach state certification ▶ 6,000,000

36 Amount of issue excepted from the volume cap:

a Under a carryforward election. Enter the date of the election ▶ _____

b As governmentally owned solid waste facilities, airports, docks, or wharves ▶ _____

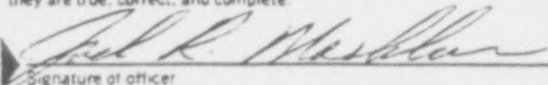
c As qualified section 501(c)(3) bonds ▶ _____

d Under the exception for current refundings ▶ _____

e Under transition rules for the Tax Reform Act of 1986. Enter the Act section(s) of the transition rule(s) ▶ _____

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

1/27/88
DateAdministrator
Title

EXHIBIT

JAN 12 1988

NO. 22

State of South Carolina

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 12, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1988

TO: Greenville County
\$6,000,000
Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds
(National Electrical Carbon Corporation Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1988 only. It will expire on April 11, 1988, which is ninety (90) consecutive calendar days from the date the allocation was approved by the Board, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 6(B) of Act 117 of 1987, effective May 26, 1987, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.

Grady L. Patterson, Jr.

Attest:

William A. McInnis, Secretary

11333

EXHIBIT

STATE OF SOUTH CAROLINA)
)
GREENVILLE COUNTY)

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
_____)

P E T I T I O N

This Petition of Greenville County, South Carolina (the "Issuer"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Greenville County (the "County Council") is the governing body of the Issuer and as such is the "governing board" of the Issuer referred to in the Act.

2. The Act, among other things, empowers the Issuer, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the Issuer; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

- - 3. The Issuer has agreed to assist National Electrical Carbon Corporation, a Delaware corporation qualified to do business as a corporation in South Carolina (the "Corporation"), by issuing its revenue bonds for the purpose of defraying the cost of acquiring certain facilities located in Greenville County (the "Project") more fully described in the Loan Agreement and Trust Indenture.

4. The Issuer has been advised by the Corporation that the estimated cost of the Project will be not exceeding \$6,000,000 and it has requested the Issuer to execute and deliver its Multi-Modal Interchangeable Rate Industrial

Development Revenue Bonds (National Electrical Carbon Corporation Project) Series 1988 (the "Bonds") in the principal amount of not exceeding \$6,000,000 to defray such costs.

5. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the Issuer by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the Issuer or a charge against its general credit or taxing power; (iv) the principal amount of the Bonds required to finance the Project is expected to be not exceeding \$6,000,000; (v) the Issuer does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Bonds and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the Issuer, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Bonds proposed to be issued to defray the cost of the Project.

6. Pursuant to Section 4-29-140 of the Act, the Issuer sets forth the following information:

(a) The Project, described in detail in the Loan Agreement and the Trust Indenture, consists of land, a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing carbon brushes. It is anticipated that, upon completion, the Project will provide directly 45 additional full-time jobs in Greenville County and neighboring areas and that the Project will provide stimulation to the economy of Greenville County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not exceeding \$6,000,000.

(c) Copies of the Loan Agreement and the Trust Indenture are available from the Issuer. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Loan Agreement between the Corporation and the Issuer provides in general:

(A) Proceeds derived from the placement of the Bonds will be used and applied by the Issuer upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the placement of the Bonds prove insufficient therefor without diminution of any payments to the Issuer required by the Loan Agreement; to meet the payments of principal and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Loan Agreement.

(C) The Issuer does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(ii) The proposed Trust Indenture between the Issuer and First Citizens Bank, as trustee (the "Trustee"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the Trustee or its assigns as holder of the Bonds of the Issuer's right, title and interest in and to the Loan Agreement and all payments, receipts and revenues which the Issuer has a right to receive under the Loan Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the Issuer (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Trust Indenture.

(B) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement, default provisions and remedies therefor and various other matters relating to the Bonds.

(C) The execution of the Trust Indenture imposes no pecuniary liability on the Issuer and does not create a charge upon the general credit or taxing power of the Issuer.

7. Neither the approvals granted in connection with the Bonds nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the Issuer respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Bonds by the Issuer pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the Issuer), (iv) allocate to the Bonds such portion of the state ceiling as established by the Internal Revenue Code and Tax Reform Act of 1986 as is necessary for the issuance of the Bonds, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

GREENVILLE COUNTY, SOUTH CAROLINA

By: W. Mann Batson
W. Mann Batson, Chairman, County
Council of Greenville County,
South Carolina

By: Joel R. Mashburn
Joel R. Mashburn, Administrator,
Greenville County, South Carolina

ATTEST:

Mary T. Turner
Mary T. Turner, Clerk,
to County Council

Dated: December 15, 1987.

EXHIBIT

JAN 12 1988

NO. 22

11

STATE BUDGET & CONTROL BOARD

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY GREENVILLE COUNTY, SOUTH CAROLINA, OF ITS MULTI-MODAL INTERCHANGEABLE RATE INDUSTRIAL DEVELOPMENT REVENUE BONDS (NATIONAL ELECTRICAL CARBON CORPORATION PROJECT) SERIES 1988, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$6,000,000.

WHEREAS, Greenville County, South Carolina (the "Issuer"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the Issuer is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the Issuer and National Electrical Carbon Corporation, a Delaware corporation (the "Corporation"), entered into an Assistance Agreement (the "Assistance Agreement") executed by the Corporation on October 20, 1987, and executed by the Issuer on October 20, 1987, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the Issuer pursuant to the Assistance Agreement, the Issuer proposes to issue its Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds (National Electrical Carbon Corporation Project) Series 1988, in the principal amount of not exceeding \$6,000,000 (the "Bonds") under and pursuant to the Act to defray the costs of acquiring by construction and purchase certain land, a building or buildings and other improvements thereon, and

machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be located in the jurisdiction of the Issuer and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of a Loan Agreement to be entered into between the Issuer and the Corporation (the "Loan Agreement"); and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the Issuer requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Greenville County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$6,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the Issuer by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 45 people from Greenville County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project, the Bonds proposed to be issued by the Issuer to defray the cost of the Project, nor any documents or agreements entered into by the Issuer in connection therewith will constitute or give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing power.

(d) The issuance of the Bonds by the Issuer in the principal amount of not exceeding \$6,000,000 will be required to defray the cost of the Project.

(e) Inasmuch as Wachovia Bank and Trust Company, N.A., will provide a letter of credit to secure the payment of principal and interest on the Bonds, the establishment of

reserve funds in connection with the retirement of the Bonds and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the Issuer to the Corporation upon terms which will require the Corporation, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the land, a building or buildings and other improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing carbon brushes, as described in the Loan Agreement and the Trust Indenture to be entered into between the Issuer and First Citizens Bank, as trustee (the "Trustee").

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is \$6,000,000.

(i) Neither the approvals granted in connection with the Bonds nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the Issuer of a Petition requesting the approval of the proposal of the Issuer to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council and the Administrator of the Issuer be and are hereby authorized and directed to execute said Petition in the name and on behalf of the Issuer; and the Clerk of the County Council be and is hereby authorized and directed to attest the same and thereafter to submit an executed copy of this resolution to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved December 15, 1987.

GREENVILLE COUNTY, SOUTH CAROLINA

By: W. Mann Batson
W. Mann Batson, Chairman, County
Council of Greenville County,
South Carolina

By: Joel R. Mashburn
Joel R. Mashburn, Administrator,
Greenville County, South Carolina

ATTEST:

Mary T. Turner
Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

EXHIBIT

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT BY AND BETWEEN GREENVILLE COUNTY, SOUTH CAROLINA, AND NATIONAL ELECTRICAL CARBON CORPORATION, WHEREBY, UNDER CERTAIN CONDITIONS, GREENVILLE COUNTY WILL ISSUE NOT EXCEEDING SIX MILLION DOLLARS (\$6,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

WHEREAS, Greenville County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, National Electrical Carbon Corporation, a Delaware corporation (the "Corporation"), has requested the County to issue not exceeding \$6,000,000 of its Industrial Development Revenue Bonds or Notes (National Electrical Carbon Corporation Project) pursuant to the Act for the purpose of defraying the cost of acquiring by construction and purchase certain land, a building or buildings or other improvements thereon, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of manufacturing carbon brushes, constituting an industrial facility (the "Project"), all as more fully set forth in the Assistance Agreement attached hereto; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Corporation that the

Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding Six Million Dollars (\$6,000,000) to be designated "Greenville County, South Carolina, Industrial Development Revenue Bonds or Notes (National Electrical Carbon Corporation Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Corporation, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council and the Administrator of the County are hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the Chairman of the County Council and the Administrator of the County are hereby further authorized and directed to deliver said executed Assistance Agreement to the Corporation.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

Done in meeting duly assembled this 20th day of
October, 1987.

GREENVILLE COUNTY, SOUTH CAROLINA

By: W. Mann Batson
W. Mann Batson, Chairman, County
Council of Greenville County,
South Carolina

By: Joel R. Mashburn
Joel R. Mashburn, Administrator,
Greenville County, South Carolina

ATTEST:

By: Mary T. Turner
Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

ASSISTANCE AGREEMENT

THIS AGREEMENT made and entered into by and between GREENVILLE COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and NATIONAL ELECTRICAL CARBON CORPORATION, a Delaware corporation (the "Corporation").

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

Section 1.02. The Corporation desires to acquire certain land located within the jurisdiction of the County, and a building or buildings and other improvements thereon and all machinery, apparatus, equipment, office facilities and furnishings to be used as an industrial facility for the purpose of manufacturing carbon brushes (the "Project"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 45 people.

Section 1.03. The Corporation has requested the County to assist it with its contemplated program through the sale of Industrial Development Revenue Bonds (or Notes) pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

Section 1.04. The County has given due consideration to all the proposals and requests of the Corporation and has agreed to endeavor to effect the

issuance of the bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding Six Million Dollars (\$6,000,000) Greenville County, South Carolina, Industrial Development Revenue Bonds (or Notes) (National Electrical Carbon Corporation Project) (the "Bonds"), at such time as the Corporation may request the County to do so.

Section 2.02. The County will permit the Corporation to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the acquisition by construction and purchase of the Project including land, buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Corporation for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Corporation or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Corporation and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of bond anticipation notes pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The County will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE CORPORATION

Section 3.01. The Corporation agrees that the County will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Corporation further agrees, if the plan proceeds as contemplated:

(a) to acquire by construction and purchase the land, buildings, equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the County under the terms of which the Corporation will obligate itself to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Corporation;

(c) to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing; and

(f) to covenant and agree in the financing agreement referred to hereinbefore to install in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate the Project as a facility for the purpose of manufacturing carbon brushes or for such other purposes as may hereafter be deemed appropriate.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 4.02. The parties hereto agree that the Corporation may proceed with the Project including the construction of a building or buildings and acquisition and installation of the equipment and machinery prior to the issuance of the Bonds.

Section 4.03. This Assistance Agreement may be assigned by the Corporation to a corporation which is a wholly owned subsidiary of the Corporation, to a corporation the majority stockholders of which are the majority stockholders of the Corporation, to a partnership comprised of the majority stockholders of the Corporation, or to any or all of the stockholders of the Corporation in their individual capacities.

Section 4.04. All commitments of the County and the Corporation hereunder are subject to the condition that the County and the Corporation do agree on acceptable terms and conditions of all documents the execution and delivery of which are contemplated by provisions hereof.

Section 4.05. The parties understand that the Corporation may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after
due authorization, have executed this Agreement on the
respective dates indicated below.

GREENVILLE COUNTY, SOUTH CAROLINA

By: W. Mann Batson
W. Mann Batson, Chairman, County
Council of Greenville County,
South Carolina

By: Joel R. Mashburn
Joel R. Mashburn, Administrator,
Greenville County, South Carolina

ATTEST:

By: Mary T. Turner
Mary T. Turner, Clerk,
County Council of
Greenville County,
South Carolina

Dated: October 20, 1987.

NATIONAL ELECTRICAL CARBON
CORPORATION

By: Mr. R. H. Cl
Its: VICE PRESIDENT - FINANCE

(SEAL)

ATTEST:

By: C. M. Givatchew
Its: ADMIN. ASST.

Dated: October 20, 1987.

EXHIBIT

JAN 12 1988 NO. 22

STATE BUDGET & CONTROL BOARD

11350

JAN - 4 1988
3:27 P.M.
1 of 3-LL

TRANSMITTAL FORM, REVENUE BONDS

Date: January 5, 1988
Submitted for BCB Meeting on:
January 12, 1988

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

McNAIR LAW FIRM, P.A.
Name of Law Firm
Greenville, South Carolina 29601
City, State, Zip Code

Suite 1201 NCNB Plaza 7 Laurens Street
Street Address/Box Number
(803) 271-4940

Telephone Area Code and Number

RE: Not Exceeding \$6,000,000
Amount of Issue
Greenville County, South Carolina
Issuing Authority Name

Multi-Modal Interchangeable Rate
Industrial Development Revenue Bonds
Type of Bonds or Notes
January 27, 1988
Projected Issue Date

Project Name: National Electrical Carbon Corporation Project

Project Description:
Manufacturing carbon brushes

EXHIBIT

JAN 12 1988 NO. 2 2

Employment as result of project: 45 Employees

STATE BUDGET & CONTROL BOARD

CEILING ALLOCATION REQUIRED
X Yes (\$ 6,000,000) No
Amount

REFUNDING INVOLVED
 Yes (\$) X No
Amount

PROJECT APPROVED PREVIOUSLY
 Yes () X No
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
B. X Resolution or ordinance (executed copy)
C. X Inducement Resolution or comparable preliminary approval (executed copy)
D. X Standard Form Investment Letter from bonds purchaser (executed original)
Purchaser: Credit Enhancement-Wachovia Bank and Trust, N.A.

OR Audited financial statements for three most recent years

- E. Department of Health and Environmental Control certificate IF REQUIRED
F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 4 copies for certification and return to counsel]
G. X Processing fee
Amount \$ 3,000.00 Check No. 3155
Payor McNAIR LAW FIRM, P.A.

Bond Counsel: Nancy Page

Typed Name

By:

Nancy Page
Signature

11351

JAN 17 1988

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW

COLUMBIA OFFICE
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 143
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET

GREENVILLE, SOUTH CAROLINA 29601

803-271-4940

TELECOPIER 803-271-4015

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-559-3900

EXHIBIT

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

January 14, 1988

Mr. William A. McInnis
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: \$6,000,000 Greenville County, South Carolina,
Multi-Modal Interchangeable Rate Industrial
Development Revenue Bonds (National Electrical
Carbon Corporation Project), Series 1988

Dear Mr. McInnis:

In accordance with Board Regulation 19-102.05 I am enclosing an affidavit certifying that the notice of the Board's approval of the above-referenced bond issue was published in The Greenville News on January 13, 1988. The Board approved this issue at its meeting on January 12, 1988.

If you need anything further, please give me a call.

Sincerely,

McNAIR LAW FIRM, P.A.

Nancy Page
Nancy Page

NP/jps
Enclosure

11352

EXHIBIT

JAN 12 1988

NO. 22

STATE BUDGET & CONTROL BOARD

THE GREENVILLE NEWS—PIEDMONT COMPANY

POST OFFICE BOX 1688

GREENVILLE, SOUTH CAROLINA 29602

AFFIDAVIT

Allen Dedwyler, being duly sworn, says that he is the legal ad-

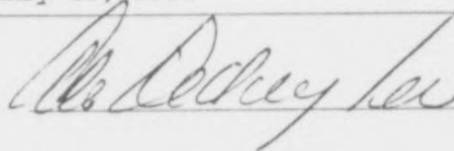
vertising representative of { THE GREENVILLE NEWS
~~GREENVILLE NEWS~~

newspaper printed and published in the City of Greenville, in

the State of South Carolina. That the attached advertisement

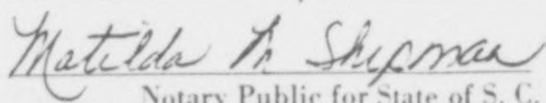
appearing in 5 3/4 inches in the issue

of January 13, 1988



Sworn to and subscribed before me

this 13th day of January 19 88



Total Due \$

Notary Public for State of S. C.

GMP-81016-R-12 77

NOTICE PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Greenville County, South Carolina, has given its approval to the following undertaking by Greenville County, South Carolina:

The issuance by Greenville County of its Multi-Modal Interchangeable Rate Industrial Development Revenue Bonds (National Electrical Carbon Corporation Project) in the original principal amount of not exceeding \$4,000,000 (the "Bonds"), to defray the costs of acquiring, by construction and purchase, certain land and a building or buildings and improvements thereon, and certain machinery, apparatus, equipment, office facilities and furnishings by National Electrical Carbon Corporation, a Delaware corporation, to be used as an industrial facility for the purpose of manufacturing carbon brushes (the "Project") to be located in Greenville County. The Project will be made available to National Electrical Carbon Corporation which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by National Electrical Carbon Corporation for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Greenville County to finance the same, by action de novo instituted in the Circuit Court for Greenville County, South Carolina.

STATE BUDGET AND CONTROL BOARD, BY: WILLIAM A. MCINNIS, Secretary, Dated: January 12, 1988.

11353

JAN 13 1988

The State of South Carolina



Office of the Attorney General

EXHIBIT

JAN 12 1988

NO. 23

STATE BUDGET & CONTROL BOARD

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803 734 3680

January 12, 1988

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: Not Exceeding \$4,000,000, Laurens County, South
Carolina, Industrial Development Revenue Note:
Dispoz-o Plastics, Inc.; Projected Issue Date -
February 2, 1988

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the
Petition and other documents submitted to the State Budget and
Control Board for its approval pursuant to Section(s) 4-29-140,
et seq., Code of Laws of South Carolina, 1976, as amended, and
the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the
documents you have provided for our review. No opinion is
expressed as to any other matters, including whether the Petition
should be approved as a matter of policy.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE:tgc

Enclosures

11354

EXHIBIT

JAN 12 1988

NO. 23

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Investment Letter

STATE BUDGET & CONTROL BOARD

TO: Secretary, State Budget and Control Board
P. O. Box 12444
Columbia, SC 29211

RE: Sale by Laurens County, South Carolina (the "Issuer")
Of its Not Exceeding \$4,000,000 Ind. Dev. Rev. Note (the "Bonds")
On behalf of Dispoz-o Plastics, Inc. (the "Company")
Dispoz-o Plastics, Inc. Project (the "Project")
To NCNB South Carolina (the "Purchaser")

In connection with the referenced sale of Bonds by the Issuer, the Purchaser makes the following representations and certifications:

1. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds;
2. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;
3. The Purchaser is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds;
4. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds; and
5. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

SWORN to and subscribed
before me this 4th day
of DECEMBER, 1987.

E. Phifer Helms
Notary Public

My Commission expires

My Commission Expires 7/1/93

PURCHASER:

Name: NCNB South Carolina
Address: Post Office Box 608
Greenville, South Carolina 29602

BY: Robert E. Wagner
Signature of Authorized Official

Date: 12/4/87

11355

EXHIBIT

JAN 12 1988

NO. 23

STATE OF SOUTH CAROLINA)

Dispoz-o Plastics, Inc.

COUNTY OF RICHLAND)

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. McINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and
Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable James M. Waddell, Jr., Vice Chairman of
the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House
Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, January 12, 1988, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Senator Waddell, who moved its adoption; the motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

AGAINST MOTION

5

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

January 13, 1988

William A. McInnis

11356

A RESOLUTION APPROVING THE ISSUANCE BY LAURENS COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING \$4,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (DISPOZ-O PLASTICS, INC. PROJECT) 1988, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

EXHIBIT

JAN 12 1988 NO. 23

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Laurens County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Laurens County (the "County") pursuant to the Act of its Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) in the aggregate principal amount of not exceeding \$4,000,000 (the "Note"); and

WHEREAS, the County proposes to issue the Note for the purpose of defraying the cost of constructing and expanding a building or buildings, other improvements, and acquiring additional machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing disposable cutlery and related products; and

WHEREAS, the Project is to be made available to Dispoz-o Plastics, Inc. (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Note and which secure the obligation of the Corporation by a mortgage and security interest in the Project; and

WHEREAS, the Note will be payable from and secured by an assignment of the obligations of the Corporation and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on December 14, 1987;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and

on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Note, in substantially the form set forth in the Indenture, as amended, secured by an assignment of the revenues to be derived from the Mortgage and Financing Agreement, as amended, and a mortgage and security interest in the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Mortgage and Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in The Laurens Advertiser, which is a newspaper having general circulation in Laurens County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

JAN 12 1988 NO. 23

STATE BUDGET & CONTROL BOARD

11358

EXHIBIT A

EXHIBIT

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED, JAN 12 1988
TITLE 4, CHAPTER 29 (1976),
AS AMENDED

NO. 23

STATE BUDGET & CONTROL BOARD

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Laurens County, South Carolina, has given its approval to the following undertaking by Laurens County, South Carolina:

The issuance by Laurens County of its Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) in the original principal amount of not exceeding \$4,000,000 (the "Note"), to defray the costs of constructing and expanding a building or buildings, other improvements, and acquiring machinery, apparatus, equipment, office facilities and furnishings by Dispoz-o Plastics, Inc., a South Carolina corporation, to be used as an industrial facility for the purpose of manufacturing disposable cutlery and related products (the "Project") to be located in Laurens County. The Project will be made available to Dispoz-o Plastics, Inc. which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by Dispoz-o Plastics, Inc. for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Laurens County to finance the same, by action de novo instituted in the Circuit Court for Laurens County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: January 12, 1988.

EXHIBIT

State of South Carolina

JAN 12 1988

NO. 23

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 25, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1988

TO: Laurens County
c/o Ms. Nancy Page
McNair Law Firm
1201 Bankers Trust Plaza
Greenville, SC 29601

RE: Issue of \$4,000,000 Laurens County, South Carolina
Industrial Development Revenue Note
(Dispoz-o Plastics, Inc., Project)
Issue Date Projected By Issuing Authority: February 2, 1988
Allocation Expiration Date: April 11, 1988
Issue Amount Certificate Date: January 22, 1988

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 6(B) of Act 117 of 1987, effective May 26, 1987, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1988 will not exceed the 1988 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

11360

EXHIBIT

State of South Carolina

JAN 12 1988

NO. 23

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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

Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE
JESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTOR

January 12, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

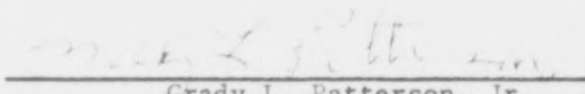
(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1988

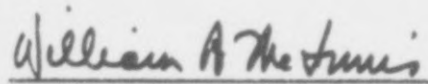
TO: Laurens County
\$4,000,000
Industrial Development Revenue Note
(Dispoz-o Plastics, Inc., Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1988 only. It will expire on April 11, 1988, which is ninety (90) consecutive calendar days from the date the allocation was approved by the Board, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 6(B) of Act 117 of 1987, effective May 26, 1987, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority before the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.


Grady L. Patterson, Jr.

Attest:


William A. McInnis, Secretary

11361

EXHIBIT

STATE OF SOUTH CAROLINA)
)
LAURENS COUNTY)

JAN 12 1988 NO. 23

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
_____)

P E T I T I O N

This Petition of Laurens County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Laurens County (the "County Council") is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. The County has heretofore issued a \$3,200,000 Laurens County, South Carolina, Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) 1985, a \$1,500,000 Laurens County, South Carolina, Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) 1986, and a \$750,000 Laurens County, South Carolina, Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) 1987, to assist Dispoz-o Plastics, Inc., a South Carolina corporation (the "Corporation"), in locating, acquiring and expanding an industrial facility in the County (the "Project").

4. The Corporation has informed the County Council that the demand for products at the Project has increased and the Corporation desires to expand the project and acquire additional machinery and equipment, thereby increasing employment by an additional 20 employees within one year after completion of the Project in addition to employment in the construction areas.

5. The County has agreed to provide further assistance by issuing its revenue note for the purpose of defraying the cost of expanding certain facilities located in the County (the "Project") more fully described in Exhibit B to the Third Amendatory Mortgage and Financing Agreement.

6. The County has been advised by the Corporation that the estimated cost of the Project will be \$4,000,000 and it has requested the County to execute and deliver its Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) 1988 (the "1988 Note") in the principal amount of not exceeding \$4,000,000 to defray such costs.

7. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the 1988 Note required to finance the Project is expected to be not exceeding \$4,000,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed 1988 Note and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the 1988 Note proposed to be issued to defray the cost of the Project.

8. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project consists of the construction and expansion of a building or buildings and the acquisition of certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing disposable cutlery and related products. It is anticipated that upon completion, the

Project will provide directly 20 additional full-time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not exceeding \$4,000,000.

(c) Copies of the Third Amendatory Mortgage and Financing Agreement and the Third Amendatory Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Mortgage and Financing Agreement, as amended, between the Corporation and the County provides in general:

(A) Proceeds derived from the placement of the 1988 Note will be used and applied by the County upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Corporation obligates itself to effect the completion of the Project if the proceeds derived from the placement of the 1988 Note prove insufficient therefor without diminution of any payments to the County required by the Mortgage and Financing Agreement, as amended; to meet the payments of principal and interest on the 1988 Note as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Mortgage and Financing Agreement, as amended.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) The County acquires a security interest in the Project as security for the obligations of the Corporation under the Mortgage and Financing Agreement, as amended.

(ii) The proposed Indenture, as amended, between the County and NCNB South Carolina

(successor to Bankers Trust of South Carolina), as lender (the "Lender"), provides in general:

(A) An irrevocable pledge and assignment for the benefit of the Lender or its assigns as holder of the 1988 Note of the County's right, title and interest in and to the Mortgage and Financing Agreement, as amended, and all payments, receipts and revenues which the County has a right to receive under the Mortgage and Financing Agreement, as amended, or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture, as amended.

(B) The terms of the 1988 Note, the provisions for exchange and transfer of the 1988 Note, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, default provisions and remedies therefor and various other matters relating to the 1988 Note.

(C) The execution of the Indenture, as amended, imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

9. Neither the approvals granted in connection with the 1988 Note nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

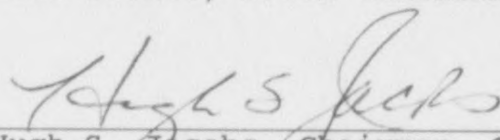
Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the 1988 Note by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate to the

1988 Note such portion of the state ceiling as established by the Internal Revenue Code of 1986 as is necessary for the issuance of the 1988 Note, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

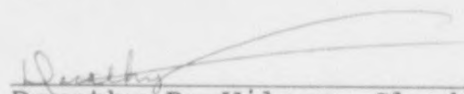
Respectfully submitted,

LAURENS COUNTY, SOUTH CAROLINA

By:


Hugh S. Jacobs, Chairman, County
Council of Laurens County,
South Carolina

ATTEST:


Dorothy B. Wilson, Clerk,
County Council of Laurens
County, South Carolina

EXHIBIT

JAN 12 1988 NO. 23

STATE BUDGET & CONTROL BOARD

Dated: December 14, 1987

EXHIBIT

JAN 12 1988

NO. 218

RESOLUTION

STATE BUDGET & CONTROL BOARD

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY LAURENS COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE NOTE (DISPOZ-O PLASTICS, INC. PROJECT) 1988, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$4,000,000.

WHEREAS, Laurens County, South Carolina (the "County"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the County and Dispoz-o Plastics, Inc., a South Carolina corporation (the "Corporation"), entered into an Assistance Agreement (the "Assistance Agreement") executed by the Corporation on September 14, 1987, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue its Industrial Development Revenue Note (Dispoz-o Plastics, Inc. Project) 1988 in the principal amount of not exceeding \$4,000,000 (the "1988 Note") under and pursuant to the Act to defray the costs of constructing and expanding a building or buildings and of acquiring certain machinery and equipment (the "Project"), to be located in the jurisdiction of the County and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of the Mortgage and Financing Agreement dated as of September 1, 1985, as amended by the First Amendatory Mortgage and Financing

Agreement dated as of July 1, 1986, the Second Amendatory Mortgage and Financing Agreement dated as of June 1, 1987, and the Third Amendatory Mortgage and Financing Agreement (collectively referred to as the "Agreement") between the County and the Corporation; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Laurens County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the 1988 Note in the principal amount of not exceeding \$4,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 20 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project nor the 1988 Note proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the 1988 Note by the County in the principal amount of not exceeding \$4,000,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the 1988 Note and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Corporation upon terms which will require the Corporation, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the expansion of a building and certain items of machinery and equipment including the items described in Exhibit B to the Third Amendatory Mortgage and Financing Agreement, to be entered into between the County and NCNB South Carolina, as lender (the "Lender"), such document is available from the County.

(h) A reasonable estimate of the cost of the Project, including necessary expenses incident thereto, is \$4,000,000.

(i) Neither the approvals granted in connection with the 1988 Note nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the 1988 Note by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved December ¹⁴~~21~~, 1987.

LAURENS COUNTY, SOUTH CAROLINA

By:

H. S. Jacobs
Hugh S. Jacobs, Chairman, County
Council of Laurens County,
South Carolina

ATTEST:

Dorothy B. Wilson
Dorothy B. Wilson, Clerk,
County Council of Laurens
County, South Carolina

EXHIBIT

JAN 12 1988

NO. 23

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT BY AND BETWEEN LAURENS COUNTY, SOUTH CAROLINA, AND DISPOZ-O PLASTICS, INC., WHEREBY, UNDER CERTAIN CONDITIONS, LAURENS COUNTY WILL ISSUE NOT EXCEEDING FIVE MILLION DOLLARS (\$5,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

EXHIBIT

JAN 12 1988 NO. 23

STATE BUDGET & CONTROL BOARD

WHEREAS, Laurens County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, Dispoz-o Plastics, Inc., a South Carolina corporation (the "Corporation"), has requested the County to issue not exceeding \$5,000,000 of its Industrial Development Revenue Bonds or Notes (Dispoz-o Plastics, Inc. Project) pursuant to the Act for the purpose of defraying the cost of expanding a building or buildings, other improvements, and acquiring additional machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of manufacturing disposable cutlery and related products, constituting an industrial facility (the "Project"), all as more fully set forth in the Assistance Agreement attached hereto; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Corporation that the Project would be a "project" as that term is defined in the

Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project, there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding Five Million Dollars (\$5,000,000) to be designated "Laurens County, South Carolina, Industrial Development Revenue Bonds or Notes (Dispoz-o Plastics, Inc. Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Corporation, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Chairman of the County Council is hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the Chairman of the County Council is hereby further authorized and directed to deliver said executed Assistance Agreement to the Corporation.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

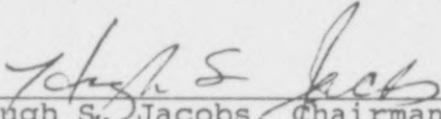
Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

Done in meeting duly assembled this 14th day of
September, 1987.

LAURENS COUNTY, SOUTH CAROLINA

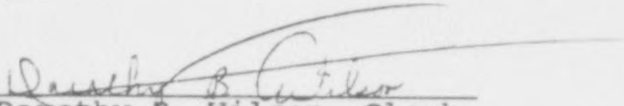
By:


Hugh S. Jacobs, Chairman, County
Council of Laurens County,
South Carolina

(SEAL)

ATTEST:

By:


Dorothy B. Wilson, Clerk,
County Council of Laurens
County, South Carolina

ASSISTANCE AGREEMENT

THIS AGREEMENT made and entered into by and between LAURENS COUNTY, SOUTH CAROLINA, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and DISPOZ-O PLASTICS, INC., a South Carolina corporation (the "Corporation").

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

Section 1.02. The Corporation desires to expand its facility located within the jurisdiction of the County, and to acquire additional machinery, apparatus, equipment, office facilities and furnishings to be used as an industrial facility for the purpose of manufacturing disposable cutlery and related products (the "Project"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 20 people.

Section 1.03. The Corporation has requested the County to assist it with its contemplated program through the sale of Industrial Development Revenue Bonds (or Notes) pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

Section 1.04. The County has given due consideration to all the proposals and requests of the Corporation and has agreed to endeavor to effect the issuance of the bonds at the time and on the terms and conditions hereafter set forth.

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding Five Million Dollars (\$5,000,000) Laurens County, South Carolina, Industrial Development Revenue Bonds (or Notes) (Dispoz-o Plastics, Inc. Project) (the "Bonds"), at such time as the Corporation may request the County to do so.

Section 2.02. The County will permit the Corporation to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the expansion of buildings, and the acquisition of necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Corporation for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Corporation or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Corporation and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of bond anticipation notes pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The County will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE CORPORATION

Section 3.01. The Corporation agrees that the County will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Corporation further agrees, if the plan proceeds as contemplated:

(a) to expand by construction and purchase the buildings and to acquire the necessary equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the County under the terms of which the Corporation will obligate itself to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Corporation;

(c) to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing; and

(f) to covenant and agree in the financing agreement referred to hereinbefore to install in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate the Project as a facility for the purpose of manufacturing disposable cutlery and related products or for such other purposes as may hereafter be deemed appropriate.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 4.02. The parties hereto agree that the Corporation may proceed with the Project including the expansion of a building or buildings and acquisition and installation of the equipment and machinery prior to the issuance of the Bonds.

Section 4.03. This Assistance Agreement may be assigned by the Corporation to a corporation which is a wholly owned subsidiary of the Corporation, to a corporation the majority stockholders of which are the majority stockholders of the Corporation, to a partnership comprised of the majority stockholders of the Corporation, or to any or all of the majority stockholders of the Corporation in their individual capacities.

Section 4.04. All commitments of the County and the Corporation hereunder are subject to the condition that the County and the Corporation do agree on acceptable terms and conditions of all documents the execution and delivery of which are contemplated by provisions hereof.

Section 4.05. The parties understand that the Corporation may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Agreement on the respective dates indicated below.

LAURENS COUNTY, SOUTH CAROLINA

By: Hugh S. Jacobs
Hugh S. Jacobs, Chairman, County
Council of Laurens County,
South Carolina

ATTEST:


By: Dorothy B. Wilson
Dorothy B. Wilson, Clerk,
County Council of Laurens
County, South Carolina

.. A H 1 B 1 1
JAN 12 1988 NO. 23
STATE BUDGET & CONTROL BOARD

Dated: September 14, 1987.

11378

DISPOZ-O PLASTICS, INC.

By: 
Its: President

(SEAL)

ATTEST:

By: _____
Its: _____

Dated: September 14, 1987.

11379

EXHIBIT

JAN 12 1988

NO. 23

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW

SUITE 1201

NCNB PLAZA

7 NORTH LAURENS STREET

GREENVILLE, SOUTH CAROLINA 29601

803-271-4940

TELECOPIER 803-271-4015

STATE BUDGET & CONTROL BOARD

121 SCREEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

COLUMBIA OFFICE
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

January 22, 1988

ANDERSON ARMORED CAR

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
Room 600
Columbia, South Carolina 29201

Re: \$4,000,000 Laurens County, South Carolina,
Industrial Development Revenue Note (Dispoz-o
Plastics, Inc. Project) 1988

Dear Mr. McInnis:

In accordance with the regulations of the State Budget and Control Board, I am submitting on behalf of Laurens County and Dispoz-o Plastics, Inc., IRS Form 8038. Please confirm the allocation of \$4,000,000 of the State volume to the above-captioned issue. This issue is scheduled to close February 2.

Sincerely,

McNAIR LAW FIRM, P.A.

Nancy Page
Nancy Page

NP/dcp
Enclosure

11380

**Information Return for Tax-Exempt
Private Activity Bond Issues**

Under Section 149(e)

OMB No. 1545-0720
Expires 12/31/89

Part I Reporting Authority

Check box if Amended Return ☐

| | |
|--|---|
| 1 Issuer's name Laurens County, South Carolina | 2 Issuer's employer identification number 57-6000372 |
| 3 Number and street Post Office Box 445 | 4 Report number PA198 8 - 1 |
| 5 City or town, state, and ZIP code Laurens, South Carolina 29360 | 6 Date of issue February 2, 1988 |

Part II Type of Issue (check box(es) that applies)

Issue Price

| | |
|--|-----------|
| 7 <input type="checkbox"/> Qualified hospital bond (section 145(c)) | |
| 8 <input type="checkbox"/> Qualified section 501(c)(3) bond other than a qualified hospital bond (section 145) | |
| 9 <input type="checkbox"/> Qualified student loan bond (section 144(b)) | |
| 10 <input type="checkbox"/> Qualified mortgage bond (section 143(a)). Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/> | |
| 11 <input type="checkbox"/> Qualified veterans' mortgage bond (section 143(b)). Check box if you elect to rebate arbitrage profits to the U.S. <input type="checkbox"/> | |
| 12 <input type="checkbox"/> Qualified redevelopment bond (section 144(c)) | |
| 13 <input checked="" type="checkbox"/> Qualified small issue bond (section 144(a)). Check box for \$10 million small issue exemption <input checked="" type="checkbox"/> | 4,000,000 |
| 14 Exempt facility bond: | |
| a <input type="checkbox"/> Airport (section 142(a)(1)) | |
| b <input type="checkbox"/> Docks and wharves (section 142(a)(2)) | |
| c <input type="checkbox"/> Mass commuting facilities (section 142(a)(3)) | |
| d <input type="checkbox"/> Water furnishing facilities (section 142(a)(4)) | |
| e <input type="checkbox"/> Sewage facilities (section 142(a)(5)) | |
| f <input type="checkbox"/> Solid waste disposal facilities (section 142(a)(6)) | |
| g <input type="checkbox"/> Residential rental projects (section 142(a)(7)) | |
| h <input type="checkbox"/> Facilities for the local furnishing of electric energy or gas (section 142(a)(8)) | |
| i <input type="checkbox"/> Local district heating or cooling facilities (section 142(a)(9)) | |
| j <input type="checkbox"/> Qualified hazardous waste facilities (section 142(a)(10)) | |
| k <input type="checkbox"/> Sports facilities (see instructions) | |
| l <input type="checkbox"/> Convention or trade show facilities (see instructions) | |
| m <input type="checkbox"/> Pollution control facilities (see instructions) | |
| n <input type="checkbox"/> Hydroelectric generating facilities (see instructions) | |
| o <input type="checkbox"/> Parking facilities (see instructions) | |
| 15 <input type="checkbox"/> Industrial parks (see instructions) | |
| 16 <input type="checkbox"/> Other. Describe (see instructions) ▶ | |

EXHIBIT

JAN 12 1988

NO. 23

STATE BUDGET & CONTROL BOARD

Part III Description of Bonds

| | (a) Maturity date | (b) Interest rate | (c) Issue price | (d) Stated redemption price at maturity | (e) Weighted average maturity | (f) Yield | (g) Net interest cost |
|-------------------|----------------------|----------------------|--------------------|--|----------------------------------|--------------|--------------------------|
| 17 Final maturity | 2/1/98 | VR % | 4,000,000 | 4,000,000 | | | |
| 18 Entire issue | | | 4,000,000 | 4,000,000 | 10.0 years | VR | VR |

Part IV Uses of Original Proceeds of Issue (including underwriters' discount)

| | | |
|--|----|-----------|
| 19 Proceeds used for accrued interest | 19 | -0- |
| 20 Proceeds used for bond issuance costs (including underwriters' discount) | 20 | 75,000 |
| 21 Proceeds used for credit enhancement | 21 | -0- |
| 22 Proceeds allocated to reasonably required reserve or replacement fund | 22 | -0- |
| 23 Proceeds used to refund prior issues (complete Part VI) | 23 | -0- |
| 24 Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c)) | 24 | 3,925,000 |

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

Form 8038 (Rev. 12-86)

11381

Part V Description of Property Financed by Nonrefunding Proceeds

(Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.)

| 25 Type of Property Financed by Nonrefunding Proceeds | | Amount |
|---|--|-----------|
| a | Land | -0- |
| b | Buildings and structures | 800,000 |
| c | Equipment with an ACRS life of more than 5 years | 3,125,000 |
| d | Equipment with an ACRS life of 5 years or less | -0- |

| 26 Standard industrial classification (SIC) of nonrefunding proceeds for the financed projects. | | | |
|---|----------|--------------------------|---|
| | SIC Code | Nonrefunding proceeds \$ | |
| a | 3070 | 3,925,000 | c |
| b | | | d |

Part VI Description of Refunded Bonds (complete this part only for refunding bonds)

27 Enter the remaining weighted average maturity of the bonds to be refunded ▶ _____ years

28 Enter the last date on which the refunded bonds will be called ▶ _____

29 Enter the date(s) the refunded bonds were issued ▶ _____

Part VII Miscellaneous

30 Name of governmental unit(s) approving issue ▶ Laurens County Council

31 Arbitrage rebate:

a Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply ▶ ☐

b Check box if you expect to earn and rebate arbitrage profits to the U.S. ▶ ☐

32 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) ▶ _____

Part VIII Volume Cap

33 Check box if qualified veterans' mortgage bonds. ▶ ☐ Enter the amount of the state veterans' limit ▶ _____

34 Check box if any part of the issue is subject to the unified state volume cap ▶ ☒

35 Amount of volume cap allocated to the issue. You must attach state certification 4,000,000

36 Amount of issue excepted from the volume cap:

a Under a carryforward election. Enter the date of the election ▶ _____

b As governmentally owned solid waste facilities, airports, docks, or wharves

c As qualified section 501(c)(3) bonds

d Under the exception for current refundings

e Under transition rules for the Tax Reform Act of 1986. Enter the Act section(s) of the transition rule(s)

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Hugh S. Jacobs

2/2/88

Chairman

Signature of officer

Date

Title

11382

FEB - 4 1988

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW

COLUMBIA OFFICE
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-5131

SUITE 1201
NCNB PLAZA
7 NORTH LAURENS STREET
GREENVILLE, SOUTH CAROLINA 29601
803-271-4940
TELECOPIER 803-271-4015

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-5102

HILTON HEAD ISLAND OFFICE
McNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

February 2, 1988

EXHIBIT

JAN 12 1988

NO. 23

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
Room 600
Columbia, South Carolina 29201

Re: \$4,000,000 Laurens County, South Carolina,
Industrial Development Revenue Note (Dispoz-o
Plastics, Inc. Project) 1988

Dear Mr. McInnis:

This is to confirm with you that the Dispoz-o
Plastics, Inc. bond issue closed on February 2, 1988, as
scheduled.

Sincerely,

McNAIR LAW FIRM, P.A.

Nancy Page

Nancy Page

NP/dcp

11383

TRANSMITTAL FORM, REVENUE BONDS

Date: January 4, 1988
Submitted for BCB Meeting on:
January 12, 1988

TO: William A. McInnis, Secretary
State Budget and Control Board
600 Wade Hampton Office Building
Columbia, SC 29201
OR P. O. Box 12444, Columbia, SC 29211

FROM:

McNAIR LAW FIRM, P.A.
Name of Law Firm
Greenville, South Carolina 29601
City, State, Zip Code

Suite 1201 NCNB Plaza 7 Laurens Street
Street Address/Box Number
(803) 271-4940
Telephone Area Code and Number

RE: Not Exceeding \$4,000,000
Amount of Issue
Laurens County, South Carolina
Issuing Authority Name

Industrial Development Revenue Note
Type of Bonds or Notes
February 2, 1988
Projected Issue Date

Project Name: Dispoz-o Plastics, Inc.

Project Description:

Manufacturing disposable cutlery and related products

EXHIBIT

JAN 12 1988 **NO. 23**

Employment as result of project: 20 Employees

STATE BUDGET & CONTROL BOARD

CEILING ALLOCATION REQUIRED

X Yes (\$ 4,000,000) No
Amount

REFUNDING INVOLVED

Yes (\$) X No
Amount

PROJECT APPROVED PREVIOUSLY

Yes () X No
Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. X Petition (executed original and two copies)
B. X Resolution or ordinance (executed copy)
C. X Inducement Resolution or comparable preliminary approval (executed copy)
D. X Standard Form Investment Letter from bonds purchaser (executed original)
(Purchaser: NCNB South Carolina)

OR Audited financial statements for three most recent years

- E. Department of Health and Environmental Control certificate IF REQUIRED
F. X Budget and Control Board Resolution and Public Notice (original)
[Plus 4 copies for certification and return to counsel]

- G. X Processing fee

Amount \$ 3,000.00

Check No. 1549

Payor Dispoz-o Plastics, Inc.

Bond Counsel: Nancy Page

Typed Name

By: Nancy Page

Signature

11384

JAN 13 1988

The State of South Carolina

EXHIBIT



JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803 734 3680

January 12, 1988

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: Not Exceeding \$2,000,000, Spartanburg County,
South Carolina, Industrial Development Revenue
Note: Alkahn Labels Incorporated; Projected Issue
Date - January 29, 1988

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Section(s) 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the documents you have provided for our review. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE:tgc

Enclosures

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EXHIBIT

JAN 12 1988

NO. 24

STATE OF SOUTH CAROLINA
STATE BUDGET AND CONTROL BOARD
Standard Form Investment Letter

STATE BUDGET & CONTROL BOARD

TO: Secretary, State Budget and Control Board
P. O. Box 12444
Columbia, SC 29211

RE: Sale by Spartanburg County, South Carolina (the "Issuer")
Of its Not Exceeding \$2,000,000 Ind. Dev. Rev. Note (the "Bonds")
On behalf of Alkahn Labels Incorporated (the "Company")
Alkahn Labels Incorporated Project (the "Project")
To NCNB South Carolina (the "Purchaser")

In connection with the referenced sale of Bonds by the Issuer, the Purchaser makes the following representations and certifications:

1. The Purchaser has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its prospective investment in the Bonds;
2. The Purchaser is financially able to bear the economic risk of its proposed investment in the Bonds for an indefinite period;
3. The Purchaser is familiar with the business affairs of the Company and has obtained and examined all financial and other information with respect to the Bonds, the Company and the officers and shareholders of the Company which it deems necessary in order to enable it to evaluate the merits and risks of its investment in the Bonds and to make an informed investment judgment in connection with the purchase of the Bonds;
4. The Purchaser has had the opportunity to ask questions of, and receive answers from, the Issuer and the Company concerning the terms and conditions of the offering and any other information which it has deemed relevant to the Bonds and its investment in the Bonds; and
5. The Bonds are being purchased for the account of the Purchaser and for the purpose of investment and not presently for resale, and the Purchaser has no present intention of offering the Bonds or any portion thereof for resale either currently or after the passage of a fixed period of time, or upon the occurrence or nonoccurrence of any predetermined event or circumstances.

SWORN to and subscribed
before me this 4th day
of December, 1987.

Carol A. Ligon
Notary Public

My Commission expires

July 14, 1990

PURCHASER:

Name: NCNB South Carolina
Address: Post Office Box 1988
Spartanburg, South Carolina 29304

BY:

[Signature]
Signature of Authorized Official

Date:

December 4, 1987

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EXHIBIT

JAN 12 1988

NO. 24

STATE OF SOUTH CAROLINA)

Alkahn Labels, Inc. STATE BUDGET & CONTROL BOARD

COUNTY OF RICHLAND)

I, WILLIAM A. McINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable James M. Waddell, Jr., Vice Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, January 12, 1988, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Senator Waddell, who moved its adoption; the motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

January 13, 1988

William A. McInnis

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A RESOLUTION APPROVING THE ISSUANCE BY SPARTANBURG COUNTY, SOUTH CAROLINA, OF A NOT EXCEEDING \$2,000,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE NOTE (ALKAHN LABELS, INCORPORATED PROJECT) 1988, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

WHEREAS, the County Council of Spartanburg County, South Carolina (the "Governing Board"), has heretofore, by submitting a petition (the "Petition") under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), requested the approval by the State Budget and Control Board of the issuance by Spartanburg County (the "County") pursuant to the Act of its Industrial Development Revenue Note (Alkahn Labels, Incorporated Project) in the aggregate principal amount of not exceeding \$2,000,000 (the "Note"); and

WHEREAS, the County proposes to issue the Note for the purpose of defraying the cost of expanding a building or buildings, other improvements, and acquiring additional machinery, apparatus, equipment, office facilities and furnishings (the "Project") to be used for the purpose of manufacturing woven labels; and

WHEREAS, the Project is to be made available to Alkahn Labels, Incorporated (the "Corporation"), upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Note and which secure the obligation of the Corporation by a mortgage and security interest in the Project; and

WHEREAS, the Note will be payable from and secured by an assignment of the obligations of the Corporation and the mortgage and security interest in the Project; and

WHEREAS, the County has submitted a copy of a resolution and petition adopted by the County on December 16, 1987;

NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina, as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act; and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Note, in substantially the form set forth in the Indenture, secured by an assignment of the revenues to be derived from the Mortgage and Financing Agreement, and a mortgage and security interest in the Project, be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Mortgage and Financing Agreement and the Indenture and the description of the Project.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in the Spartanburg Herald, which is a newspaper having general circulation in Spartanburg County.

Section 4. The Notice, required in Section 3 above to be published, shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. This Resolution shall take effect immediately.

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

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EXHIBIT A

EXHIBIT

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED, JAN 12 1988
TITLE 4, CHAPTER 29 (1976),
AS AMENDED

NO. 24

STATE BUDGET & CONTROL BOARD

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Spartanburg County, South Carolina, has given its approval to the following undertaking by Spartanburg County, South Carolina:

The issuance by Spartanburg County of its Industrial Development Revenue Note (Alkahn Labels, Incorporated Project) in the original principal amount of not exceeding \$2,000,000 (the "Note"), to defray the costs of expanding a building or buildings, other improvements, and acquiring machinery, apparatus, equipment, office facilities and furnishings by Alkahn Labels, Incorporated, a New York corporation, to be used as an industrial facility for the purpose of manufacturing woven labels (the "Project") to be located in Spartanburg County. The Project will be made available to Alkahn Labels, Incorporated, which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by Alkahn Labels, Incorporated, for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Spartanburg County to finance the same, by action de novo instituted in the Circuit Court for Spartanburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: January 12, 1988.

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EXHIBIT

JAN 12 1988

NO. 24

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

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 12, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS


(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1988

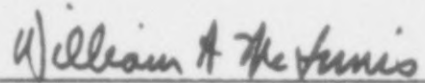
TO: Spartanburg County
\$2,000,000
Industrial Development Revenue Note
(Alkahn Labels Incorporated Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1988 only. It will expire on April 11, 1988, which is ninety (90) consecutive calendar days from the date the allocation was approved by the Board, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 6(B) of Act 117 of 1987, effective May 26, 1987, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.


Grady L. Patterson, Jr.

Attest:


William A. McInnis, Secretary

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EXHIBIT

State of South Carolina

JAN 12 1988

NO. 24

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

EARLE E. MORRIS, JR.
COMPTROLLER GENERAL



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 25, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1988

TO: Spartanburg County
c/o Ms. Nancy Page
McNair Law Firm
1201 Bankers Trust Plaza
Greenville, SC 29601

RE: Issue of \$2,000,000 Spartanburg County, South Carolina
Industrial Development Revenue Note
(Alkahn Labels Incorporated Project)
Issue Date Projected By Issuing Authority: January 29, 1988
Allocation Expiration Date: April 11, 1988
Issue Amount Certificate Date: January 22, 1988

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 6(B) of Act 117 of 1987, effective May 26, 1987, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1988 will not exceed the 1988 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

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EXHIBIT

JAN 12 1988

NO. 24

STATE OF SOUTH CAROLINA)
)
SPARTANBURG COUNTY)

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL
BOARD OF SOUTH CAROLINA

P E T I T I O N

This Petition of Spartanburg County, South Carolina (the "County"), pursuant to South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Spartanburg County (the "County Council") is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to make available to any industry or industries any or all of its projects for such payments and upon such terms and conditions as the governing board may deem advisable and as shall not conflict with the provisions of the Act; and (iii) to issue revenue bonds, as defined in the Act to include notes, for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. The County has heretofore issued a \$2,000,000 Spartanburg County, South Carolina, Industrial Development Revenue Note (Alkahn Labels, Incorporated Project) 1983, to assist Alkahn Labels, Incorporated, a New York corporation (the "Corporation"), in locating, acquiring and expanding an industrial facility in the County (the "Project").

4. The Corporation has informed the County Council that the demand for products at the Project has increased and the Corporation desires to expand the project and acquire additional machinery and equipment, thereby increasing employment by an additional 15 employees within

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one year after completion of the Project in addition to employment in the construction areas.

5. The County has agreed to provide further assistance by issuing its revenue note for the purpose of defraying the cost of expanding certain facilities located in the County (the "Project") more fully described in Exhibit B to the First Amendatory Mortgage and Financing Agreement.

6. The County has been advised by the Corporation that the estimated cost of the Project will be \$2,000,000 and it has requested the County to execute and deliver its Industrial Development Revenue Note (Alkahn Labels, Incorporated Project) 1988 (the "1988 Note") in the principal amount of not exceeding \$2,000,000 to defray such costs.

7. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the 1988 Note required to finance the Project is expected to be not exceeding \$2,000,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed 1988 Note and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the 1988 Note proposed to be issued to defray the cost of the Project.

8. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project consists of the expansion of a building or buildings and the acquisition of certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of manufacturing woven labels. It is anticipated that upon completion, the Project will provide directly 15 additional full-time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not exceeding \$2,000,000.

(c) Copies of the First Amendatory Mortgage and Financing Agreement and the First Amendatory Indenture are available from the County. The following summary of terms is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Mortgage and Financing Agreement, as amended, between the Corporation and the County provides in general:

(A) Proceeds derived from the placement of the 1988 Note will be used and applied by the County upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the acquisition, by construction and purchase, of the Project.

(B) The Corporation obligates itself to effect the completion of the Project if the proceeds derived from the placement of the 1988 Note prove insufficient therefor without diminution of any payments to the County required by the Mortgage and Financing Agreement, as amended; to meet the payments of principal and interest on the 1988 Note as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Mortgage and Financing Agreement, as amended.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) The County acquires a security interest in the Project as security for the obligations of the Corporation under the Mortgage and Financing Agreement, as amended.

(ii) The proposed Indenture, as amended, between the County and NCNB South Carolina (successor to Bankers Trust of South Carolina), as lender (the "Lender"), provides in general:

EXHIBIT

JAN 12 1988

NO. 2 4

(A) An irrevocable pledge and assignment for the benefit of the Lender or its assigns as holder of the 1988 Note of the County's right, title and interest in and to the Mortgage and Financing Agreement, as amended, and all payments, receipts and revenues which the County has a right to receive under the Mortgage and Financing Agreement, as amended, or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Indenture, as amended.

(B) The terms of the 1988 Note, the provisions for exchange and transfer of the 1988 Note, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, default provisions and remedies therefor and various other matters relating to the 1988 Note.

(C) The execution of the Indenture, as amended, imposes no pecuniary liability on the County and does not create a charge upon the general credit or taxing power of the County.

9. Neither the approvals granted in connection with the 1988 Note nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the 1988 Note by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), (iv) allocate to the 1988 Note such portion of the state ceiling as established by the Internal Revenue Code of 1986 as is necessary for the issuance of the 1988 Note, and (v) give published notice of

its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

SPARTANBURG COUNTY, SOUTH CAROLINA

By: K. L. Westmoreland
K. L. Westmoreland, Administrator
of Spartanburg County,
South Carolina

ATTEST:

C. P. Parris
C. P. Parris, Clerk,
County Council of
Spartanburg County,
South Carolina

EXHIBIT

JAN 12 1988 NO. 24

STATE BUDGET & CONTROL BOARD

December 16, 1987

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD₁₁

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY SPARTANBURG COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE NOTE (ALKAHN LABELS, INCORPORATED PROJECT) 1988, PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$2,000,000.

WHEREAS, Spartanburg County, South Carolina (the "County"), acting by and through its County Council, is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the County and Alkahn Labels, Incorporated, a New York corporation (the "Corporation"), entered into an Assistance Agreement (the "Assistance Agreement") executed by the Corporation on August 27, 1986, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue its Industrial Development Revenue Note (Alkahn Labels, Incorporated Project) 1988 in the principal amount of not exceeding \$2,000,000 (the "1988 Note") under and pursuant to the Act to defray the costs of expanding a building or buildings and of acquiring certain machinery and equipment (the "Project"), to be located in the jurisdiction of the County and, subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of the Mortgage and Financing Agreement dated as of August 1, 1983, as amended by the First Amendatory Mortgage and

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Financing Agreement (collectively referred to as the "Agreement"), between the County and the Corporation; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Spartanburg County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the 1988 Note in the principal amount of not exceeding \$2,000,000 to defray the cost of the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 15 people from the County and adjacent areas when the Project is placed in full operation with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of industrial operations not otherwise provided locally.

(c) Neither the Project nor the 1988 Note proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the 1988 Note by the County in the principal amount of not exceeding \$2,000,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the 1988 Note and the maintenance of the Project is deemed unnecessary.

(f) The Project will be made available by the County to the Corporation upon terms which will require the Corporation, at its own expense, to maintain the Project in

good repair and to carry all proper insurance with respect thereto.

(g) The Project will consist of the expansion of a building and various items of machinery and equipment to be used for the purpose of manufacturing woven labels.

(h) A reasonable estimate of the cost of the Project, including necessary expenses incident thereto, is \$2,000,000.

(i) Neither the approvals granted in connection with the 1988 Note nor the request for an allocation granted by the State Budget and Control Board have been made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the 1988 Note by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Administrator of the County is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk of the County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

EXHIBIT

JAN 12 1988 NO. 24

STATE BUDGET & CONTROL BOARD

Passed and approved December 16, 1987.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: K. L. Westmoreland
K. L. Westmoreland, Administrator
of Spartanburg County,
South Carolina

ATTEST:

C. P. Parris
C. P. Parris, Clerk,
County Council of
Spartanburg County,
South Carolina

EXHIBIT

JAN 12 1988 NO. 24

STATE BUDGET & CONTROL BOARD

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN ASSISTANCE AGREEMENT BY AND BETWEEN SPARTANBURG COUNTY, SOUTH CAROLINA, AND ALKAHN LABELS, INCORPORATED, WHEREBY, UNDER CERTAIN CONDITIONS, SPARTANBURG COUNTY WILL ISSUE NOT EXCEEDING TWO MILLION DOLLARS (\$2,000,000) INDUSTRIAL DEVELOPMENT REVENUE BONDS OR NOTES.

EXHIBIT

JAN 12 1988 NO. 24

STATE BUDGET & CONTROL BOARD

WHEREAS, Spartanburg County, South Carolina (the "County"), acting by and through its County Council (the "County Council"), is authorized and empowered under and pursuant to the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, properties (which such properties constitute "projects" as defined in the Act) and to enter into agreements with any industry to construct, operate, maintain and improve such projects; to enter into financing agreements with respect to such projects; to issue revenue bonds to defray the costs of such projects; and to accept any grants for such projects through which powers the industrial development of the State of South Carolina will be promoted and trade developed by inducing manufacturing and commercial enterprises to locate and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is authorized by the Act to issue revenue bonds, as defined in the Act to include notes, payable solely out of the revenues derived from a financing agreement with respect to such project and may further be secured by a pledge of said revenues, a trust indenture or indenture covering all or any part of such project, and a pledge of any financing agreement with respect to such project; and

WHEREAS, Alkahn Labels, Incorporated, a New York corporation (the "Corporation"), has requested the County to issue not exceeding \$2,000,000 of its Industrial Development Revenue Bonds or Notes (Alkahn Labels, Incorporated Project) pursuant to the Act for the purpose of defraying the cost of expanding by construction and purchase a building or buildings, other improvements, and all machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of manufacturing woven labels, constituting an industrial facility (the "Project"), all as more fully set forth in the Assistance Agreement attached hereto; and

WHEREAS, the County has determined on the basis of the information supplied to it by the Corporation that the

Project would be a "project" as that term is defined in the Act and that the Project would subserve the purposes of the Act.

NOW, THEREFORE, BE IT RESOLVED, by the County Council as follows:

Section 1. Pursuant to the authority of the Act and subject to the approval by the State Budget and Control Board, and for the purpose of defraying a portion of the cost (as defined in the Act) of acquiring the Project there is hereby authorized to be issued revenue bonds or notes of the County in the principal amount of not exceeding Two Million Dollars (\$2,000,000) to be designated "Spartanburg County, South Carolina, Industrial Development Revenue Bonds or Notes (Alkahn Labels, Incorporated Project)" (the "Bonds").

Section 2. The provisions, terms and conditions of the financing agreement by and between the County and the Corporation, the provisions, terms and conditions of the trust indenture or indenture by and between the County and the Trustee or Bondholder, yet to be named, and the form, details, rate or rates of interest, maturity and redemption provisions, if any, of the Bonds shall be prescribed by subsequent resolution or ordinance of the County Council.

Section 3. The Administrator of the County is hereby authorized and directed to execute the Assistance Agreement attached hereto in the name and on behalf of the County, and the Clerk of the County Council is hereby authorized and directed to attest the same; and the Administrator of the County is hereby further authorized and directed to deliver said executed Assistance Agreement to the Corporation.

Section 4. Prior to the issuance of any Bonds, the County Council will comply with the provisions of the Home Rule Act regarding the procedural requirements for adopting ordinances and resolutions.

Section 5. All orders, resolutions, and parts thereof in conflict herewith are to the extent of such conflict hereby repealed. This resolution shall take effect and be in full force from and after its passage by the County Council.

Section 6. It is the intention of the County Council that this resolution shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

Done in meeting duly assembled this 27th day of
August, 1986.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: K. L. Westmoreland
K. L. Westmoreland, Administrator
of Spartanburg County,
South Carolina

(SEAL)

ATTEST:

EXHIBIT

JAN 12 1988

NO. 24

By: C. P. Parris
C. P. Parris, Clerk,
County Council of
Spartanburg County,
South Carolina

STATE BUDGET & CONTROL BOARD

11404

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

ASSISTANCE AGREEMENT

THIS AGREEMENT made and entered into by and between Spartanburg County, South Carolina, a body politic and corporate and a political subdivision of the State of South Carolina (the "County"), and Alkahn Labels, Incorporated, a New York corporation (the "Corporation").

W I T N E S S E T H:

ARTICLE I

RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Agreement, the following statements of fact are herewith recited:

Section 1.01. The County is a body politic and corporate, and a political subdivision of the State of South Carolina, and is authorized and empowered by the provisions of Title 4, Chapter 29, Code of Laws of South Carolina, 1976, as amended (the "Act"), to acquire, or cause to be acquired, and to enlarge, improve, expand, equip, furnish, own, lease and dispose of properties through which the industrial development of the State will be promoted and trade developed by inducing new industries to locate in South Carolina and by encouraging industries now located in South Carolina to expand their investments and thus utilize and employ manpower and other resources of South Carolina.

Section 1.02. The Corporation desires to expand a building or buildings, other improvements, and all machinery, apparatus, equipment, office facilities and furnishings to be used as an industrial facility for the purpose of manufacturing woven labels (the "Project"). The Project when completed and in operation will provide additional permanent employment in the County for approximately 15 people.

Section 1.03. The Corporation has requested the County to assist it with its contemplated program through the sale of Industrial Development Revenue Bonds (or Notes) pursuant to the Act, whereby the County would defray a portion of the cost of the Project.

Section 1.04. The County has given due consideration to all the proposals and requests of the Corporation and has agreed to endeavor to effect the issuance of the bonds at the time and on the terms and conditions hereafter set forth.

11405

ARTICLE II

UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

Section 2.01. The County will, subject to the approval by the State Budget and Control Board required by the Act, authorize the issuance of not exceeding Two Million Dollars (\$2,000,000) Spartanburg County, South Carolina, Industrial Development Revenue Bonds (or Notes) (Alkahn Labels, Incorporated Project) (the "Bonds"), at such time as the Corporation may request the County to do so.

Section 2.02. The County will permit the Corporation to arrange for the sale of the Bonds to defray the cost of the Project as aforesaid and if successful marketing arrangements can be made, it will adopt such proceedings and enter into such agreements as are necessary for the issuance and securing of the Bonds.

Section 2.03. The proceeds of any sale of the Bonds shall be applied to the payment of the costs of the Project as determined under the Act including, without limitation, the expenses incurred in connection with the issuance and sale of the Bonds, the expansion by construction and purchase of the Project including buildings, necessary machinery and equipment and other items permitted by the Act, and the repayment of any funds advanced or loans incurred by the Corporation for such purposes.

Section 2.04. Prior to issuing any Bonds, the County may enter into a trust indenture with a trustee bank to be selected by the Corporation or an indenture with the purchasers of the Bonds pursuant to which the Bonds will be issued. Such trust indenture or indenture shall be substantially in the form used in connection with the issuance of other South Carolina industrial revenue bonds and may constitute a lien on the Project and the revenues derived from the financing agreement with respect to the Project to secure the payment of the Bonds.

Section 2.05. If requested by the Corporation and in order to provide interim financing pending the issuance of the Bonds, the County will adopt the necessary proceedings and provide for the issuance of bond anticipation notes pursuant to Title 11, Chapter 17, Code of Laws of South Carolina, 1976, in anticipation of the issuance of the Bonds.

Section 2.06. The County will perform such other acts and adopt such further proceedings as may be required to faithfully implement its undertakings and to consummate the proposed financing.

ARTICLE III

UNDERTAKINGS ON THE PART OF THE CORPORATION

Section 3.01. The Corporation agrees that the County will have no obligation to find a purchaser of the Bonds.

Section 3.02. The Corporation further agrees, if the plan proceeds as contemplated:

(a) to acquire by construction and purchase the land, buildings, equipment and machinery constituting the Project;

(b) to enter into a financing agreement with the County under the terms of which the Corporation will obligate itself to pay to the County sums sufficient to pay the principal, interest and premium, if any, on the Bonds, as and when the same become due and payable, said financing agreement shall be in such form and contain such provisions as shall be satisfactory to the County and to the Corporation;

(c) to obligate itself to make the additional payments required by the Act, including, but not limited to, payments in lieu of taxes if necessary;

(d) to hold the County harmless from all pecuniary liability and to reimburse it for all expenses to which it might be put in the fulfillment of its obligations under this Agreement in the implementation of its terms and provisions;

(e) to perform such further acts and adopt such further proceedings as may be required to faithfully implement its undertakings and consummate the proposed financing; and

(f) to covenant and agree in the financing agreement referred to hereinbefore to install in the buildings which are to become a part of the Project all necessary equipment and machinery and thereafter to operate the Project as a facility for the purpose of manufacturing woven labels or for such other purposes as may hereafter be deemed appropriate.

ARTICLE IV

GENERAL PROVISIONS

Section 4.01. All commitments of the County under Article II hereof are subject to all of the provisions of the Act and the condition that nothing contained in this

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

Agreement shall constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

Section 4.02. The parties hereto agree that the Corporation may proceed with the Project including the construction of a building or buildings and acquisition and installation of the equipment and machinery prior to the issuance of the Bonds.

Section 4.03. This Assistance Agreement may be assigned by the Corporation to a corporation which is a wholly owned subsidiary of the Corporation, to a corporation the majority stockholders of which are the majority stockholders of the Corporation, to a partnership comprised of the majority stockholders of the Corporation, or to any or all of the majority stockholders of the Corporation in their individual capacities.

Section 4.04. All commitments of the County and the Corporation hereunder are subject to the condition that the County and the Corporation do agree on acceptable terms and conditions of all documents the execution and delivery of which are contemplated by provisions hereof.

Section 4.05. The parties understand that the Corporation may choose not to finance the Project as herein provided, in which event this Agreement shall become void.

Section 4.06. It is the intention of the parties hereto that this Agreement shall constitute an official action on the part of the County within the meaning of the applicable regulations of the United States Treasury Department relating to the issuance of industrial revenue bonds.

IN WITNESS WHEREOF, the parties hereto, each after
due authorization, have executed this Agreement on the
respective dates indicated below.

SPARTANBURG COUNTY, SOUTH CAROLINA

By: K. L. Westmoreland
K. L. Westmoreland, Administrator
of Spartanburg County,
South Carolina

ATTEST:

By: C. P. Parris
C. P. Parris, Clerk,
County Council of
Spartanburg County,
South Carolina

Dated: August 27, 1986.

ALKAHN LABELS, INCORPORATED

By: Max J. Kahn
Its: Pres.

(SEAL)

ATTEST:

By: Maricella Kahn
Its: Secretary

Dated: August 27, 1986.

EXHIBIT

JAN 12 1988 NO. 24

STATE BUDGET & CONTROL BOARD

11410

FEB - 2 1988

MCNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW

COLUMBIA OFFICE
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
140 EAST BAY STREET
POST OFFICE BOX 1431
CHARLESTON, S.C. 29402
803-723-7831

GEORGETOWN OFFICE
1112 HIGHMARKET STREET
POST OFFICE DRAWER 459
GEORGETOWN, S.C. 29442
803-546-6131

SUITE 1201

NCNB PLAZA

7 NORTH LAURENS STREET

GREENVILLE, SOUTH CAROLINA 29601

803-271-4940

TELECOPIER 803-271-4015

GEORGETOWN OFFICE
121 SCREVEN STREET
POST OFFICE DRAWER 418
GEORGETOWN, S.C. 29442
803-546-6102

HILTON HEAD ISLAND OFFICE
MCNAIR LAW BUILDING
10 POPE AVENUE EXECUTIVE PARK
POST OFFICE BOX 5914
HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

January 29, 1988

EXHIBIT

JAN 12 1988

NO. 24

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
Room 600
Columbia, South Carolina 29201

STATE BUDGET & CONTROL BOARD

Re: \$2,000,000 Spartanburg County, South Carolina,
Industrial Development Revenue Note (Alkahn
Labels, Inc. Project) 1988

Dear Mr. McInnis:

This is to confirm with you that the Alkahn Labels,
Inc. bond issue closed on January 29, 1988, as scheduled.

Sincerely,

MCNAIR LAW FIRM, P.A.

Nancy Page
Nancy Page

NP/dcp

11411

McNAIR LAW FIRM, P. A.

ATTORNEYS AND COUNSELORS AT LAW

SUITE 1201

NCNB PLAZA

7 NORTH LAURENS STREET

GREENVILLE, SOUTH CAROLINA 29601

803-271-4940

TELECOPIER 803-271-4015

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HILTON HEAD ISLAND, S.C. 29928
803-785-5169

WASHINGTON OFFICE
SUITE 400
MADISON OFFICE BUILDING
1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

January 22, 1988

EXHIBIT

JAN 12 1988

NO. 24

ANDERSON ARMORED CAR

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
State Budget and Control Board
Wade Hampton Office Building
Room 600
Columbia, South Carolina 29201

Re: \$2,000,000 Spartanburg County, South Carolina,
Industrial Development Revenue Note (Alkahn
Labels, Inc. Project) 1988

Dear Mr. McInnis:

In accordance with the regulations of the State Budget and Control Board, I am submitting on behalf of Laurens County and Alkahn Labels, Inc., IRS Form 8038. Please confirm the allocation of \$2,000,000 of the State volume to the above-captioned issue. This issue is scheduled to close January 29.

Sincerely,

McNAIR LAW FIRM, P.A.

Nancy Page
Nancy Page

NP/dcp
Enclosure

11412

**Information Return for Tax-Exempt
Private Activity Bond Issues**

► Under Section 149(e)

OMB No. 1545-0720
Expires 12/31/89

Part I Reporting Authority

Check box if Amended Return ► ☐

| | |
|--|--|
| 1 Issuer's name Spartanburg County, South Carolina | 2 Issuer's employer identification number 57-60000401 |
| 3 Number and street Post Office Box 5666 | 4 Report number PA198 8 - 1 |
| 5 City or town, state, and ZIP code Spartanburg, South Carolina 29304 | 6 Date of issue |

Part II Type of Issue (check box(es) that applies)

Issue Price

| | |
|--|-----------|
| 7 <input type="checkbox"/> Qualified hospital bond (section 145(c)) | |
| 8 <input type="checkbox"/> Qualified section 501(c)(3) bond other than a qualified hospital bond (section 145) | |
| 9 <input type="checkbox"/> Qualified student loan bond (section 144(b)) | |
| 10 <input type="checkbox"/> Qualified mortgage bond (section 143(a)). Check box if you elect to rebate arbitrage profits to the U.S. ► <input type="checkbox"/> | |
| 11 <input type="checkbox"/> Qualified veterans' mortgage bond (section 143(b)). Check box if you elect to rebate arbitrage profits to the U.S. ► <input type="checkbox"/> | |
| 12 <input type="checkbox"/> Qualified redevelopment bond (section 144(c)) | |
| 13 <input checked="" type="checkbox"/> Qualified small issue bond (section 144(a)). Check box for \$10 million small issue exemption ► <input checked="" type="checkbox"/> | 2,000,000 |
| 14 Exempt facility bond: | |
| a <input type="checkbox"/> Airport (section 142(a)(1)) | |
| b <input type="checkbox"/> Docks and wharves (section 142(a)(2)) | |
| c <input type="checkbox"/> Mass commuting facilities (section 142(a)(3)) | |
| d <input type="checkbox"/> Water furnishing facilities (section 142(a)(4)) | |
| e <input type="checkbox"/> Sewage facilities (section 142(a)(5)) | |
| f <input type="checkbox"/> Solid waste disposal facilities (section 142(a)(6)) | |
| g <input type="checkbox"/> Residential rental projects (section 142(a)(7)) | |
| h <input type="checkbox"/> Facilities for the local furnishing of electric energy or gas (section 142(a)(8)) | |
| i <input type="checkbox"/> Local district heating or cooling facilities (section 142(a)(9)) | |
| j <input type="checkbox"/> Qualified hazardous waste facilities (section 142(a)(10)) | |
| k <input type="checkbox"/> Sports facilities (see instructions) | |
| l <input type="checkbox"/> Convention or trade show facilities (see instructions) | |
| m <input type="checkbox"/> Pollution control facilities (see instructions) | |
| n <input type="checkbox"/> Hydroelectric generating facilities (see instructions) | |
| o <input type="checkbox"/> Parking facilities (see instructions) | |
| 15 <input type="checkbox"/> Industrial parks (see instructions) | |
| 16 <input type="checkbox"/> Other. Describe (see instructions) ► | |

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

Part III Description of Bonds

| | (a) Maturity date | (b) Interest rate | (c) Issue price | (d) Stated redemption price at maturity | (e) Weighted average maturity | (f) Yield | (g) Net interest cost |
|-------------------|----------------------|----------------------|--------------------|--|----------------------------------|--------------|--------------------------|
| 17 Final maturity | 2/5/98 | VR % | 2,000,000 | 2,000,000 | | | |
| 18 Entire issue | | | 2,000,000 | 2,000,000 | 10 years | VR | VR |

Part IV Uses of Original Proceeds of Issue (including underwriters' discount)

| | | |
|--|----|-----------|
| 19 Proceeds used for accrued interest | 19 | -0- |
| 20 Proceeds used for bond issuance costs (including underwriters' discount) | 20 | 16,198 |
| 21 Proceeds used for credit enhancement | 21 | -0- |
| 22 Proceeds allocated to reasonably required reserve or replacement fund | 22 | -0- |
| 23 Proceeds used to refund prior issues (complete Part VI) | 23 | -0- |
| 24 Nonrefunding proceeds of the issue (subtract lines 20, 21, 22, and 23 from line 18, column (c)) | 24 | 1,983,802 |

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 8038 (Rev 12-86)

11413

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

Form 8038 (Rev. 12-85)

Page 2

Part V Description of Property Financed by Nonrefunding Proceeds

(Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.)

| 25 Type of Property Financed by Nonrefunding Proceeds | Amount |
|---|-----------|
| a Land | -0- |
| b Buildings and structures | -0- |
| c Equipment with an ACRS life of more than 5 years | 1,983,802 |
| d Equipment with an ACRS life of 5 years or less | -0- |

26 Standard industrial classification (SIC) of nonrefunding proceeds for the financed projects.

| | SIC Code | Nonrefunding proceeds \$ | | SIC Code | Nonrefunding proceeds \$ |
|---|----------|--------------------------|---|----------|--------------------------|
| a | 2388 | | c | | |
| b | | | d | | |

Part VI Description of Refunded Bonds (complete this part only for refunding bonds)

- 27 Enter the remaining weighted average maturity of the bonds to be refunded years
- 28 Enter the last date on which the refunded bonds will be called years
- 29 Enter the date(s) the refunded bonds were issued years

Part VII Miscellaneous

- 30 Name of governmental unit(s) approving issue Spartanburg County Council
- 31 Arbitrage rebate:
- a Check box if the 6-month temporary investment exception to the arbitrage rebate requirement is expected to apply ☐
- b Check box if you expect to earn and rebate arbitrage profits to the U.S. ☐
- 32 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(ii) years

Part VIII Volume Cap

- 33 Check box if qualified veterans' mortgage bonds. ☐ Enter the amount of the state veterans' limit Amount
- 34 Check box if any part of the issue is subject to the unified state volume cap ☐
- 35 Amount of volume cap allocated to the issue. You must attach state certification 2,000,000
- 36 Amount of issue excepted from the volume cap:
- a Under a carryforward election. Enter the date of the election years
- b As governmentally owned solid waste facilities, airports, docks, or wharves years
- c As qualified section 501(c)(3) bonds years
- d Under the exception for current refundings years
- e Under transition rules for the Tax Reform Act of 1986. Enter the Act section(s) of the transition rule(s) years

Please
Sign
Here

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

P. L. Westmoreland

1/29/88

County Administrator

11414

JAN 19 1988

McNAIR LAW FIRM, P. A.
ATTORNEYS AND COUNSELORS AT LAW

COLUMBIA OFFICE
NCNB TOWER
POST OFFICE BOX 11390
COLUMBIA, S.C. 29211
803-799-9800

CHARLESTON OFFICE
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803-723-7631

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GEORGETOWN, S.C. 29442
803-546-6131

SUITE 1201

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1155 15TH STREET, N.W.
WASHINGTON, D.C. 20005
202-659-3900

EXHIBIT

January 18, 1988

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

Re: \$2,000,000 Spartanburg County, South Carolina,
Industrial Development Revenue Note (Alkahn
Labels, Inc.) 1988

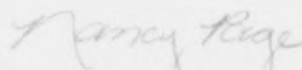
Dear Mr. McInnis:

In accordance with Board Regulation 19.102.05 I am enclosing an affidavit certifying that the notice of the Board's approval of the above-referenced bond issue was published in The Spartanburg Herald-Journal on January 13, 1988. The Board approved this issue at its meeting on January 12, 1988.

If you need anything further, please give me a call.

Sincerely,

McNAIR LAW FIRM, P.A.



Nancy Page

NP/jps
Enclosure

11415

EXHIBIT

JAN 12 1988

NO. 24

STATE BUDGET & CONTROL BOARD

SPARTANBURG
Herald-Journal

189 West Main St., Spartanburg, S.C. 29301

STATE OF SOUTH CAROLINA
COUNTY OF SPARTANBURG

Personally appeared before me, a notary public in and for the State and County aforesaid, Linda McHugh, who having been duly sworn according to law, deposes and says that he is the Legal Advertising Manager of The Spartanburg Herald-Journal, a newspaper published at Spartanburg, South Carolina, and that the attached advertisement was published in the Spartanburg Herald-Journal one time a week for one times in the following issues.
January 13, 1988

Linda E. McHugh

Sworn to and subscribed before me this

15th day of January, 19 88

William A. McInnis
Notary Public for South Carolina

MY COMMISSION EXPIRES 7-17-1997

NOTICE PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended (the "Act"), that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Spartanburg County, South Carolina, has given its approval to the following undertaking by Spartanburg County, South Carolina:

The issuance by Spartanburg County of its Industrial Development Revenue Note (Aikahn Labels, Incorporated project) in the original principal amount of not exceeding \$2,000,000 (the "Note"), to defray the costs of expanding a building or buildings, other improvements, and acquiring machinery, apparatus, equipment, office facilities and furnishings by Aikahn Labels, Incorporated, a New York corporation, to be used as an industrial facility for the purpose of manufacturing woven labels (the "Project") to be located in Spartanburg County. The Project will be made available to Aikahn Labels, Incorporated, which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments sufficient to pay the principal and interest on the Note. The Note will be payable solely and exclusively out of payments to be made by Aikahn Labels, Incorporated, for the use of the Project, and is to be additionally secured by a mortgage and security interest in the Project.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Note by Spartanburg County to finance the same, by action de novo instituted in the Circuit Court for Spartanburg County, South Carolina.

STATE BUDGET AND CONTROL BOARD
BY: WILLIAM A. MCINNIS,
Secretary
Dated: January 12, 1988
(8015)1/13

11416

TRANSMITTAL FORM, REVENUE BONDS

Date: January 4, 1988
 Submitted for BCB Meeting on:
January 12, 1988

TO: William A. McInnis, Secretary
 State Budget and Control Board
 600 Wade Hampton Office Building
 Columbia, SC 29201
 OR P. O. Box 12444, Columbia, SC 29211

FROM:

McNAIR LAW FIRM, P.A.
 Name of Law Firm
Greenville, South Carolina 29601
 City, State, Zip Code

Suite 1201 NCNB Plaza 7 Laurens Street
 Street Address/Box Number
(803) 271-4940
 Telephone Area Code and Number

RE: Not Exceeding \$2,000,000
 Amount of Issue
Spartanburg County, South Carolina
 Issuing Authority Name

Industrial Development Revenue Note
 Type of Bonds or Notes
January 29, 1988
 Projected Issue Date

Project Name: Alkahn Labels Incorporated
 Project Description:
Manufacturing woven labels

EXHIBIT

JAN 12 1988 no. 24

Employment as result of project: 15 Employees STATE BUDGET & CONTROL BOARD

CEILING ALLOCATION REQUIRED
☒ Yes (\$ 2,000,000) ☐ No
 Amount

REFUNDING INVOLVED
☐ Yes (\$) ☒ No
 Amount

PROJECT APPROVED PREVIOUSLY
☐ Yes () ☒ No
 Date

DOCUMENTS ENCLOSED:

(ALL required for State law approval; A and C only for ceiling allocation only.)

- A. ☒ Petition (executed original and two copies)
 B. ☒ Resolution or ordinance (executed copy)
 C. ☒ Inducement Resolution or comparable preliminary approval (executed copy)
 D. ☒ Standard Form Investment Letter from bonds purchaser (executed original)
 (Purchaser: NCNB South Carolina)

OR ☐ Audited financial statements for three most recent years

- E. ☐ Department of Health and Environmental Control certificate IF REQUIRED
 F. ☒ Budget and Control Board Resolution and Public Notice (original)
 [Plus 4 copies for certification and return to counsel]
 G. ☒ Processing fee
 Amount \$ 3,000.00 Check No. 045073
 Payor Alkahn Labels, Inc.

Bond Counsel: Nancy Page Typed Name

By: Nancy Page Signature

11417

JAN 13 1988

The State of South Carolina

EXHIBIT



JAN 12 1988

NO. 25

STATE BUDGET & CONTROL BOARD

Office of the Attorney General

T. TRAVIS MEDLOCK
ATTORNEY GENERAL

REMBERT C. DENNIS BUILDING
POST OFFICE BOX 11549
COLUMBIA, S.C. 29211
TELEPHONE 803-734-3680

January 12, 1988

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Columbia, South Carolina 29201

Re: \$3,600,000, Darlington County, South Carolina,
Industrial Development Revenue Bonds: Hobart
Corporation; Projected Issue Date - January 19,
1988

Dear Mr. McInnis:

Regarding the above-referenced bond, we have reviewed the Petition and other documents submitted to the State Budget and Control Board for its approval pursuant to Section(s) 4-29-140, et seq., Code of Laws of South Carolina, 1976, as amended, and the same appear, in our opinion, to be in order.

This opinion addresses only the legal sufficiency of the documents you have provided for our review. No opinion is expressed as to any other matters, including whether the Petition should be approved as a matter of policy.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "D. Eckstrom".

David C. Eckstrom
Assistant Attorney General

DCE:tgc

Enclosures

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EXHIBIT

JAN 12 1988 NO. 25

STATE OF SOUTH CAROLINA)
COUNTY OF RICHLAND)

Hobart Corporation

STATE BUDGET & CONTROL BOARD

I, WILLIAM A. McINNIS, SECRETARY to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the State Budget and Control Board (the Board) is composed of the following:

His Excellency, Carroll A. Campbell, Jr., Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable James M. Waddell, Jr., Vice Chairman of the Senate Finance Committee; and

The Honorable Robert N. McLellan, Chairman of the House Ways and Means Committee.

That due notice of a meeting of the Board, called to be held in Columbia, South Carolina, at 9:30 a.m. on Tuesday, January 12, 1988, was given to all members in writing, and at least four (4) days prior to the meeting; that all members of the Board were present at the meeting.

That at the meeting, a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Senator Waddell, who moved its adoption; the motion was seconded by Mr. Patterson, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of the Board in my custody as its Secretary.

January 18, 1988

William A. McInnis

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EXHIBIT

JAN 12 1988

NO. 25

STATE BUDGET & CONTROL BOARD

A RESOLUTION APPROVING THE ISSUANCE BY DARLINGTON COUNTY, SOUTH CAROLINA, OF NOT EXCEEDING \$3,600,000 PRINCIPAL AMOUNT INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1988 (HOBART CORPORATION PROJECT), PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED.

WHEREAS the County Council of Darlington County, South Carolina (the "Governing Board") has heretofore by submitting a petition (the "Petition"), under and pursuant to the provisions of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") requested the approval by the State Budget and Control Board of the issuance by Darlington County (the "County") pursuant to the Act of its Industrial Development Revenue Bonds (Hobart Corporation Project) in the aggregate principal amount of not exceeding \$3,600,000 (the "Bonds"); and

WHEREAS, the County proposes to issue the Bonds for the purpose of defraying the cost of making certain improvements and additions to a facility previously acquired by the Corporation and the cost of acquiring all machinery, apparatus, equipment, office facilities and furnishings to be installed therein (the "Project") to be used for the purpose of operating an industrial facility for the manufacture of food preparation equipment; and

WHEREAS, the Project is to be made available to Hobart Corporation (the "Corporation") upon terms which require the Corporation to make payments to or for the account of the County in amounts sufficient to pay the principal and interest on the Bonds and which secure the obligation of the Corporation; and

WHEREAS, the Bonds will be payable from and secured by an assignment of the obligations of the Corporation and an irrevocable, direct pay, letter of credit; and

WHEREAS, the County has submitted with the Petition (i) drafts of the documents to be entered into by the County in connection with the issuance of the Bonds, for review by the State Budget and Control Board, (ii) an Assistance Agreement by and between the Corporation and the County executed by the Governing Board, on July 24, 1987, and executed by the Corporation as of July 28, 1987, and (iii) a copy of a resolution and petition adopted by the County on January 4, 1988, and this Board has reviewed and considered each of said documents in its consideration of said Petition by the County;

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NOW, THEREFORE, BE IT RESOLVED, by the State Budget and Control Board of the State of South Carolina as follows:

Section 1. The Board has made an independent investigation of the matters set forth in the Petition, and on the basis of such investigation it is hereby found, determined and declared:

(a) The facts set forth in the Petition, and in the preamble hereto, are in all respects true and correct;

(b) The Petition filed by the Governing Board contains all matters required by law and the rules of this Board to be set forth therein, and that in consequence thereof the jurisdiction of this Board has been properly invoked under and pursuant to Section 4-29-140 of the Act;and

(c) The Project subject of the Petition of the Governing Board is intended to promote the purposes of the Act and is reasonably anticipated to effect such result.

Section 2. In consequence of the foregoing, the proposal of the County to defray the cost of acquiring the Project, to make the Project available to the Corporation, to finance the cost thereof and expenses incidental thereto by the execution and delivery of the Bonds be and the same is hereby in all respects approved. This approval shall not be affected by any changes in the details of the proposal of the County so long as such changes do not impose a pecuniary liability upon the County or its general credit or taxing power, are approved by the County Council and the Corporation, and do not make inaccurate, except as to dates and amounts, the summaries of the Loan Agreement and Indenture of Trust and the description of the Project contained in the Petition.

Section 3. Notice of the action taken by this Board in approving the above described undertaking of the County shall be published in THE STATE and the HARTSVILLE MESSENGER and the DARLINGTON NEWS AND PRESS, which are newspapers having general circulation in Darlington County.

Section 4. The Notice, required in Section 3 above to be published shall be in substantially the form set forth in Exhibit "A" of this Resolution.

Section 5. There is hereby tentatively allocated to the Bonds not exceeding \$3,600,000 of the private activity bond ceiling for 1988 (the "Cap") under Section 146 of the Internal Revenue Code of 1986, as amended. This allocation is subject to and conditioned upon the delivery to the Board an issue amount certificate in the manner required under Act No. 117 of the Acts and Joint Resolutions of the General Assembly for the State of South Carolina for the year 1987.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

Section 6. The Board certifies that allocation for the Project under the volume cap established by the Tax Reform Act of 1986 was not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

Section 7. This Resolution shall take effect immediately.

EXHIBIT

JAN 12 1988 NO. 25

STATE BUDGET & CONTROL BOARD

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EXHIBIT

JAN 12 1988

NO. 25

EXHIBIT A

STATE BUDGET & CONTROL BOARD

NOTICE PURSUANT TO THE PROVISIONS
OF SOUTH CAROLINA CODE ANNOTATED,
TITLE 4, CHAPTER 29
(1976), AS AMENDED

Notice is hereby given pursuant to the provisions and requirements of Section 4-29-140 of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") that the State Budget and Control Board of South Carolina, pursuant to a Petition filed by the County Council of Darlington County, South Carolina, has given its approval to the following undertaking by Darlington County, South Carolina:

The issuance by Darlington County of its Industrial Development Revenue Bonds, Series 1988 (Hobart Corporation Project) in the original principal amount of not exceeding \$3,600,000 (the "Note"), to defray the costs of making certain improvements and additions to a facility previously acquired by the Corporation and the cost of acquiring all machinery, apparatus, equipment, office facilities and furnishings by Hobart Corporation, a Delaware corporation, to be used to operate an industrial facility for the manufacture of food preparation equipment located in Darlington County. The Project will be made available to Hobart Corporation which will unconditionally covenant to make payments sufficient to pay the principal and interest on the Bonds. The Bonds will be payable solely and exclusively out of payments to be made by Hobart Corporation for the use of the Project, and is to be additionally secured by an irrevocable, direct pay, letter of credit.

Notice is further given that any interested party may, within twenty (20) days after the date of the publication of this notice, but not afterwards, challenge the validity of the State Budget and Control Board's approval of the Project and the issuance of the Bonds by Darlington County to finance the same, by action de novo instituted in the Circuit Court for Darlington County, South Carolina.

STATE BUDGET AND CONTROL BOARD

BY: WILLIAM A. McINNIS, Secretary

Dated: January _____, 1988.

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JAN 14 1988

State of South Carolina



EXHIBIT

JAN 12 1988

NO. 25

STATE BUDGET & CONTROL BOARD

State Budget and Control Board

OFFICE OF THE STATE AUDITOR

P.O. BOX 11333
COLUMBIA, S.C.
29211
(803) 734-1727

EDGAR A. VAUGHN, JR., CPA
STATE AUDITOR

MARGARET C. STILWELL, CPA
DEPUTY STATE AUDITOR

January 13, 1988

Mr. William A. McInnis
Deputy Executive Director
State Budget and Control Board
Post Office Box 12444
Columbia, South Carolina 29211

RE: Industrial Development Revenue Bonds - Darlington County -
Hobart Corporation Project

Dear Mr. McInnis:

As originally proposed, the bond issue was to provide funds for improvements to a facility to be used by Hobart for the manufacture of food preparation equipment and the issue was not to exceed \$2,800,000. Hobart is a principal subsidiary of Premark International, Inc. By letter dated December 4, 1987, I informed you that "based upon our review of the aforementioned Form 10-K report and financial statements, the financial position and results of operations of Premark International, Inc., appear adequate to support the proposed and existing debt; therefore, we see no reason to disapprove the proposed bond issue."

We received a transmittal form for revenue bonds dated January 6, 1988, on which the amount of the issue had been increased to \$3,600,000. Based upon our review referred to above, the financial position and results of operations of Premark also appear adequate to support the increased proposed debt and the existing debt.

Rosa B. Hughes

Rosa B. Hughes, CPA
Audit Manager

RBH/dc

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CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNOR
GRADY L. PATTERSON, JR.
STATE TREASURER

STATE BUDGET & CONTROL BOARD
EARLE E. MORRIS, JR.
COMPTROLLER GENERAL
REMBERT C. DENNIS
CHAIRMAN
SENATE FINANCE COMMITTEE

ROBERT N. McLELLAN
CHAIRMAN
HOUSE WAYS AND MEANS COMMITTEE
JESSE A. COLES, JR.
EXECUTIVE DIRECTOR

JAN 12 1988

NO. 25

State of South Carolina

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

CARROLL A. CAMPBELL, JR., CHAIRMAN
GOVERNORGRADY L. PATTERSON, JR.
STATE TREASUREREARLE E. MORRIS, JR.
COMPTROLLER GENERALBox 12444
Columbia
29211REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEEROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEEJESSE A. COLES, JR., Ph.D.
EXECUTIVE DIRECTORAMENDED

January 18, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1988

TO: Darlington County
c/o Mr. Brent Jeffcoat
Nelson, Mullins, Riley & Scarborough
P. O. Box 11070
Columbia, SC 29211

RE: Issue of \$3,500,000 Darlington County, South Carolina
Industrial Development Revenue Bonds
(Hobart Corporation Project)
Issue Date Projected By Issuing Authority: January 20, 1988
Allocation Expiration Date: April 11, 1988
Issue Amount Certificate Date: January 13, 1988

Based upon my receipt of the issue amount certificate required of the issuing authority by Section 6(B) of Act 117 of 1987, effective May 26, 1987, which certificate is dated not more than ten (10) business days prior to the projected date of issue which, as certified by the issuing authority, is within the time period during which the ceiling allocation approved previously on a tentative basis by the State Budget and Control Board for the referenced project is valid, I have determined that the allocation is now final in the amount indicated above.

I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1988 will not exceed the 1988 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

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EXHIBIT

JAN 12 1988 NO. 25

State of South Carolina

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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

Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 18, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

(UNDER TAX REFORM ACT OF 1986)

FINAL ALLOCATION, CALENDAR YEAR 1987

TO: Darlington County
c/o Mr. Brent Jeffcoat
Nelson, Mullins, Riley & Scarborough
P. O. Box 11070
Columbia, SC 29211

RE: Issue of \$3,500,000 Darlington County, South Carolina
Industrial Development Revenue Bonds
(Hobart Corporation Project)
Issue Date Projected By Issuing Authority: January 20, 1988
Allocation Expiration Date: April 11, 1988
Issue Amount Certificate Date: January 13, 1988

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I also have determined that the referenced issue when issued and combined with the amount of private activity bonds and notes certified to me previously by South Carolina issuing authorities as having been issued or which are to be issued in 1987 will not exceed the 1987 State Ceiling on the issuance of private activity bonds for the State of South Carolina.

William A. McInnis

William A. McInnis, Secretary

1988
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EXHIBIT

State of South Carolina

JAN 12 1988

NO. 25

State Budget and Control Board

STATE BUDGET & CONTROL BOARD

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



Box 12444
Columbia
29211

REMBERT C. DENNIS
CHAIRMAN, SENATE FINANCE COMMITTEE
ROBERT N. McLELLAN
CHAIRMAN, WAYS AND MEANS COMMITTEE

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

January 12, 1988

C E R T I F I C A T E

STATE CEILING ON ISSUANCE OF PRIVATE ACTIVITY BONDS

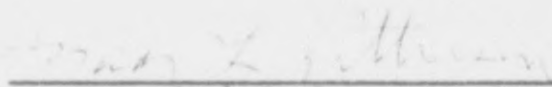
(UNDER TAX REFORM ACT OF 1986)

TENTATIVE ALLOCATION, CALENDAR YEAR 1988

TO: Darlington County
\$3,600,000
Industrial Development Revenue Bonds
(Hobart Corporation Project)

The State Budget and Control Board has made a tentative allocation of the State Ceiling established in the Tax Reform Act of 1986 in the amount indicated to the referenced bonds/notes and project. This allocation is valid for calendar year 1988 only. It will expire on April 11, 1988, which is ninety (90) consecutive calendar days from the date the allocation was approved by the Board, if the bonds/notes for which the allocation has been approved have not been issued prior to that time.

Before this tentative allocation becomes final, Section 6(B) of Act 117 of 1987, effective May 26, 1987, requires that the exact amount of the bonds/notes being issued be certified to the Board Secretary by the issuing authority **before** the issue is made. In response to that issue amount certificate, the Secretary will issue a certificate which makes the ceiling allocation final.


Grady L. Patterson, Jr.

Attest:


William A. McInnis, Secretary

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EXHIBIT

JAN 12 1988

NO. 25

STATE OF SOUTH CAROLINA)
)
COUNTY OF DARLINGTON)

STATE BUDGET & CONTROL BOARD

TO THE STATE BUDGET AND CONTROL)
)
BOARD OF SOUTH CAROLINA)
)

P E T I T I O N

This Petition of Darlington County, South Carolina (the "County"), pursuant to South Carolina Code Annotated Title 4, Chapter 29 (1976), as amended, (the "Act") and specifically Section 4-29-140 thereof, respectfully shows:

1. The County Council of Darlington County (the "County Council"), is the governing body of the County and as such is the "governing board" of the County referred to in the Act.

2. The Act, among other things, empowers the County, subject to obtaining the approval of the State Budget and Control Board, pursuant to Section 4-29-140 of the Act: (i) to acquire or cause to be acquired, and, in connection with such acquisition, to enlarge, improve and expand, whether by construction, purchase, gift or lease, one or more projects (as defined in the Act) which shall be located within the jurisdiction of the County; (ii) to enter into agreements with any industry to construct and thereafter operate, maintain and improve a project; (iii) to enter into a financing agreement with such industry prescribing the terms and conditions of the payments to be made by the industry to meet the payments that shall become due on any bonds; and (iv) to issue revenue bonds for the purpose of defraying the cost of acquiring, by construction and purchase, and in connection with any such acquisition, to enlarge, improve and expand any project and to secure the payment of such bonds all as in the Act provided.

3. Pursuant to the provisions of Act No. 117 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina for the year 1987, effective May 26, 1987, the State Budget and Control Board and the Joint Bond Review Committee have been assigned certain responsibilities with respect to allocation of the private activity bond ceiling (the "Cap") applicable to the State of South Carolina under Section 146 of the Internal Revenue Code of 1986, as amended.

4. The County has agreed to assist Hobart Corporation, a Delaware corporation qualified to do business as a corporation in South Carolina (the "Corporation"), by issuing its revenue bonds for the purpose of defraying the cost of completing certain facilities located in the County (the "Project") more fully described in Exhibits A and B attached hereto.

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5. The County has been advised by the Corporation that the estimated cost of the Project will not exceed \$3,600,000 and it has requested the County to execute and deliver its Industrial Development Revenue Bonds (Hobart Corporation Project) (the "Bonds") in the principal amount of not exceeding \$3,600,000 to defray such costs.

6. Pursuant to Section 4-29-60 of the Act, the County Council has made the requisite findings that: (i) the Project will subserve the purposes of the Act; (ii) it is anticipated that the Project will benefit the general public welfare of the County by providing employment and other public benefits not otherwise provided locally; (iii) the Project will give rise to no pecuniary liability of the County or a charge against its general credit or taxing power; (iv) the principal amount of the Bonds required to finance the Project is expected to be not exceeding \$3,600,000; (v) the County does not deem it necessary to establish any reserve funds in connection with the retirement of the proposed Bonds and the maintenance of the Project; and (vi) the terms under which the Project is to be made available to the Corporation provide that the Corporation shall maintain the Project and carry all proper insurance with respect thereto, and as a part of the proceedings of the County, the County Council will make the requisite finding as to the amount necessary in each year to pay the principal and the interest on the Bonds proposed to be issued to defray the cost of the Project.

7. Pursuant to Section 4-29-140 of the Act, the County sets forth the following information:

(a) The Project, described in detail on Exhibits A and B submitted herewith, consists of a building or buildings and other improvements thereon and certain machinery, apparatus, equipment, office facilities and furnishings to be used for the purpose of operating an industrial facility for the manufacture of food preparation equipment. It is anticipated that, upon completion, the Project will provide directly approximately 200 additional full time jobs in the County and neighboring areas and that the Project will provide stimulation to the economy of the County and neighboring areas thereto by increased payrolls, capital investment and tax revenues.

(b) It is estimated that the cost of the Project, including the items of cost authorized in the Act, will be not exceeding \$3,600,000.

(c) The following is a summary of certain provisions of the Loan Agreement and the Indenture of Trust to be executed in connection with the Bonds which summary, however, is in no wise intended to affect or alter the actual terms of the documents themselves:

(i) The proposed Loan Agreement between the Corporation and the County, and the proposed Indenture of Trust between the County and Fidelity Bank, National Association (Philadelphia) (the "Trustee"), together provide in general:

(A) Proceeds derived from the placement of the Bonds, except accrued interest paid by the initial holder thereof, will be used and applied by the County upon request of the Corporation solely for the payment of the costs (as that term is defined in the Act) incident to the completion, by construction and purchase, of the Project.

(B) The Corporation obligates itself: to effect the completion of the Project if the proceeds derived from the placement of the Bonds prove insufficient therefor without diminution of any payments to the County required by the Loan Agreement; to meet the payments of principal and interest on the Bonds as the same become due; and to pay the cost of maintaining and insuring the Project to the extent and in the manner provided in the Loan Agreement.

(C) The County does not incur any pecuniary liability or charge upon its general credit or taxing powers.

(D) An irrevocable pledge and assignment for the benefit of the Holders of the Bonds of the County's right, title and interest in and to the Loan Agreement and all payments, receipts and revenues which the County has a right to receive under the Loan Agreement or with respect to any security afforded thereunder or any other financing agreement with respect to the Project in favor of the County (except payments and rights to indemnification payments and administration expenses), and all the moneys and securities in funds created under the Loan Agreement.

(E) The obligations of the Corporation are to be additionally secured by an irrevocable, direct pay, letter of credit to be issued by Fuji Bank, Limited, Chicago Branch.

(F) The terms of the Bonds, the provisions for exchange and transfer of the Bonds, the prepayment provisions, the means of disbursement and investment of the proceeds thereof, provisions for issuance of additional parity bonds, default provisions and remedies therefor and various other matters relating to the Bonds.

EXHIBIT

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STATE BUDGET & CONTROL BOARD

(ii) The Loan Agreement specifies that the Corporation and the County shall cooperate in having the Project appraised for such purposes and in making payments to the taxing authorities of the County and any school district or districts and other political units wherein the Project is located.

Upon the basis of the foregoing, the County respectfully prays that the State Budget and Control Board (i) accept the filing of this Petition and the documents submitted herewith, (ii) make such investigation as it deems advisable, (iii) if it finds that the Project is intended to promote the purposes of the Act and may be reasonably anticipated to effect such result, that it approve the Project and the execution and delivery of the Bonds by the County pursuant to the Act to defray the cost of the Project (including changes in any details of the said financing as finally consummated which do not materially affect the undertaking of the County), and (iv) allocate \$3,600,000 of the Cap for the Bonds, and (v) give published notice of its approval in the manner set forth in Section 4-29-140 of the Act.

Respectfully submitted,

DARLINGTON COUNTY, SOUTH CAROLINA

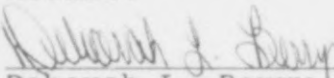
By: 

Lucius T. Bacote, Chairman,
County Council, Darlington
County, South Carolina

Dated: January 4, 1988.

(SEAL)

ATTEST:



Deborah L. Berry, Clerk to County Council
of Darlington County, South Carolina

11431

EXHIBIT

JAN 12 1988

NO. 25

STATE BUDGET & CONTROL BOARD

RESOLUTION

A RESOLUTION MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY DARLINGTON COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1988 (HOBART CORPORATION PROJECT), PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,600,000.

WHEREAS, Darlington County, South Carolina (the "County"), acting by and through its County Council is authorized and empowered under and pursuant to the provisions of South Carolina Code Annotated, Title 4, Chapter 29 (1976), as amended, (the "Act") to acquire and cause to be acquired properties that are projects under the Act through which the industrial development of the State of South Carolina will be promoted and trade developed by inducing industrial enterprises to locate in and remain in the State of South Carolina and thus utilize and employ the manpower, agricultural products and natural resources of the State; and

WHEREAS, the County is further authorized by the Act to issue revenue bonds payable solely from revenues and receipts from any financing agreement with respect to such project and secured by a pledge of said revenues and receipts and by an assignment of such financing agreement; and

WHEREAS, the County and Hobart Corporation, a Delaware corporation (the "Corporation") entered into an Assistance Agreement (the "Assistance Agreement") executed by the County on July 24, 1987, and executed by the Corporation as of July 28, 1987, pursuant to which and in order to implement the public purposes enumerated in the Act and in furtherance thereof to comply with the undertakings of the County pursuant to the Assistance Agreement, the County proposes to issue its Industrial Development Revenue Bonds (Hobart Corporation Project) (the "Bonds") to defray the costs of making certain improvements and additions to a facility previously acquired by the Corporation and the cost of acquiring all machinery, apparatus, equipment, office facilities and furnishings to be installed therein for the purpose of operating an industrial facility for the manufacture of food preparation equipment (which facilities constitute a project and are referred to hereinafter as the "Project"), and subject to the approval of the State Budget and Control Board of South Carolina, to make the Project available to the Corporation under and pursuant to the terms of a loan agreement (the

"Agreement") to be entered into between the County and the Corporation; and

WHEREAS, it is now deemed advisable by the County Council to file with the State Budget and Control Board of South Carolina, in compliance with Section 4-29-140 of the Act, the Petition of the County requesting approval of the proposed financing by the State Budget and Control Board;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Darlington County, South Carolina, as follows:

Section 1. It is hereby found, determined and declared as follows:

(a) The Project will constitute a "project" as said term is referred to and defined in Section 4-29-10 of the Act, and the issuance of the Bonds in the principal amount of not exceeding \$3,600,000 to defray the cost of completing the Project will subserve the purposes and in all respects conform to the provisions and requirements of the Act.

(b) It is anticipated that the Project will benefit the general public welfare of the County by providing employment for those engaged in construction of the Project, and by providing additional permanent employment for approximately 200 people from the County and adjacent areas when the Project is completed and placed in full operation, with a resulting alleviation of unemployment and a substantial increase in payrolls and other public benefits incident to the conduct of operations not otherwise provided locally.

(c) Neither the Project, the Bonds proposed to be issued by the County to defray the cost of the Project, nor any documents or agreements entered into by the County in connection therewith will constitute or give rise to a pecuniary liability of the County or a charge against its general credit or taxing power.

(d) The issuance of the Bonds by the County in the principal amount of not exceeding \$3,600,000 will be required to defray the cost of the Project.

(e) Inasmuch as the Corporation is a corporation with established credit, the establishment of reserve funds in connection with the retirement of the Bonds and the maintenance of the Project is deemed unnecessary.

(f) The Project is made available by the County to the Corporation upon terms which require the Corporation, at its own expense, to maintain the Project in good repair and to carry all proper insurance with respect thereto.

(g) The completion of the Project will consist of the items described in Exhibits A and B to the Agreement and an

EXHIBIT

JAN 12 1988

NO. 25

STATE BUDGET & CONTROL BOARD

Indenture of Trust to be entered into between the County and Fidelity Bank, N.A. (Philadelphia) (the "Trustee"), all such documents to be submitted with the Petition requesting the approval of the State Budget and Control Board of South Carolina.

(h) A reasonable estimate of the cost of the Project including necessary expenses incident thereto is \$3,600,000.

Section 2. There be and is hereby authorized and directed the submission on behalf of the County, of a Petition requesting the approval of the proposal of the County to issue the Bonds by the State Budget and Control Board of South Carolina pursuant to the provisions of Section 4-29-140 of the Act, said Petition, which constitutes and is hereby made a part of this authorizing resolution, to be in substantially the form attached hereto.

Section 3. The Chairman of the County Council be and is hereby authorized and directed to execute said Petition in the name and on behalf of the County; and the Clerk to County Council be and is hereby authorized and directed to affix the seal of the County to said Petition and to attest the same and thereafter to submit an executed copy of this resolution, to the State Budget and Control Board, in Columbia, South Carolina.

Section 4. All orders and resolutions and parts thereof in conflict herewith are to the extent of such conflict hereby repealed, and this resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved January 4, 1988.

DARLINGTON COUNTY, SOUTH CAROLINA

By: 

Lucius T. Bacote,
Chairman, County Council
of Darlington County,
South Carolina

(SEAL)

ATTEST:

By: 

Deborah L. Berry, Clerk to
County Council of Darlington County,
South Carolina

11434

NELSON, MULLINS, RILEY & SCARBOROUGH
ATTORNEYS AND COUNSELORS AT LAW

JAN 15 1988
19:07 PM
LH

CLAUDE M. SCARBOROUGH, JR.
RICHARD W. RILEY
EDWARD W. MULLINS, JR.
EDWARD P. RILEY, JR.
WILLIAM S. NELSON, II
R. BRUCE SHAW
JOHN U. BELL, III
ROBERT G. CURRIN, JR.
WILLIAM S. DAVIES, JR.
DONALD H. STUBBS
ROBERT M. ERWIN, JR.
JAMES C. BLAKELY, JR., PA.
RALSTON B. VANZANT, II
WILLIAM C. SWEENEY, III
STEPHEN G. MORRISON
JOHN L. CHOATE
EDWARD E. POLIAKOFF
BRENTON D. JEFFCOAT
SHERYL CUDD BLENIS

THORNWELL F. SOWELL, III
JOHN T. MOORE
J. CHRISTOPHER HENDERSON
DENNIS C. GILCHRIST, PA.
GEORGE S. BAILEY
RICHARD B. WATSON
WILLIAM C. HUBBARD
DWIGHT F. DRAKE
GEORGE B. WOLFE
HENRY S. KNIGHT, JR.
JAMES C. GRAY, JR.
NINA NELSON SMITH
CHARLES R. NORRIS
CLAY D. BRITTAIN, III
J. DOUGLAS NUNN, JR.
RICHARD H. WILLIS
JOEL H. SMITH
DAVID G. TRAYLOR, JR.
MONTEITH R. TODD

L. SIDNEY CONNOR, IV
ROBERT W. FOSTER, JR.
JAMES T. LAWS
CHARLES RICHARD STEWART
REBECCA LAFFITTE
BARBARA HOWE MCARTHUR
JOSEPH M. STRICKLAND
DAVID E. DUKES
ARTHUR L. COLEMAN
L. WALTER TOLLISON, III
JOHN S. EGAN
KENNETH ALLAN JANIK
STEVEN M. WYNKOOP
LISA D. CATT
CHRISTOPHER J. DANIELS
GEORGE K. LYALL
RICHARD A. FARRIER, JR.
NANCY BYNUM RILEY
JANE THOMPSON DAVIS

JOHN E. SCHMIDT
DOROTHY J. HOPKO
W. THOMAS CAUSBY
LAURA S. CAMPBELL
ROYANN RUSS MURRAY
DEBORAH WILLIAMSON WITT
SUSAN C. PARQUE
JAMES MIXON GRIFFIN
POLLY D. ENGER
THOMAS E. LYDON, III
DAVID E. HODGE
ROBERT G. MERIWETHER
DAVID W. WHITTINGTON
ERROLL ANNE H. YARBROUGH
CHARLES M. BLACK, JR.
MELODY R. BLACK
HOWARD A. VANDINE, III
GRADY L. BEARD
PHILLIP LUKE HUGHES

EDWARD W. MULLINS, SR.
EDWARD P. RILEY, SR.
OF COUNSEL

PATRICK HENRY NELSON (1986-1994)
WM. SHANNON NELSON (1986-1999)
PATRICK H. NELSON (1910-1984)
F. BARRON GRIER, JR. (1907-1971)

COLUMBIA OFFICES:
THIRD FLOOR, KEENAN BUILDING
1330 LADY STREET
POST OFFICE BOX 1070
COLUMBIA, SOUTH CAROLINA 29201
(803) 799-2000
TELECOPY (803) 256-7500

GREENVILLE OFFICES:
TWENTY-FOURTH FLOOR, DANIEL BUILDING
301 NORTH MAIN STREET
POST OFFICE BOX 10084
GREENVILLE, SOUTH CAROLINA 29603
(803) 250-2300
TELECOPY (803) 232-2925

MYRTLE BEACH OFFICES:
SUITE 8, OAK STREET PLAZA
1706 NORTH OAK STREET
POST OFFICE BOX 3939
MYRTLE BEACH, SOUTH CAROLINA 29578-3939
(803) 446-1992
TELECOPY (803) 446-3437

January 13, 1988

Mr. William A. McInnis
Secretary
South Carolina State Budget and Control Board
612 Wade Hampton Office Building
Post Office Box 12444
Columbia, South Carolina 29211

Re: Hobart Corporation Project
Our file number: 0508/9000

Dear Mr. McInnis:

This letter is to certify to the Budget and Control Board that the actual principal amount of the bonds to be issued in the Hobart Corporation Project is \$3,500,000. The date of issue shall be January 20, 1988.

I would appreciate your issuing the Board's final certificate as to allocation of volume cap.

Should you have any questions concerning this matter, or should you need anything further in order to issue this certificate, please feel free to let me know.

Very truly yours,

Brent Jeffcoat

BJ/db

11435

EXHIBIT

JAN 12 1988 NO. 25

STATE BUDGET & CONTROL BOARD

REPLY TO:
Columbia Office

NOV 30 1987

NELSON, MULLINS, RILEY & SCARBOROUGH
ATTORNEYS AND COUNSELORS AT LAW

CLAUDE M. SCARBOROUGH, JR.
RICHARD W. RILEY
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OF COUNSEL

PATRICK HENRY NELSON (1888-1914)
WM. SHANNON NELSON (1881-1939)
PATRICK H. NELSON (1910-1964)
F. BARRON GRIER, JR. (1907-1971)

November 23, 1987

COLUMBIA OFFICES:

THIRD FLOOR, KEENAN BUILDING
1330 LADY STREET
POST OFFICE BOX 11070
COLUMBIA, SOUTH CAROLINA 29211
(803) 799-2000
TELECOPY (803) 255-7500

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MYRTLE BEACH, SOUTH CAROLINA 29578-3939
(803) 448-1992
TELECOPY (803) 448-3437

SIMPSONVILLE OFFICES:

111 EAST CURTIS STREET
SIMPSONVILLE, SOUTH CAROLINA 29081
(803) 963-4551

REPLY TO:

Columbia Office

Mr. William A. McInnis
Executive Director
State Budget and Control Board
Post Office Box 12444
612 Wade Hampton Office Building
Columbia, South Carolina 29211

Re: Hobart Corporation Project
Our file number: 0508/9000

Dear Mr. McInnis:

Pursuant to our conversation with you today, this letter will document the fact that the rating agency for this project will be unable to consider the project until January 8, 1988. Therefore, even though we have submitted our entire package to you for consideration at the November 25, 1987 Budget and Control Board meeting, we will not be requesting an allocation from the 1987 budget. Please proceed in all other regards with your approval of the project. We do request that the petition be considered for an allocation of the 1988 volume at your first meeting of the new year on January 12, 1988.

Should you need any further documentation or should you have any questions concerning this matter, please feel free to call me.

Very truly yours,

Julie H. Houston
Julie H. Houston
Legal Assistant

JHH/db

11436

NELSON, MULLINS, RILEY & SCARBOROUGH
ATTORNEYS AND COUNSELORS AT LAW
COLUMBIA, GREENVILLE, MYRTLE BEACH & SIMPSONVILLE, S. C.

JULIE H. HOUSTON
LEGAL ASSISTANT

THIRD FLOOR, KEENAN BUILDING
1330 LADY STREET
POST OFFICE BOX 11070
COLUMBIA, SOUTH CAROLINA 29211

TELEPHONE
803-799-2000

Mr. McInnis,

Brent asked that
this correspondence be
sent to you as further
evidence of the council's
approval of the
increased amount for
the Hobart issue.

We are still trying
to obtain the signed
copies of the resolution
and petition

Julie Houston

JAN 11 1988

11438



C GORDON MCBRIDE
COUNTY ATTORNEY

DARLINGTON, S.C.
January 5, 1988

RECEIVED JAN 8 6 1988
EXHIBIT

JAN 12 1988 NO. 25

STATE BUDGET & CONTROL BOARD

Mr. Brent Jeffcoat, Esquire
Nelson, Mullins, Riley & Scarborough
Attorneys and Counselors at Law
Post Office Box 11070
Columbia, South Carolina 29211

Re: **Hobart Corporation**
Your File Number: 0508/9000

Dear Brent:

The Darlington County Council held a public hearing on December 21, 1987 with regard to the referenced matter. A copy of the minutes of that public hearing is enclosed for your information.

It had been previously noted the amount of the bond issue was to be increased to \$3,600,000 in accordance with our telephone conversations prior to the December 21 meeting. Accordingly, at the meeting the Ordinance authorizing the issuance and sale of the bonds was amended to reflect an amount up to \$3,600,000.

In accordance with our telephone conversations also enclosed are three signature specimens of Lucius T. Bacote, Chairman, and Deborah L. Berry, Clerk to Council, and the County seal.

Also enclosed is a copy of the amending Resolution adopted on January 4, 1988.

Please advise the undersigned of the additional steps and procedures you wish for Darlington County personnel to take in order to conclude the sale and issuance of these bonds.

Best wishes for a happy and prosperous year.

Warm personal regards,

C Gordon McBride

CGM/a
Enclosures

11439

EXHIBIT

JAN 12 1988

NO. 25

RESOLUTION

STATE BUDGET & CONTROL BOARD

A RESOLUTION TO AMEND RESOLUTION DATED NOVEMBER 2, 1987 MAKING APPLICATION TO THE STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA FOR APPROVAL OF THE ISSUANCE BY DARLINGTON COUNTY, SOUTH CAROLINA, OF ITS INDUSTRIAL DEVELOPMENT REVENUE BONDS, SERIES 1987 (HOBART CORPORATION PROJECT), PURSUANT TO THE PROVISIONS OF SOUTH CAROLINA CODE ANNOTATED, TITLE 4, CHAPTER 29 (1976), AS AMENDED, IN THE PRINCIPAL AMOUNT OF NOT EXCEEDING \$3,200,000 TO INCREASE THE PRINCIPAL AMOUNT NOT TO EXCEED \$3,600,000.

WHEREAS, Darlington County Council adopted a Resolution authorizing application to the State Budget and Control Board of South Carolina for approval of the issuance of its industrial development revenue bonds (Hobart Corporation Project) on November 2, 1987; and

WHEREAS, said corporation has requested an increase in the total amount authorized;

NOW, THEREFORE, BE IT RESOLVED by the County Council of Darlington County, South Carolina, as follows:

Section 1. The previous Resolution dated November 2, 1987, is amended throughout to increase the amount of the bond issue to a sum not exceeding \$3,600,000.

Section 2. All other authorizations and provisions of said Resolution are readopted and remain in full force and effect.

Passed and approved January 4, 1988.

DARLINGTON COUNTY, SOUTH CAROLINA

BY:

Lucius T. Bacote
Chairman, County Council of
Darlington County, South Carolina

(SEAL)

ATTEST:

BY:

Deborah L. Berry, Clerk to
County Council of Darlington
County, South Carolina

11440

EXHIBIT

JAN 12 1988

NO. 25

STATE BUDGET & CONTROL BOARD PUBLIC HEARING - COUNTY COUNCIL OF DARLINGTON COUNTY

December 21, 1987

A Public Hearing held by the County Council of Darlington County this 21st day of December, 1987 at 7:00 o'clock p.m., Courthouse Annex, Darlington, South Carolina.

PRESENT: Chairman Robert L. Kilgo, Jr., Vice-Chairman Jerrel Sansbury, Mr. Maxie O. Redic, Jr., Mr. Lucius T. Bacote, Mr. Robert L. Bryant, Mrs. Rosa Lee Gerald, Mr. Richard Griggs and Mrs. Bobbie S. Gardner.

REPORTERS PRESENT: Mr. Warren Wise of the News and Press and Ms. Lori Patterson of the Hartsville Messenger.

Hearing on the Hobart Bond Issue - Industrial Revenue Bond was called to order.

Meeting open to comments.

No comments or questions.

Hearing on the Hohart Bond Issue - Industrial Revenue Bond was closed.

DEBBIE BERRY
Clerk, County Council

Approved at the regular meeting of County Council held the 4th day of January, 1988.

ROBERT L. KILGO, JR.
Chairman, County Council

11441

EXHIBIT

JAN 12 1988

NO. 26

STATE BUDGET & CONTROL BOARD

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF January 12, 1988

ITEM NUMBER

16

AGENCY: Mental Retardation

SUBJECT: Moving Expenses

In accord with Code Section 8-11-135, the Department of Mental Retardation requests approval of the payment of \$668.56 to Dr. Steven Neff as a reimbursement for the costs incurred in moving personal and household effects from Athens, Georgia to Columbia.

Dr. Neff has been recruited for the position of Physician II (MD) at the Whitten Center in Clinton.

BOARD ACTION REQUESTED:

In accord with Code Section 8-11-135, authorize the Department of Mental Retardation to pay \$668.56 to Dr. Steven Neff as a reimbursement for the costs incurred in moving personal and household effects from Athens, Georgia to Columbia.

ATTACHMENTS:

Barnett December 21 letter to Coles

11442

EXHIBIT

JAN - 4 1988

JAN 12 1988

NO. 26

Charles D. Barnett, Ph.D.
Commissioner

Philip S. Massey, Ph.D.
Deputy Commissioner
Client Services

Lonnie A. Bowman, Jr.
Deputy Commissioner
Support Services

James E. Kirk
Deputy Commissioner
Fiscal Affairs

STATE BUDGET & CONTROL BOARD



MENTAL RETARDATION
COMMISSION

Clarence H. Buurman, Ph.D., Chairman
Melvin L. Burton, Jr., Vice Chairman
Mrs. Doris G. Woods, Secretary
Mrs. Mary C. Ramsay
William deB. Mebane
Mrs. Ava M. Hope
Herbert Rudnick

South Carolina Department of Mental Retardation

2712 Middleburg Drive
P. O. Box 4706
Columbia, South Carolina 29240

RECEIVED

DEC 31 1987

December 21, 1987

BUDGET AND CONTROL BOARD
OFFICE OF EXECUTIVE DIRECTOR

Dr. Jesse A. Coles, Jr.
Executive Director
Budget and Control Board
612 Wade Hampton Building
Post Office Box 12444
Columbia, South Carolina 29211

Dear Dr. Coles:

Our Whitten Center in Clinton, South Carolina has been attempting for several months to recruit a Physician II (MD). We have not been able to identify an appropriate licensed and qualified in-state applicant for this very important position.

In accordance with current state policy concerning payment of moving expenses for out-of-state employment candidates, I am seeking approval to pay Dr. Steven Neff, 700 4th Street N-43, Athens, Georgia, six hundred sixty eight dollars and fifty six cents (\$668.56) for his moving costs. I certify that this action is necessary to recruit this well qualified applicant.

Your assistance in the approval of this request by the State Budget and Control Board is appreciated.

Cordially,

Charles D. Barnett, Ph.D.
Commissioner

CDB/lbc

cc: Wayne D. Blanton

11443

EXHIBIT

JAN 12 1988

NO. 27

STATE BUDGET AND CONTROL BOARD
MEETING OF January 12, 1987

STATE BUDGET & CONTROL BOARD

ITEM NUMBER

17

AGENCY: Department of Agriculture

SUBJECT: Foreign Travel

The Department of Agriculture requests approval of the travel of Dr. Richard Jesse and Norwood McLeod to Australia, New Zealand and Tahiti during the February 17-28, 1988 period to coordinate and direct a group of SC farmers to study production, technology, packaging and marketing of kiwi and fruit crops in New Zealand. The estimated cost of this travel is \$3,943 and will be paid from the Foreign Trade missions appropriation.

BOARD ACTION REQUESTED:

Approve the travel of Department of Agriculture staff members Richard Jesse and Norwood McLeod to Australia, New Zealand and Tahiti during the February 17-28, 1988 period at an estimated cost of \$3,943 to be paid from the Foreign Trade missions appropriation.

ATTACHMENTS:

Tindal December 14 letter to McInnis

11445

DEC 17 1987



State of South Carolina
Department of Agriculture

Wade Hampton Office Building
P.O. Box 11280
Columbia, S.C. 29211

Telephone: (803) 734-2210

D. Leslie Tindal - Commissioner

December 14, 1987

EXHIBIT

JAN 12 1988 NO. 27

STATE BUDGET & CONTROL BOARD

Mr. William A. McInnis
Deputy Executive Director
Budget and Control Board
6th Floor, Wade Hampton Office Building
Columbia, South Carolina 29211

Dear Mr. McInnis:

Request is hereby filed that Dr. Richard Jesse and Norwood McLeod, be permitted to travel to Sydney, Australia, Auckland, Tauranga, Rotorua, Napier and Wellington, New Zealand, and Papeete, Tahiti on February 17-28, 1988.

Their main objective will be to coordinate and direct a group of South Carolina farmers to study production, technology, packaging and marketing of kiwi and fruit crops in New Zealand.

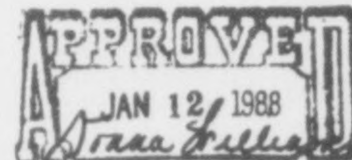
Total travel cost is estimated at \$3,943 which will include airfare, hotels, and other expenses to be paid from the Foreign Trade Missions appropriation.

Your cooperation in this matter will be greatly appreciated.

Sincerely,

D. LESLIE TINDAL

dg



**STATE BUDGET AND
CONTROL BOARD**

11446

EXHIBIT

JAN 12 1988

NO. 27

STATE BUDGET & CONTROL BOARD ~~BOARD~~ ELEMENTAL

STATE BUDGET AND CONTROL BOARD

REGULAR SESSION

MEETING OF January 12, 1988

ITEM NUMBER

17-A

AGENCY: Department of Agriculture

SUBJECT: Foreign Travel

The Department of Agriculture requests approval of the travel of Larry L. Yonce to Australia, New Zealand and Tahiti during the February 17-29, 1988, period to study production, technology, packaging and marketing of kiwi and fruit crops in New Zealand. The estimated cost of this travel is \$2,641 and will be paid from the Foreign Trade missions appropriation.

BOARD ACTION REQUESTED:

Approve the travel of Department of Agriculture staff member Larry L. Yonce to Australia, New Zealand and Tahiti during the February 17-29, 1988, period at an estimated cost of \$2,641 to be paid from the Foreign Trade missions appropriation.

ATTACHMENTS:

Tindal January 6 letter to McInnis

11447



State of South Carolina

Department of Agriculture

Wade Hampton Office Building

P.O. Box 11280

Columbia, S.C. 29211

Telephone: (803) 734-2210

D. Leslie Tindal - Commissioner

JANUARY 6, 1988

EXHIBIT

JAN 12 1988 NO. 27

STATE BUDGET & CONTROL BOARD

MR. WILLIAM A. MCINNIS
DEPUTY EXECUTIVE DIRECTOR
BUDGET AND CONTROL BOARD
6TH FLOOR, WADE HAMPTON OFFICE BUILDING
COLUMBIA, SOUTH CAROLINA 29211

DEAR MR. MCINNIS:

REQUEST IS HEREBY FILED THAT LARRY L. YONCE BE PERMITTED TO TRAVEL TO SYDNEY, AUSTRALIA, AUCKLAND, TAURANGA, ROTORUA, NAPIER AND WELLINGTON, NEW ZEALAND, AND PAPEETEE, TAHITI ON FEBRUARY 17-29, 1988.

HIS MAIN OBJECTIVE WILL BE TO STUDY PRODUCTION, TECHNOLOGY, PACKAGING AND MARKETING OF KIWI AND FRUIT CROPS IN NEW ZEALAND.

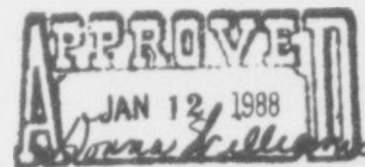
TOTAL TRAVEL COST IS ESTIMATED AT \$2641 WHICH WILL INCLUDE AIRFARE, HOTELS AND OTHER EXPENSES TO BE PAID FROM THE FOREIGN TRADE MISSIONS APPROPRIATION.

YOUR COOPERATION IN THIS MATTER WILL BE GREATLY APPRECIATED.

SINCERELY,

D. LESLIE TINDAL

DG



STATE BUDGET AND
CONTROL BOARD

11448

EXHIBIT

JAN 12 1988

NO. 28

STATE BUDGET AND CONTROL BOARD REGULAR SESSION
MEETING OF January 12, 1988 ITEM NUMBER

18

AGENCY: Clemson University

SUBJECT: Foreign Travel

Clemson University requests approval of the travel of Bobby G. Wixson, Dean, College of Sciences, to Hong Kong, China and Japan during the March 10-25, 1988, period to renew coop agreements between Clemson and Chinese universities in Beijing and Nanjing and to develop coop agreements with Kumamoto and other cities in Japan under the U.S. branch campus program. The estimated cost of this travel is \$3,000 and will be paid from State-appropriated funds.

BOARD ACTION REQUESTED:

Approve the travel of Bobby G. Wixson, Dean, Clemson University College of Sciences, to Hong Kong, China and Japan during the March 10-25, 1988, period at an estimated cost of \$3,000 to be paid from State-appropriated funds.

ATTACHMENTS:

Maxwell memo to McInnis

11449

DEC 10 1987



EXHIBIT

JAN 12 1988

NO. 28

STATE BUDGET & CONTROL BOARD

BUSINESS AND FINANCE
Office of Financial ManagementREQUEST FOR APPROVAL OF FOREIGN TRAVEL

DATE:

TO: Mr. William A. McInnis
Deputy Executive Director, State Budget & Control Board
601 Wade Hampton Office Building
Columbia, SC 29211

FROM: W. Scott Russell Vice President

SUBJECT: Bobby G. Wixson
Name
Dean - College of Sciences
Title

DESTINATION: Hong Kong - China - Japan

TIME PERIOD: 10 March to 25 March, 1988

PURPOSE: Renew coop agreements between Clemson University and Chinese Universities in Beijing and Nanjing - define work scope. Develop coop agreements with Kumamoto and other cities in Japan under U.S. Branch campus program.

| | | | |
|--------|---------------------|-------------------------------|-------------------|
| FUNDS: | State-appropriated: | <u>1-40-5180-1901-51-0000</u> | <u>\$3,000.00</u> |
| | | Account No. | Amount |
| | | Account No. | Amount |
| | | Account No. | Amount |
| | Other sources: | | |
| | | Account No. | Amount |
| | | Account No. | Amount |

ESTIMATED TOTAL COST: \$ 3,000.00

Bobby G. Wixson 14 Dec 87
Traveler Date



Department Head Date

Dean or Director Date

11450