

MINUTES OF BUDGET AND CONTROL BOARD MEETING

AUGUST 8, 1961

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The State Budget and Control Board met in the Office of the Director of Sinking Funds and Property at 3:30 P. M., on August 8, 1961. All members of the Board were present at this meeting.

The State Auditor presented to each member of the Board a copy of a report of the State Ports Authority by the management firm of Cresap, McCormick and Paget. This survey had been authorized by the Board following the Board meeting of April 25, 1961 at which meeting Chairman Cotesworth P. Means had brought to the attention of the Board some matters in connection with the operational practices of the Authority and a number of recommendations.

It was the opinion of the Budget and Control Board, after receiving the report of the survey, that the administration of the Ports Authority business was proceeding satisfactorily, and that there was no call or need for interference by the State Budget and Control Board. The State Auditor was directed to supply each member of the Ports Authority with a copy of this report.

Mr. E. H. Talbert, Director of the Surplus Property Division, appeared before the Board to discuss the need and advisability of constructing two warehouses to be used for storing such surplus property as can be obtained. Mr. Talbert explained that he had procured two surplus buildings from the Federal Government which could be re-erected at a cost of approximately \$65,000.00. He estimated that by doing so rental now being paid in the amount of about \$300.00 per month could be saved, in addition to the fact that much advantage would be gained by concentrating this business into a single or contiguous area. Mr. Talbert explained that the accumulated revolving fund in his department would more than take care of this expenditure. The Board authorized Mr. Talbert to proceed with the construction of these buildings following the usual channels.

Mr. Talbert was also authorized to employ a man, to be paid from the Revolving Fund, whose main duty would be to locate for the State machine tools and other material which could be used in the industrial development program.

The State Auditor informed the Board that he had been advised by Robert King, Director of Purchasing, that he was considering retirement in the next two or three months. The State Auditor recommended that, when Mr. King retired, Assistant Director Hugh White be designated to fill the Directorship of this Division. This was agreed to by the Board.

The matter of the delinquency of the Bushy Park loan was brought up and discussed by the Board. It was unanimously agreed by the Board that demand should be made on the Authority and the endorsers of the loan that past due interest and principal payments be made within sixty days, and that if this demand is not met, the matter be referred to the Attorney General for collection of the past due indebtedness.

The Director of the Sinking Funds and Property Division was instructed to so advise the Bushy Park Authority and the endorsers of the loan.

The Director of Sinking Funds and Property advised the Board of negotiations he had been pursuing with two insurance companies on a plan to reinsure all of the risks carried by the State, with a deductible provision of approximately \$200,000.00 on any such risk. The matter was discussed at length by the Board and it was agreed that the plan was sound and advisable. The Director of Sinking Funds and Property and the State Auditor were given authority to effectuate such an agreement with whichever one of the companies offered the most advantageous proposition.

The Board then adjourned.

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