

MINUTES OF BUDGET AND CONTROL BOARD MEETING

DECEMBER 20, 1966

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The Budget and Control Board met in the Conference Room of the State Auditor's Office at 2:30 P. M., Tuesday, December 20, 1966 with all members present. Also present were Messrs. P. C. Smith, Furman E. McEachern and Comptroller General-Elect Henry Mills.

The following business was transacted.

CLEMSON UNIVERSITY

1. Permanent Improvement Projects Approved

The following permanent improvement projects were presented for Board action by Clemson University.

1) Grounds Improvements	\$ 250,000.00
2) East Campus Cafeteria	1,400,000.00
3) Renovation of Existing Buildings	<u>650,000.00</u>
	<u>\$ 2,300,000.00</u>

It was proposed that the above projects be financed by the issuance of \$1,700,000.00 of State Institution Bonds and \$600,000.00 remaining from bonds issued for Library construction and for which Federal Funds were subsequently secured. Statistical information was submitted to indicate Clemson's capacity to finance the above State Institution Bonds.

The projects were approved as presented.

2. Bond Anticipation Note - Extended

Clemson currently has outstanding a Bond Anticipation Note, in the amount of \$975,000.00, to temporarily provide funds for the construction of a new dormitory. This facility is estimated to cost \$1,300,000.00 to be financed ultimately by the issuance of this amount of Dormitory Revenue Bonds which will be taken by the Federal Housing and Urban Development Administration.

Although a definite commitment to take these bonds has been received from the Federal agency funds have not yet been made available. The Bond Antici-

pation Note matured December 15, 1966 and Clemson authorities had requested the Board's approval of an extension to March 15, 1967. Interest for the extended period will be at 3.85%.

A formal resolution was presented providing for this extension and was unanimously approved by the Board. A copy of the resolution is attached herewith as a part of the minutes.

PORTS AUTHORITY - Construction of Crane for
Sea-Land Services, Inc.

The Ports Authority requested the Board's approval of the construction of a crane for Sea-Land Services, Inc., a shipping firm doing business through the Charleston port, at an estimated cost of \$900,000.00. It was proposed that this construction be financed by the issuance of additional revenue bonds of the Authority as now authorized by law. It was further indicated that this facility will be leased to Sea-Land over a period of time at such an annual rate as will return to the Authority its investment.

The Board approved the proposed construction and the issuance of Revenue Bonds therefor.

Captain Capers Barr, of the Authority, was present and presented the above matter and also gave a brief report on the progress of other construction now in process at the Charleston port. The additional project approved today brings total construction now under way, and planned, to a total of \$7,040,000.00. Bond issues have now been approved for \$7,000,000.00 for this program, the remaining \$40,000.00 to be provided out of construction funds otherwise available to the Authority.

MEDICAL COLLEGE HOSPITAL - Increase in Compensation
of Nurses

Medical College authorities requested the Board's approval of salary increases for nursing personnel in the College Hospital at an average rate of about 7%. The necessity of these increases was brought about by disparity between salary levels of the College Hospital and those of other medical institutions in

the Charleston area, particularly the Federally-financed and operated Veterans' Administration Hospital.

The Board approved the increased amounts as requested.

UNIVERSITY OF SOUTH CAROLINA - Permanent Improvements Approved

At the request of Dr. Jones, of the University of South Carolina, the Board again took up for consideration the two permanent improvement projects originally brought before it at the meeting September 22, 1966 and carried forward for later action.

The requested increase in approved funds for the following two projects were approved.

1) Humanities Center - an increase in the total approved from \$3,100,000.00 to \$3,625,000.00.

2) Energy Facility - an increase from \$950,000.00 to \$1,200,000.00.

CIVIL CONTINGENT FUND - Allocations Approved

The following allocations from the Civil Contingent Fund were approved by the Board.

1) Council for Aging - An allocation of \$5,000.00 was approved to provide further funds for matching Federal aid available to the Council.

2) Department of Agriculture - An allocation of \$4,800.00 was approved for expenses of a survey of tobacco growers regarding regulations on the sale of loose leaf tobacco.

3) Water Resources Conference - The Board agreed to an allocation of \$2,500.00 to cover expenses of a proposed conference on water resources to be held in Columbia in the Spring of 1967.

GENERAL SERVICES DIVISION

The following items were presented by Mr. McEachern and acted upon by the Board.

1) Surplus Property Revolving Fund - Mr. McEachern reported that the volume of surplus property being handled through the division has declined con-

siderably in recent months and that it now appears that there will not be sufficient income from property sales to fully reimburse the General Fund for expenses of operating the program this year as is required by law. This report was received by the Board as information with the request that it be kept informed of the progress of the program monthly during the remainder of the year.

2) Electrical Facilities - Lynch and Heyward Buildings - The Board was informed that the present demand for electricity in the Lynch and Heyward Buildings is now such that it is doubtful that present transformer equipment will be adequate to operate air conditioning equipment in these buildings next summer. Mr. McEachern indicated that more adequate equipment will be necessary and is estimated to cost \$16,000.00. He requested that this amount be made available if possible from some source immediately in order that new equipment may be ordered and installed prior to the need for air conditioning.

The Board agreed to recommend a deficiency appropriation of \$16,000.00 for this purpose. If this legislation cannot be secured funds will be allocated from the Contingent Fund.

3) Renovation of Present Governor's Office - Mr. McEachern informed the Board that work on providing new quarters for the Governor in the State House is nearing completion and it is expected that they will be available for occupancy about January 18, 1967.

The Board approved the assignment of the present Governor's Office, on the first floor of the Wade Hampton Building, for use of the Secretary of State and an allocation of \$6,000.00 from the Contingent Fund to make necessary alterations. It was also agreed that the Conference Room in this suite be hereafter designated as the Constitutional Officers' Conference Room.

4) Disposition of State-Owned Land - Columbia Airport Area - The Board was informed by Mr. McEachern that the Greater Columbia Chamber of Commerce has inquired about the possible availability of state-owned land in the Columbia airport area for industrial use. The Board declined to adopt a firm policy but agreed

that it would consider a specific proposal of this matter.

5) Study of Re-insurance Program - Approved - The Board approved a proposal by Mr. McEachern to employ professional personnel of the Department of Economics of the University of South Carolina to make a study of procedures relating to re-insurance in the State Insurance Program, at a cost of \$4,500.00, to be paid from the Insurance Sinking Fund.

6) Survey of Parking Needs - Approved - Mr. McEachern reported to the Board that he had received a report from the State Highway Department on a study of parking needs in the immediate area of State Government buildings in Columbia. After some discussion Mr. McEachern was authorized to confer with professional firms looking toward contracting for a more intensive study of parking problems and the development of a plan to relieve the existing situation.

7) Marion County Memorial Hospital - Loan Extended - The Board approved a one year extension on a loan to Marion County Memorial Hospital in the amount of \$125,000.00.

ADOPTION OF STATE BUDGET RECOMMENDATIONS FOR 1967-68

A final report on Budget recommendations for 1967-68 was submitted by Mr. Smith. The proposed budget was reviewed and approved by the Board.

No further business was transacted and the meeting adjourned at 4:30 P. M.

Dec 20, 1966

THE STATE OF SOUTH CAROLINA.

WHEREAS, pursuant to the authorization of its Board of Trustees, approved by this Board, Clemson University (Clemson) did heretofore, on the 16th day of May, 1966 issue its Bond Anticipation Note in the principal amount of \$975,000 to The First National Bank of South Carolina, Clemson, South Carolina, bearing interest at 2.85% per annum, payable on the 15th day of December, 1966, and

WHEREAS, due to circumstances beyond the control of Clemson, the delivery of the bonds, in anticipation of which the Note was issued, has been delayed and by reason thereof, arrangements have been made with the holder of the said Note for the extension of its payment date from December 15, 1966 to March 15, 1967, with the right being reserved to Clemson to anticipate the payment upon the delivery of the bonds should such occur prior to March 15, 1967, and for said Note to bear interest from the date thereof until December 15, 1966 at the rate of 2.85% per annum, and thereafter from December 15, 1966 until paid at the rate of 3.85% per annum,

NOW, THEREFORE, BE IT RESOLVED BY THE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA:

That the extension arrangements above recited be and the same are hereby approved and that the proper officers of the Board of Trustees of Clemson are authorized and empowered to execute an appropriate instrument implementing the approval herewith granted.

AGENDA MATERIALS
AND SUPPORTING DOCUMENTS
FOR THE MEETING OF
DECEMBER 20, 1966

AGENDA

MEETING OF BUDGET AND CONTROL BOARD

2:30 P. M., TUESDAY, DECEMBER 20 1966

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CLEMSON UNIVERSITY

1. Permanent Improvements

The Board's approval of the following permanent improvement projects is requested.

1) Grounds Improvements	\$ 250,000.00
2) East Campus Cafeteria	1,400,000.00
3) Renovation of Buildings	<u>650,000.00</u>
	<u>\$2,300,000.00</u>

The above projects will be financed by the issuance of \$1,700,000.00 of State Institution Bonds and the use of \$600,000.00 remaining from a previous bond issue and for which Federal Funds were subsequently secured.

2. Note Extension

Sometime ago the Board approved construction of a new dormitory at Clemson at an estimated cost of \$1,300,000.00. It was proposed, and approved, that Dormitory Bonds of this amount be issued and sold to the Federal Housing and Urban Development Administration.

It was found that the project would have to be substantially completed before Federal Funds would be available. The Board then approved a temporary bank loan to be obtained by Clemson, in the amount of \$975,000.00, to finance construction until the Federal loan became available.

The Bank Loan matured December 15. Federal Funds, although definitely committed, have not yet come through and Clemson has accordingly arranged a three months extension of the bank loan. The Board's approval of this extension is requested.

PORTS AUTHORITY

The Ports Authority is requesting the Board's approval of the construction of a crane for Sea-Land Services, Inc., a shipping agency doing business through the

Charleston Port. The crane is estimated to cost \$900,000.00 and will be leased to Sea-Land at a rate that will cover the initial cost to the Authority.

The Board is requested to authorize the issuance of \$900,000.00 of Authority Revenue Bonds to finance this project.

Captain Barr will appear before the Board with details of this proposal and a report on progress of the Authority's current construction program.

MEDICAL COLLEGE HOSPITAL

The Hospital is requesting the Board's approval of salary increases for 90 Nurses brought about by competition between the Medical College Hospital and other medical centers in the Charleston area.

Average increases amount to about \$350.00 per year. These increases will contribute to the deficit anticipated for this year and indicated in the College's budget information submitted earlier.

UNIVERSITY OF SOUTH CAROLINA

At the meeting of the Board September 22 Dr. Jones appeared and requested approval of three permanent improvement projects. All three projects were carried forward without action at that time, with Memorial Hall project being given approval at the next meeting.

Two requests are yet to be acted upon. The University is accordingly asking the Board to indicate its position with respect to the following :

1). An increase from \$3,100,000.00 to \$3,625,000.00 in the amount approved for the Humanities Center project.

2). An increase from \$950,000.00 to \$1,200,000.00 in the amount approved for the Energy Facility to accommodate buildings in the East area of the campus.

The above requested additional funds are to cover revised cost estimates rather than expansion of these projects.

REQUESTS FOR ALLOCATIONS FROM CIVIL CONTINGENT FUND

1. Council on Aging

An allocation of \$5,000.00 is requested to match Federal Funds available for the Council's work.

2. Secretary of State

An allocation of \$16,633.82 is requested to cover expenses of the recent General Election.

3. Water Resources Conference

Governor McNair is requesting an allocation of \$2,500.00 to cover expenses of a conference on Water Resources being planned for the Spring of 1967.

FINAL REVIEW OF BUDGET RECOMMENDATIONS FOR 1967-68

Completed recommendations will be presented for Board action.

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