

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

April 30, 2014 -- 9:30 A. M.

The Budget and Control Board (Board) met at 9:30 a.m. on Wednesday, April 30, 2014, in Room 252 in the Edgar A. Brown Building, with the following members in attendance:

Governor Nikki R. Haley, Chair;
Mr. Curtis M. Loftis, Jr., State Treasurer;
Mr. Richard Eckstrom, Comptroller General;
Senator Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee; and
Representative W. Brian White, Chairman, Ways and Means Committee.

Also attending were Budget and Control Board Executive Director Marcia Adams; Chief of Staff Paul Koch; Division Directors Les Boles, Dianne Poston, and Nolan Wiggins; General Counsel David Avant; Governor's Chief of Staff Ted Pitts; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means Committee Chief of Staff Beverly Smith; Board Secretary Delbert H. Singleton, Jr., and other Budget and Control Board staff.

Adoption of Agenda for Budget and Control Board

Upon a motion by Senator Leatherman seconded by Mr. Eckstrom, the Board adopted the Budget and Control Board agenda as presented.

Minutes of Previous Meeting

Upon motion by Mr. Eckstrom, seconded by Mr. White, the Board approved the minutes of the February 26, 2014, and March 5, 2014, Budget and Control Board meetings.

Blue Agenda

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the blue agenda items as noted herein.

State Treasurer: Bond Counsel Selection (Blue Agenda Item #1)

The Board approved the following notification of the assignment of bond counsel for conduit issues for which Board approval was requested:

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CONDUIT ISSUES: (For ratification of Issuer's Counsel only)

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$52,000,000 SC JEDA	Porter-Gaud School	Howell, Linkous & Nettles	Parker Poe

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

Division of General Services: Easements (Blue Agenda Item #2)

The Board approved the following easements in accordance with the SC Code of Laws as requested by the Division of General Services:

- (a) County Location: Greenville
 From: Budget and Control Board
 To: Renewable Water Resources (ReWa)
 Consideration: \$700
 Description/Purpose: On October 31, 2013, the Board approved a 0.046 acre easement for the construction, installation, operation and maintenance of a pedestrian bridge and aerial crossing of a gravity sewer line over the North Saluda River. ReWa is now requesting a modification of the original easement to exclude the pedestrian bridge from the scope of work for this project.

- (b) County Location: Aiken
 From: Budget and Control Board
 To: DuPont Landing, LLC
 Consideration: \$700
 Description/Purpose: To grant a 14.73 feet right-of-way encroachment along DuPont Drive for the placement of driveway radius that extends within the right-of-way frontage of the Department of Disabilities and Special Needs' DuPont I Community Residence. This encroachment is being sought by the developer to comply with SCDOT requirements.

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

Budget and Control Board: Elimination of Vacant FTEs (Blue Agenda Item #3)

Pursuant to Act 121 of 2014, the Executive Director of the State Budget and Control Board, upon approval of the board, prior to July 1, 2014, is required to eliminate at least sixty vacant FTE's within the board or its divisions, components, or offices prior to the devolvement of specified duties and functions of the board upon the Department of Administration. Before the FTE's can be eliminated, the Executive Director of the Board, upon consultation with the Office of the Governor, is to determine how many vacant FTE's at the State Budget and Control Board are to be used to fill needed positions in the Executive Budget Office.

Pursuant to the requirements of Act 121, the Board's Executive Director has consulted with the Office of the Governor and determined the number of vacant FTEs needed to fill positions in the Executive Budget Office. The Executive Director has also reviewed the remaining vacant FTEs currently within the Board and developed a list of FTEs that will be recommended for elimination. That list was included with and incorporated into the Agenda Item Worksheet for this item as Exhibit "A".

Pursuant to Section 2(b) of Act 121, the Board approved the elimination of FTEs within the State Budget and Control Board as set out in Exhibit A of the worksheet for this agenda item.

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

South Carolina Energy Office: Barnwell Economic Development Fund (Blue Item #4)

The Barnwell Economic Development Fund (BEDF) was established in July 2000 by §48-46-60(A)(5)(a) with a \$12 million payment as an incentive for South Carolina's membership in the Atlantic Compact Commission. The fund may only be expended for purposes of economic development, which includes, but is not limited to, infrastructure construction/improvement/expansion, industrial recruitment, and public facilities construction/improvement/expansion. Expenditures must be authorized by the Barnwell County governing body and approved by the Board.

On August 13, 2009, the Barnwell County governing body requested and received Board approval to spend \$125,000 to assist in the construction of a Community Resource Center. Construction work for the Resource Center never started; however, Barnwell County did expend

\$3,973 for architectural fees.

At the March 11, 2014, Barnwell County Council meeting, the Barnwell County Council voted to use the remaining \$121,027 to assist in building a YMCA program in Barnwell County.

The YMCA program, which will provide an after-school and homework-assistance program, mentoring, job training, health activities, community events, and senior programs, is very similar to the intent of the Community Resource Center previously approved (August 13, 2009, Budget and Control Board minutes).

At the same March 11, 2014, meeting, the Barnwell County governing body also voted to de-obligate \$475,000 from the BEDF that was previously approved by the Budget and Control Board on October 30, 2012, for industrial recruitment and construction as the project never came to fruition. The full \$475,000 is in the process of being transferred back to the State Treasurer's Office.

The Board approved the use of the remaining \$121,027 for the Barnwell County Council to assist in building a YMCA program in Barnwell County.

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

Executive Director: Revenue Bonds (Blue Agenda Item #5)

The Board was asked to approve the issuance of revenue bonds as noted herein. In discussing this item, Mr. Loftis pointed out with regard to the Francis Marion University (FMU) bond issue, blue agenda item #5(b), that there are two items to be approved. He said that the smaller bond issue is "in the money" and should be approved. He stated that the larger issue is not "in the money" and does not look as if it will be any time soon. Mr. Loftis commented that it would be in error for the Board to give prospective approval to such a large refunding issue that would not come back to the Board before it issues.

John Van Duys, bond counsel for FMU, appeared before the Board on this matter. Mr. Van Duys explained that this is all the same bond issue. He said that it is a matter of whether this will be a full or partial refunding. Mr. Van Duys said that given how the market can change they thought it best to seek approval for refunding of the entire issue. He said doing so allows them at the time of issuance to price the refunding issue without having to come back to the

Board for approval. He said under current market it would not make sense to refund the entire issue. He stated that the market could change by the time the pricing takes place. Mr. Loftis said that analysis could work on any issue and could result in a very large amount of bonds being refunded without coming back to the Board for approval. Mr. Van Duys said the alternative is to grant approval and establish a savings target with the condition that the saving be a certain percentage of prior debt service. He said that would expedite the issue and not require them to come back before the Board depending on what the market does. Mr. Loftis asked the Board to consider only approving the refunding of the smaller amount. He said that it is poor practice to have large outstanding issues that can go on for an indefinite period of time.

Mr. Eckstrom asked why there has been no focus on the larger Porter-Gaud bond issue where there is no projected refinancing savings. He asked Mr. Loftis why he has not raised the same question with regard to the Porter-Gaud bond issue. Mr. Loftis responded that he did not recall. Rick Harmon with the Treasurer's Office stated that with regard to the Porter-Gaud bond issue there is a termination of five-year financing through a bank placement that is up for renewal.

In further discussion, Senator Leatherman asked why the discussion was taking place. He said he understood Mr. Loftis' concerns, but this is something the Board has been asked to do before and he is not sure why there are questions. Mr. Loftis said that the Treasurer's Office has started to look carefully at these transactions. He said the Board should not give open ended permission to refinance an issue without having the matter come back before the Board for approval. Senator Leatherman said these bond issues need to come to the Board for the Board to know what is happening, receive the information, and make the determination for the issue to go forward. He asked Mr. Loftis if he was asking the Board to change its policy that before approval the Board has to know what the savings are. Senator Leatherman said the problem with that is that markets change and the savings could be totally different when the issue comes back to the Board. Mr. Loftis replied that he is not aware of the Board approving any refunding when it was not "in the money" at the time. He further stated that the Board should have set standards and that there should be a policy on pure financial transactions of a certain limit. He said there should be some present net value savings.

Senator Leatherman asked Mr. Loftis what he proposed the Board should do. Mr. Loftis

said that the Board should approve the “in the money” transaction and the other transaction should be delayed until such time that the market warrants the transaction being revisited and that it comes back to the Board for approval. Senator Leatherman said that the Board could get on a merry-go-round with determining what the market is and coming back to the Board. Mr. Loftis said the Board is already on a merry-go-round with everyone watching the market every day. Senator Leatherman said he has a concern with changing policy where entities would have to come back to the Board for approval because the market may change.

Mr. Loftis moved that the Board amend blue agenda item #5b to accept the “in the money” transaction for blue agenda item #5.b (FMU Student Housing) refunding amount of \$5,930,000 with 9% savings of net present value. Mr. Eckstrom pointed out that the transaction is to yield 9% savings for the entire issue. Mr. Loftis further moved that the Board forgo the refinancing of the other refunding of \$13,165,000 until it is financially feasible to do so. Mr. White seconded the motion.

Mr. Eckstrom asked Mr. Loftis what the net present value savings is for the issue that is in the money. Mr. Loftis said that it is 9% according to the summary. Mr. Eckstrom said that was on the entire issue. Rick Harmon, with the Treasurer’s Office, stated that the 9% is on the amount being financed. He said by contrast the other transaction is 1.6% on the bonds being refinanced. Mr. Loftis noted that on the larger refunding item the net present value savings is \$211,924 and the cost to issue is \$267,250. He said the cost is more than the savings. Mr. Eckstrom stated that bond counsel pointed out that some of the costs are fixed costs. He said splitting the issue and waiting until the remaining principal gets “in the money” would result in additional costs that could otherwise be borne by this issue.

Mr. Loftis informed Governor Haley that his point had been made and that he would withdraw his motion to amend the item. He commented that the Board needs to know the total exposure of refinanced bonds. He asked Mr. Van Duys if there is an obligation to report back to the Board once the refinancing has been done. Mr. Van Duys said there is an obligation to file a transcript. Mr. Loftis said the Board needs to know what has been done with these transactions after the fact.

The Board approved the following proposals to issue revenue bonds:

- a. Issuing Authority: Anderson County

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Amount of Issue: \$4,105,000 Special Source Revenue Refunding Bonds
Allocation Needed: -0-
Name of Project: Anderson County Special Source Revenue Bonds, Series 2014
Employment Impact: n/a
Project Description: refunding (i) Anderson County, South Carolina, Special Source Revenue Bonds, Series 2004, dated December 3, 2004, currently outstanding in the principal amount of \$3,475,000; and (ii) Anderson County, South Carolina, Special Source Revenue Bond, Series 2008, dated September 4, 2008, currently outstanding in the principal amount of \$1,320,000
Bond Counsel: April C. Lucas, Nexsen Pruet, LLC
(Exhibit 5)

- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$14,085,000 Student Housing Refunding Revenue Bonds (\$14,085,000 refunding involved) (previously approved \$15,665,000)
Allocation Needed: -0-
Name of Project: FMU Student Housing – Francis Marion University Project
Employment Impact: 7 (maintenance)
Project Description: refunding of all or a portion of the South Carolina Jobs-Economic Development Authority Student Housing Revenue Bonds (FMU Student Housing, LLC – Francis Marion University Project) Series 2004A

Note: *negotiated private sale*
Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth Sinkler Boyd, P. A.
(Exhibit 6)

- c. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: N/E \$9,000,000 Economic Development Revenue Bonds) (previously approved 12/10/13; Amended Petition and Amended Resolution expands project to include Spartanburg and York Counties)
Allocation Needed: -0-
Name of Project: Homes of Hope, Inc. Project
Employment Impact: maintain 14 jobs, add 2 within 12 months and 5 within 24 months
Project Description: acquire land and construct residential rental housing (single family homes, duplexes and townhomes) for low-to-moderate income families in various South Carolina Counties
Bond Counsel: F. Mitchell Johnson, Jr., Haynsworth Sinkler Boyd, P. A.
(Exhibit 7)

- d. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: \$52,000,000 Tax-Exempt Economic Development Revenue Bonds (\$12,000,000 refunding involved)

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Allocation Needed: -0-
Name of Project: Porter-Gaud School
Employment Impact: maintain 250 jobs and create 5 new jobs
Project Description: to finance or refinance a portion of the costs of acquiring real property and constructing, furnishing, and equipping of a new upper school and fine arts center on the borrower's primary and secondary school campus located in Charleston County, and known as Porter-Gaud School, and the refunding of the Authority's outstanding Economic Development Revenue Bonds, Series 2010.
Bond Counsel: Samuel W. Howell, IV, Howell Linkous & Nettles, LLC
(Exhibit 8)

South Carolina State University: Interagency Loan Request (Regular Session Item #1)

South Carolina State University ("SCSU") notified the State Budget Division of an impending FY 2013-14 cash deficit of approximately \$13 million. SCSU indicates that it has an immediate need for additional funds to address this critical cash shortfall. S.C. Code Section 11-9-240 allows the Board, in its discretion, to borrow funds from any department of state government, with the written consent of the department, for the use of the State any surplus which may be on hand in the office of the State Treasurer to the credit of any such department. The Office of the Governor has proposed that the Board consider the attached Resolution as a means to address the SCSU's impending cash deficit.

Governor Haley greeted SCSU's Board of Trustee members and supporters of SCSU. Governor Haley asked Mr. Loftis to preside as Board chair for purposes of this item.

Governor Haley stated that as the Board considers this agenda item, it is and should be a decision for the legislature. She stated that she is concerned about the timing with regard to accreditation. She noted that SCSU has a lot of history for the State and has brought a lot of pride to the State. She said that it is important that the accreditors know that the Board has SCSU's back. Governor Haley presented her plan for providing financial assistance to SCSU. She said the proposal would allow for a \$6 million loan to pay for debt service and payroll. She commented that if the school is valued and if what it means to the State is valued there has to be a commitment to not let this happen again. Governor Haley stated that SCSU cannot be left alone to figure out this problem. She said everyone has to be part of the team and part of the solution. She stated that if the loan is given to SCSU, measures must be put in place that will make everyone more comfortable with what is going on at SCSU. Governor Haley outlined the

requirements of the loan as contained in the proposed Board resolution to approve the loan.

Senator Leatherman said that he applauded Governor Haley for providing a short term solution for SCSU. He said that all of the Board members want accountability at SCSU, but he could not support the motion. He noted that two of his Senate colleagues approached him and said that something had to be done with regard to SCSU and asked him to take on that task. He said subsequent to that the media asked him if SCSU was going to be closed. Senator Leatherman said his response was no and that he will never agree to closing the historically black university. He noted that he has talked with a five-member group of past and present university presidents to assist SCSU in correcting its financial situation. Those Senator Leatherman spoke of to include Jim Barker, Clemson University's former president, Alex Sanders, College of Charleston's former president, Harris Pastides, the University of South Carolina's president, Fred Carter, Francis Marion University's president, and Ernest Finney, former South Carolina Supreme Court Chief Justice and SCSU president. He said that the five-member group has met and they are working diligently to determine what should be done at SCSU. He said that he is not sure what the situation is at SCSU and that with the information that came out of the Budget Office he is not sure that anyone is. He said it appears from the information he has received that the deficit is between \$6.5 million and \$13 million but no one is sure about that. Senator Leatherman further stated that he has a problem with loaning SCSU the \$6 million without knowing if the accounts payable are valid. Senator Leatherman also stated SCSU's Board of Trustees has been very cooperative with the five-member group and they have appointed a working group to work with the committee.

Senator Leatherman told Board members that the five-member group is digging deep into the issues at SCSU. He said the group has developed a series of questions to gather information from SCSU. [Secretary's Note: President Elzey presented Senator Leatherman with a handout that he said answered those questions. The Board was not presented the handout.] He stated that he told SCSU's Board of Trustees that no matter what plan is implemented, President Elzey must have their support. He said he has enough confidence in the five-member group to let the Board know if something urgent needs to happen. He further stated that proposing the loan is premature. He commented that the institution is bleeding to death and that applying a bandage and a tourniquet is not going to help.

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Governor Haley stated that she appreciated the work Senator Leatherman and the five-member group has done. She stated, however, that the Inspector General has provided a draft report of what he has found at SCSU. Governor Haley said of the \$6 million loan, 83% is for food and maintenance. She stated the Board needs to make sure that the students have food and the maintenance of the campus continues. She further stated that the Board has to ensure that SCSU gets its accreditation. She said she is very concerned that if the loan is not given to SCSU it will lose its accreditation. She stated that she is all for Senator Leatherman's group, but that the resolution provides for \$500,000 for a consultant to actually go in and work with SCSU to get them back on track. She said giving the loan to SCSU is important to keep its accreditation. Governor Haley stated that if SCSU loses its accreditation there is no recovering from that. She stated that time is money and by the time the Legislature looks at SCSU's issues vendors will have given up on SCSU. She commented that enrollment at the school needs to go up and parents may not send their children to the school if word gets out that SCSU does not pay its bills. She said that the plan is to provide SCSU with funding until the Legislature can put something in place.

Senator Leatherman responded that everyone wants what Governor Haley has spoken about. He stated that it is not known if the outstanding vendor invoices were done properly. Governor Haley commented that Procurement Services is going to go through the contracts and invoices to determine if they are valid.

Senator Leatherman noted that the accreditation team visited SCSU two weeks prior to the Board meeting. He said SACS sent a second team in recently and he inquired why that was done. He said he was told by SACS that they found enough things and they wanted to make sure what they were looking at was correct. He said the time frame for accreditation will be at SCAC's June meeting. Senator Leatherman further noted that there are five weeks left in the legislative session. He said that for an issue that is going to be explosive it will not make it through both houses in five weeks. He said he is concerned for SCSU, but his primary concern is for the students. He said the State owes the students and their parents an education. He said he thinks the loan is the wrong way to go about fixing SCSU's problems.

Governor Haley said she respects Senator Leatherman's opinion, but the school needs to move on and that SCSU has stood in waiting mode for long enough. She said it is time to start

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moving forward and there should be no delay. She reiterated that this is a loan and that this will start accountability measures.

Mr. Eckstrom stated that a loan without a guaranteed repayment source is a grant. He commented that the Board cannot appropriate funds. He said the Board would be essentially appropriating funds with a loan given the fact there is no likely repayment source. He said that would force the General Assembly to provide that source through an appropriation and that the Board in effect would be making an appropriation of funds. Governor Haley responded that while Mr. Eckstrom said that the Board cannot appropriate revenue, the Board recently did so for the Department of Revenue. She said the Board has acted in this manner before in urgent situations. Mr. Eckstrom said that the Board knew what the legislature's will was in that case. Governor Haley said that the legislature's will is to continue SCSU.

Mr. Eckstrom asked how much the debt service would consume of the \$6 million loan. Christian Soura with the Governor's Office responded that SCSU uses other resources to cover debt service. He stated that all of the \$6 million would be available to go toward accounts payable. He noted that 83% of SCSU's accounts payable is owed to either UGL/Unicco for facilities maintenance or to Sodexo for food services. Mr. Eckstrom asked what the available one million dollars would be used for. Mr. Soura said that there has been a repositioning of vendors by SCSU to assist with meeting payroll. He stated that SCSU moved Sodexo up to first in the payment cycle. He said that SCSU intends to use the first \$4.77 million to get Sodexo current in payments. He stated the remaining funds would be used toward other accounts payable. Mr. Eckstrom asked if the entire \$6 million would go toward paying vendors. Mr. Soura said \$500,000 of the \$6 million would go toward acquiring a consultant. Mr. Eckstrom asked what impact does that have on the operating expenditures that have to be met at SCSU. Mr. Soura said that SCSU has indicated that it will be able to handle other critical obligations through other resources and that the loan money would go toward accounts payable. He said this money will capture payment for Sodexo and other accounts payable that are 120 or more days overdue. Mr. Eckstrom asked where the other resources came from because he was not aware that there were other resources. Mr. Soura said there are natural revenues and expenditures that flow across the institution on any given day. Mr. Eckstrom asked whether those revenues would be sufficient to meet payroll and operating needs. Mr. Soura said there is a gap between the total

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\$8.7 million that is due now and the \$13.5 million SCSU expects to be short by close of the current fiscal year. Mr. Eckstrom said the \$8.7 million does not include payroll. Mr. Soura agreed and stated there is a \$5 million gap between the accounts payable list and the total anticipated shortfall through the current fiscal year. Mr. Eckstrom asked how that will be handled. Mr. Soura said that is an open question and that the proposed loan does not capture everything for SCSU's shortfall. Mr. Eckstrom noted that is the bandage that Senator Leatherman was talking about. Mr. Soura said the goal is to buy SCSU time to get through the current fiscal year and allow the General Assembly to adopt a budget for the next fiscal year that provides a longer term solution.

Mr. White commented that when the Department of Revenue loan was done the legislature was not in session. He said that trying to determine the intent of the legislature while it is in session is not to be discerned during this meeting. He said he applauds Governor Haley and Senator Leatherman for their short-term and long-term efforts to resolve this issue. Mr. White said that no one wants SCSU to fail. He said that something has to be done now to ensure that SCSU does not fail until a long-term solution is developed. He said he is willing to support Governor Haley's resolution because it bridges the gap for SCSU. He stated that this is a step in the right direction. Mr. White stated that the Inspector General and a good qualified group is looking into the issues at SCSU and the Board is finally getting the information it needs concerning SCSU. He stated, however, that is not going to do any good if the bills are not paid and the institution has to close. He said this is a short-term solution that is necessary to get to a long-term solution to fix the problems at SCSU once and for all. Mr. White further stated that he would like to see SCSU collect on its debts which might be one way of repaying the loan. Mr. Eckstrom asked if he was talking about student receivables. Mr. White responded that he was talking about student receivables and any others there might be.

In further discussion, Mr. Eckstrom noted that Senator Leatherman's approach would not broach the possibility that SCSU would close. He commented that the team that Senator Leatherman put together would deal with the management issues at SCSU. He said Senator Leatherman's approach commits the General Assembly to acting appropriately. Mr. Eckstrom said he is concerned that taking an interim action will give the legislature a reason for not acting with the same dispatch to come up with a resolution. Mr. Eckstrom said that he is committed to

SCSU because it is a university not because it is a historically black university. He commented that the sooner the State gets away from talking about historically black universities is a step forward for the State. He stated that there is no longer any talk about historically white universities and that there have been plenty of those through the years. He said there needs to be a move toward dealing with the funding needs of SCSU because it is an institution of higher learning in the State. He said SCSU is serving a student body that does not have the ability to bailout SCSU. He stated that these are not students that are coming from wealthy parents. He said the students are at SCSU because they cannot afford to get into other schools.

Senator Leatherman further commented that he does not know if anyone knows the status of SCSU's finances. He said that the most that can be done by loaning the \$6 million to SCSU is to get SCSU current and the loan amount will not get SCSU there. He stated that changes have to be made at SCSU and that SCSU cannot conduct business as usual. He said SCSU has acknowledged that there must be changes. He asked the question of how SCSU will operate after July 1st if all that is being done is to get them to July 1st. Senator Leatherman posed the question to Mr. White of the chances to get the budget bill amended at this point in the legislative session. Senator Leatherman said the chances are slim to none. Senator Leatherman asked if the Board had to call the loan where would the money come from if SCSU is broke. He said he applauds Governor Haley's proposal, but it is fraught with pitfalls and he cannot support it. He stated that all the proposal does is buy enough time to get SCSU to July 1st and the school will be back in the same situation it was in from January 1st to July 1st.

Governor Haley said that a lot of time and thought has gone into the resolution. She commented that the State Inspector General has gone into SCSU with his staff and has reviewed all of the paperwork of the inner workings of SCSU. She said that if the Inspector General's draft report is read, one cannot say that one does not know what is going on at SCSU. She reiterated that the \$6 million is to help SCSU get back on track. She said this is being done in a way that will provide oversight for procurements and contracts. She stated the resolution provides the ability to build the school up and get back on track. She commented that she does not believe in waiting and that "can't" is not an issue in this case. She said if she were President Elzey she would want to know that the State has her back and the intent of the resolution is to do just that. Senator Leatherman commented that he is not questioning Governor Haley's

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intentions. He said that the resolution is misplaced and does not solve the problems at SCSU. He noted that he has heard that in some instances that in order for a contractor to get a contract contributions had to be given to SCSU. Governor Haley said that is in the Inspector General's report.

Senator Leatherman further asked how the Board knows that the contractors are owed all of the money they are asking for. Governor Haley said the money will not be given unless every contract and invoice is reviewed. She said every accountability measure is in place to ensure that vendors are properly paid.

Mr. Loftis noted that there were a group of pastors in attendance and asked for prayer for SCSU from one of them. President Elzey noted that he appreciated members of the Ministerial Alliance being present because SCSU needs prayer for the challenges it has that will not be met by the resolution. Prayer was made by one of the pastors.

Mr. Eckstrom asked if a resolution could be considered supporting the efforts of Senator Leatherman. Mr. White said that he does not mind supporting that, but he would like to see more on the makeup of the committee and what it will do. He said he supports what Senator Leatherman and Governor Haley are doing and that they all support SCSU.

Mr. Eckstrom moved that the Board unanimously support the efforts of the five-member group that Senator Leatherman formed. Governor Haley said that she wanted to know all the group will be doing. She said the details should be known about what the group is going to do. Mr. Loftis said his concern is that there could be some inherent conflict and that would not be known without having something in writing before the Board. He said he supports Senator Leatherman's efforts. Governor Haley said that if the information is available by the next meeting she would be supportive.

Senator Leatherman commented to Governor Haley that she stated earlier that "can't" is not an option. He said that waiting until the next meeting is not an option for the group to wait and meet. He said that a comprehensive plan has to be developed and the five-member group has to approve it as to the implementation of the plan. He said SCSU's Board of Trustees has agreed to that. Governor Haley said that everyone would like to see the plan and then consider it. Senator Leatherman said the plan will be available once it is developed. Mr. Loftis asked if the issue could be considered pursuant to Freedom of Information Act since it was not on the

agenda. Ms. Adams indicated that this is not a FOIA issue, but is a component part of the discussion of the item for SCSU.

Mr. White noted that the group Senator Leatherman has put together is exceptional. He said he would like to see some wording for a resolution. He also thanked Ms. Adams and Board staff for the work that has been done on this item.

Mr. Eckstrom said he raised the point of the resolution because it raises the question of how the Board feels about the work of the proposed team. He said that if he was a member of the five-member group he would wonder if he had the support of State leaders. Mr. White said the Board could perhaps thank the group for the work they have already done on this issue. Senator Leatherman said that given Mr. White's comments if the group would take that as a signal that they are dismissed. Governor Haley said that she has gone on record stating that the group is a stellar group and she welcomes their efforts. Senator Leatherman said if he was a member of the group he is not sure how he would take this discussion. Governor Haley asked if there was a motion to consider. Mr. Eckstrom said no and stated that the Board has publicly acknowledged the efforts of the committee to this point and that the Board supports those efforts. Governor Haley said the Board members have made it very clear that they support the group's efforts.

In further discussion, Senator Leatherman commented that with regard to the show of support for the five-member group Governor Haley only commented on how stellar the group is and he did not hear anything beyond that. Governor Haley said that she thinks the group is a stellar group and the Board welcomes any help the group gives to SCSU. She said this is important for the State and SCSU.

Upon a motion by Governor Haley, seconded by Mr. White, the Board approved an interagency loan to the University as outlined in the resolution attached to the agenda item as prepared by the Office of the Governor; and authorized the Board's Executive Director to execute an interagency loan agreement on behalf of the Board. Governor Haley, Mr. Loftis, and Mr. White voted for the motion. Senator Leatherman voted against the motion. Mr. Eckstrom abstained from voting on the item.

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

Division of General Services: Permanent Improvement Projects (Regular Session Item #2)

Upon a motion by Mr. White, seconded by Senator Leatherman, the Board approved the following permanent improvement project establishment requests and budget revisions which have been reviewed favorably by the Joint Bond Review Committee:

Establish Project for A&E Design

- (a) Summary 6-2014: JBRC Item 1. Clemson University
Project: 9917, Student Activities Center Renovation
Funding Source: \$100,000 Other, Private Gifts funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.
Request: Establish project and budget for \$100,000 (Other, Private Gift funds) to begin design work to renovate a 7,000 square foot building known as the Sheep Barn for use as a student activities center. The Sheep Barn is located adjacent to the Hendrix Student Center and is currently being used for material storage. The renovation will include structural improvements as well as upgrades to the mechanical and electric systems, the addition of an HVAC system, and an upgraded fire protection system. The renovated space will include large meeting and lecture rooms, as well as spaces for student activities and academic-related functions. Student activities spaces address specific requests made by students and will include an entertainment stage area, a television viewing area, informal group gathering and indoor recreational areas and food service areas that will provide healthy eating options. The project is needed to make critical structural repairs to the Sheep Barn while at the same time improving student recruitment and retention by providing a safe, on-campus destination for entertainment and student activities.
- (b) Summary 6-2014: JBRC Item 3. Vocational Rehabilitation Department
Project: 9602, Florence VR Center Repaving
Funding Source: \$10,000 Other, WTC Program Income funds which are a portion of the revenues generated by production contracts in the Work Training Center, which provides clients the opportunity to learn work skills.
Request: Establish project and budget for \$10,000 (Other, WTC Program Income funds) to begin design work to repair and resurface the Florence VR Center parking lot and loading area. The facility is over 32 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as deterioration of the parking area requires borings and other subsurface investigations to be

conducted prior to resurfacing to adequately estimate the final construction cost.

- (c) Summary 6-2014: JBRC Item 4. Vocational Rehabilitation Department
Project: 9603, Sumter VR Center Repaving
Funding Source: \$10,000 Other, WTC Program Income funds which are a portion of the revenues generated by production contracts in the Work Training Center, which provides clients the opportunity to learn work skills.
Request: Establish project and budget for \$10,000 (Other, WTC Program Income funds) to begin design work to repair and resurface the Sumter VR Center parking lot and loading area. The facility is over 38 years old and the parking lot and loading areas have deteriorated to the point they are in need of repair and resurfacing. The existing facilities have been patched as much as is economically feasible. Exterior lighting will also be added to the parking lot areas to enhance safety and security in the area. The pre-design amount is in excess of the 1.5% typically allowed under the Phase I policy as deterioration of the parking area requires borings and other subsurface investigations to be conducted prior to resurfacing to adequately estimate the final construction cost.

Establish Construction Budget

- (d) Summary 6-2014: JBRC Item 5. Clemson University
Project: 9906, Core Campus Development
Funding Source: \$96,000,000 Revenue Bond funds, which are long term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with the net revenues of, in this case, University Housing and Dining Facilities.
Request: Increase budget to \$96,000,000 (add \$96,000,000 Revenue Bond funds, subtract \$1,440,000 Other, Housing Improvement Funds) to construct a mixed use housing and dining facility. The project was established for pre-design in January 2013, which is now complete. The work will include the construction of an approximately 260,000 square foot mixed use housing and dining facility at Clemson. The facility will include approximately 700 beds in the approximately 179,000 square foot residential portion, a dining facility, convenience store, retail restaurant, and administrative support spaces in the approximately 76,000 square foot dining portion, and approximately 5,000 square feet of shared-use academic seminar and meeting space for faculty and students. The facility will replace the Johnstone complex and Harcombe Dining Hall, both built in 1953. Johnstone is worn out, incapable of being renovated to meet the needs and expectations of students and parents, and has rooms that are too small with inadequate infrastructure. Harcombe was created for a different population, does not have efficient layouts, and is not energy efficient. Construction of this facility, in combination with others, will allow for Johnstone, Harcombe and a majority of the Union to be demolished by

2020. The upgrades will be constructed to LEED Silver certification and will include efficiency improvements to energy, water, maintenance and other areas. The LEED cost benefit analysis shows a positive cost benefit of \$25,278,401 over 30 years. The agency reports the total projected cost of this project is \$96 million and additional annual operating costs ranging from \$1,100,000 to \$1,161,479 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is September 2014 and for completion of construction is August 2017. (See Attachment 1 for this agenda item for additional annual operating costs.)

(e) Summary 6-2014: JBRC Item 6. Coastal Carolina University

Project: 9593, Hicks Dining Hall Expansion

Funding Source: \$2,500,000 Other, Auxiliary Services funds, which are food service funds derived from advanced and yearly commissions from the food service contract with Aramark, which are to be used for facility improvements, and from multi-year accumulations of vending revenues, catering commissions and meal plan sales after expenses.

Request: Increase budget to \$2,500,000 (add \$2,462,500 Other, Auxiliary Service funds) to renovate the Hicks Dining Hall at Coastal Carolina. The project was established for pre-design in May 2012, which is now complete. The work will include constructing a 5,728 square foot addition and an outdoor seating area to provide three additional food stations, a beverage station and approximately 175 additional seats. Currently, Hicks Dining Hall is the primary food service facility for approximately 3,650 students. This expansion will add the capacity for an additional 1,270 students. To meet the university's strategic plan to grow to 12,500 students by 2020, the university is currently constructing facilities to add 1,270 beds to university housing. Hicks Dining Hall will provide food service for this additional housing and expansion is needed to meet this growth. The agency reports the total projected cost of the project is \$2,500,000 and additional annual operating costs of \$18,450 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is November 2014 and for completion of construction is June 2015. (See Attachment 2 for this agenda item for additional annual operating costs.)

(f) Summary 6-2014: JBRC Item 7. University of South Carolina

Project: 6104, Williams-Brice Stadium Plaza Site Upgrades

Funding Source: \$14,500,000 which includes \$11,800,000 Athletic Revenue Bonds, which are long term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with the net revenues of, in this case, athletic revenues, and \$2,700,000 Other, Private Gift funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.

Request: Increase budget to \$14,500,000 (add \$14,290,000 - \$11,800,000 Athletic

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Revenue Bonds and \$2,490,000 Other, Private Gift funds) to renovate the plaza of Williams Brice Stadium and to construct gameday facilities. The project was established for pre-design in October 2013, which is now complete. The work will include removing asphalt surfaces in the plaza around the stadium and constructing green spaces, access drives and pedestrian walkways, burying overhead utilities, and installing perimeter sidewalks, fencing and lighting. It will also include demolishing the adjacent 1101 George Rogers Boulevard building and the 1034 Key Road building to construct additional parking and landscaping. Upgrades will allow for further removal of vehicles from the area for pedestrian safety and improved circulation and will complement the Farmers Market site upgrades completed in 2012. Two new structures will be constructed, including an approximately 12,000 square foot building to accommodate a game day store, ticketing operations, event staff check-in and police/security operations as well as a 1,200 square foot restroom facility on the east side of the stadium. The upgrades will be constructed to LEED Silver certification and will include efficiency improvements to energy, water, maintenance and other areas. The LEED cost benefit analysis shows a positive cost benefit of \$137,880 over 30 years. The agency reports the total projected cost of this project is \$14.5 million and additional annual operating costs ranging from \$107,500 to \$117,500 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is December 2014 and for completion of construction is August 2015. (See Attachment 3 for this agenda item for additional annual operating costs.)

- (g) Summary 6-2014: JBRC Item 8. University of South Carolina
Project: 6105, Athletic Village Improvements
Funding Source: \$18,000,000 which includes \$16,000,000 Athletic Revenue Bonds, which are long term debt instruments issued by the State Treasurer's Office in the name of the University and are pledged to be repaid with the net revenues of, in this case, athletic revenues, and \$2,000,000 Other, Private Gift funds which are amounts received from individuals, corporations and other entities that are to be expended for their restricted purposes.
Request: Increase budget to \$18,000,000 (add \$17,737,500 - \$16,000,000 Athletic Revenue Bonds, \$2,000,000 Other, Private Gift funds and subtract \$262,500 Athletic, Operating funds) to make improvements to the track and field venue and construct a new soccer venue. The project was established for pre-design in October 2013, which is now complete. The work will include upgrades to the track and field venues, as well as the construction of a new soccer venue. The work on the track and field venues will include expanding and widening the track, expanding the field events practice area, constructing support features including stadium seating, restrooms, storage and new lights, and converting the existing Field House into an indoor track and field facility. The work on the soccer venue will include constructing a facility for men's and women's soccer beside Stone Stadium to include locker rooms, team lounge

areas, meeting rooms, weight room and training area. Track and field upgrades are needed to meet current NCAA standards, to enable running multiple events simultaneously, and to provide a venue for practices and competitions to occur during inclement weather. The new soccer facility is needed to provide dedicated facilities for the team adjacent to the stadium. Energy efficiency measures will be installed including energy efficient lighting, low flow toilets and energy efficient HVAC upgrades. The agency reports the total projected cost of this project is \$18,000,000 and additional annual operating costs ranging from \$154,563 to \$198,479 will result in the three years following project completion. The agency reports the projected date for execution of the construction contract is January 2015 and for completion of construction is February 2016. (See Attachment 4 for this agenda item for additional annual operating costs.)

(h) Summary 5-2014: JBRC Item 9. State Board for Technical and Comprehensive Education

Project: 6057, Midlands - Library Building Replacement

Funding Source: \$14,800,000 which includes \$10,300,040 Other, Local County funds, which are those funds the college receives from the service area counties for the operation of the college's physical plant and \$4,499,960 Other, Institutional Capital Project funds, which are funds collected by the college from a \$75 per semester capital fee.

Request: Increase budget to \$14,800,000 (add \$14,638,000 - \$10,138,040 Other, Local funds and \$4,499,960 Other, Institutional Capital Projects Funds) to construct a replacement library on the Beltline campus of Midlands Tech. The project was approved for pre-design in October 2012, which is now complete. The replacement facility will be a three story facility of approximately 41,000 square feet and will include a state-of-the-art library, classrooms, faculty and staff offices, and tutoring labs. The existing 26,912 square foot library is too small, in poor condition, had insufficient study rooms and computer space, and does not meet today's technology needs. An accreditation report and faculty and student surveys have all indicated the existing library is insufficient for the current enrollment level. The facility will be constructed to LEED Silver certification and will include sustainable sites, water efficiency, energy and atmosphere and other efficiency improvements. The LEED cost benefit analysis shows a positive cost benefit of \$782,145 over 30 years. The agency reports the total projected cost of this project is \$14.8 million and annual operating costs ranging from \$50,787 to \$54,931 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2015 and for completion of construction is July 2017. (See Attachment 5 for this agenda item for additional annual operating costs.)

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- (i) Summary 6-2014: JBRC Item 10. Department of Disabilities and Special Needs
Project: 9874, Statewide Network Infrastructure Telephone System Replacement
Funding Source: \$840,000 Excess Debt Service funds, which are paying patient fees over and above the maximum amount needed to pay current fiscal year debt service requirements on the agency's debt obligations.
Request: Increase budget to \$840,000 (add \$832,500 Excess Debt Service funds) to upgrade and replace the Department of Disabilities and Special Needs' telephone system and computer network infrastructure. The project was approved for pre-design in December 2013, which is now complete. The work will include replacing the agency network equipment, adding wireless access points in buildings at five regional centers and the central office building, and installing voice over internet protocol telephone systems at four regional centers. The telephone and legacy systems are 25 years old, outdated, and have reached the end of their useful lives and manufacturer support. The updated infrastructure will support real time delivery of electronic health information to direct care and medical staff providing care to consumers and will accommodate and support the electronic medical records system. It will add increased capacity, provide more reliable service, and take advantage of lower telephone rates. The agency reports the total projected cost of this project is \$840,000 and annual operating savings ranging from \$39,862 to \$49,588 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is June 2014 and for completion of construction is December 2015. (See Attachment 6 for this agenda item for additional operating cost savings.)
- (j) Summary 6-2014: JBRC Item 11. Department of Parks, Recreation and Tourism
Project: 9733, Dreher Island State Park Marina Replacement
Funding Source: \$992,112 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$992,112 (add \$977,112 Other, Proviso 49.9 FY 13-14 funds) to replace the existing marina/docks and associate utilities at Dreher Island State Park in Newberry County. The project was established for pre-design in February 2014, which is now complete. The existing 100 slip dock system is 34 years of age and has reached the end of its expected life and will require removal if not replaced. The new dock area will feature 50 larger slips. The current condition has limited PRT's ability to generate revenue and replacement of the facility will improve access to the lake. Dreher Island State Park is located on Lake Murray and is one of the main boat access points on the upper part of the lake. There were 214,948 visitors to the park in FY 2013, and the agency projects net additional annual revenue of \$176,700 from the project. The agency reports the total projected cost of this project is \$992,112

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and annual operating costs ranging from \$25,852 to \$28,500 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 7 for this agenda item for additional annual operating costs.)

- (k) Summary 6-2014: JBRC Item 12. Department of Parks, Recreation and Tourism
Project: 9734, Dreher Island Camper Cabin Construction
Funding Source: \$423,851 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$423,851 (add \$416,351 Other, Proviso 49.9 FY 13-14 funds) to construct 10 camper cabins and to renovate an existing restroom at Dreher Island State Park in Newberry County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to construct 10 one room log cabin kit type structures in an existing camping area and renovate the existing 1000 square foot restroom /shower building. Similar structures constructed at Lake Hartwell State Park in 2005 have been popular and profitable. Dreher Island State Park is located on Lake Murray and is one of the main boat access points on the upper part of the lake. PRT reports that there were approximately 214,948 visitors to the park in FY 2013 and the agency projects net additional annual revenue of \$64,983 from the project. The agency reports the total projected cost of this project is \$423,851 and annual operating costs ranging from \$16,630 to \$18,334 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 8 for this agenda item for additional annual operating costs.)
- (l) Summary 6-2014: JBRC Item 13. Department of Parks, Recreation and Tourism
Project: 9735, Lake Wateree Campground Expansion
Funding Source: \$1,101,959 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$1,101,959 (add \$1,086,959 Other, Proviso 49.9 FY 13-14 funds) to expand the campground and associated infrastructure at Lake Wateree State Park Campground in Fairfield County. The project was established for pre-design in February 2014, which is now complete. The scope of this project is to add 50 campsites, a restroom /shower facility,

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electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 72 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Lake Wateree State Park had 165,836 visitors during FY 2013 and the agency projects net additional annual revenue of \$115,744 from the project. The agency reports the total projected cost of this project is \$1,101,959 and annual operating costs ranging from \$23,544 to \$25,957 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 9 for this agenda item for additional annual operating costs.)

- (m) Summary 6-2014: JBRC Item 14. Department of Parks, Recreation and Tourism
Project: 9736, Huntington Beach Campground Expansion
Funding Source: \$1,152,188 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.
Request: Increase budget to \$1,152,188 (add \$1,137,188 Other, Proviso 49.9 FY 13-14 funds) to expand the campground and associated infrastructure at Huntington Beach State Park Campground in Georgetown County. The project was established for pre-design in February 2014, which is now complete. The scope of this project is to add 46 campsites, a restroom /shower facility, electrical, water, and sewer systems, and roads to support the increase in camp sites. The existing 103 site campground is heavily used with demand significantly exceeding supply during peak demand periods. Huntington Beach State Park had 595,703 visitors during FY 2013 and the agency projects net additional annual revenue of \$254,002 from the project. The agency reports the total projected cost of this project is \$1,152,188 and annual operating costs ranging from \$42,519 to \$46,877 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 10 for this agenda item for additional annual operating costs.)
- (n) Summary 6-2014: JBRC Item 15. Department of Parks, Recreation and Tourism
Project: 9737, Lake Hartwell Camper Cabin Construction
Funding Source: \$363,342 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.

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Request: Increase budget to \$363,342 (add \$355,842 Other, Proviso 49.9 FY 13-14 funds) to construct 10 camper cabins and renovate an existing restroom at Lake Hartwell State Park in Oconee County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to construct 10 one room log cabin kit type structures in an existing camping area. Similar structures constructed at Lake Hartwell State Park in 2005 have been popular and profitable. PRT reports that there were 62,264 visitors to the park in FY 2013 and the agency projects net additional annual revenue of \$43,011 from the project. The agency reports the total projected cost of this project is \$363,342 and annual operating costs ranging from \$16,630 to \$18,334 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015. (See Attachment 11 for this agenda item for additional annual operating costs.)

(o) Summary 6-2014: JBRC Item 16. Department of Parks, Recreation and Tourism

Project: 9738, Hunting Island Campground Improvements

Funding Source: \$1,366,805 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.

Request: Increase budget to \$1,366,805 (add \$1,348,055 Other, Proviso 49.9 FY 13-14 funds) to renovate the campground at Hunting Island State Park in Beaufort County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to renovate the existing 112 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and roads. The electrical water and sewer systems are 20 years old and the restroom facilities are 30 years old and they have exceeded their expected lives. PRT reports the state park had 1,075,180 visitors in FY 2013 and the agency projects net additional annual revenue of \$127,660 from the project. The agency reports the total projected cost of this project is \$1,366,805 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015.

(p) Summary 6-2014: JBRC Item 17. Department of Parks, Recreation and Tourism

Project: 9739, Santee State Park Campground Improvements

Funding Source: \$573,073 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers,

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deferred maintenance and capital projects at state parks, marketing and advertising.

Request: Increase budget to \$573,037 (add \$561,787 Other, Proviso 49.9 FY 13-14 funds) to renovate the campground at Santee State Park in Orangeburg County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to renovate the existing 50 campsite campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and roads. The electrical, water and sewer systems and restroom/shower facilities are 30 years old and have exceeded their expected life. PRT reports the state park had 115,317 visitors in FY 2013 and the agency projects net additional annual revenue of \$15,971 from the project. The agency reports the total projected cost of this project is \$573,037 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015.

(q) Summary 6-2014: JBRC Item 18. Department of Parks, Recreation and Tourism

Project: 9740, Table Rock State Park Campground Improvements

Funding Source: \$500,342 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.

Request: Increase budget to \$500,342 (add \$492,842 Other, Proviso 49.9 FY 13-14 funds) to renovate the campground at Table Rock State Park in Pickens County. The project was established for pre-design in February 2014, which is now complete. The scope of the project is to renovate the existing 25 site campground along with the associated infrastructure to include restroom/shower facilities, the electrical, water and sewage systems, and roads. The electrical water and sewer systems are 30 years old and the restroom/shower facility is 40 years old and they have exceeded their expected lives. PRT reports the state park had 308,132 visitors in FY 2013 and the agency projects net additional annual revenue of \$27,215 from the project. The agency reports the total projected cost of this project is \$500,342 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is December 2015.

(r) Summary 6-2014: JBRC Item 19. Department of Parks, Recreation and Tourism

Project: 9741, Landrum Welcome Center

Funding Source: \$411,571 Other, Proviso 49.9 FY 13-14 funds which are unexpended funds from the Motion Picture Incentive Act carried forward from the prior

fiscal year and directed via Proviso 49.9 to the Department of Parks, Recreation and Tourism for capital improvements to Welcome Centers, deferred maintenance and capital projects at state parks, marketing and advertising.

Request: Increase budget to \$411,571 (add \$404,071 Other, Proviso 49.9 FY 13-14 funds) to renovate the lobby/gallery portion of the Landrum Welcome Center along I-26 in Spartanburg County. The project was established for pre-design in February 2014, which is now complete. PRT operates the Welcome Center lobby/gallery functions of the SC Department of Transportation rest stops located near the state borders along the interstate/state highway system. This project is to upgrade the approximately 1,416 square lobby/gallery area of the Landrum Welcome Center that is used to provide travelers with an array of information on opportunities within the State of SC. The center was last renovated 21 years ago and will include upgrades to flooring, furnishings, displays, brochure racks, electrical and information technology systems, and finishes. This project is considered a demonstration renovation for future implementation at the other Welcome Centers across the state. The agency reports the total projected cost of this project is \$411,571 and no additional annual operating costs will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is October 2014 and for completion of construction is June 2015.

Increase Budget

(s) Summary 6-2014: JBRC Item 20. South Carolina Technical and Comprehensive Education

Project: 6081, Spartanburg - Cherokee Advanced Technology Center Construction
Funding Source: \$5,968,958 which includes \$3,500,000 State Appropriated funds from Proviso 90.20 of FY 2012-13, \$840,000 Other, Lottery FY 2013-14 funds which were appropriated to the college for Industrial Training, \$928,958 Other, College Plant funds which are funds the college receives from the service area counties for the operation of the college's physical plant and \$700,000 Other, College Matching funds which represent a portion of the college's match for the College Plant funds received from area counties.

Request: Increase budget to \$5,968,958.00 (add \$2,468,958 - \$928,958 Other, College Plant, \$840,000 Other, Lottery FY 2013-14 and \$700,000 Other, College Matching Funds) to construct an advanced technology center on the Cherokee Campus of Spartanburg Community College. The project was approved for pre-design in February 2013 with legislatively appropriated funds, which is now complete. The 27,245 square foot facility will house the Center for Advanced manufacturing and Industrial technologies, which will provide various manufacturing programs to support local industries including automated manufacturing technology/robotics, mechatronics technology, machine tool technology, welding technology and other related programs. A

100 space parking lot will be constructed adjacent to the facility. The facility will be constructed to Green Globe 2 Globe certification and will include water efficiency, energy, indoor atmosphere and other efficiency improvements. The LEED cost benefit analysis shows a negative cost benefit of \$253,547 over 30 years. The agency reports the total projected cost of this project is \$5,968,958 and annual operating costs ranging from \$117,090 to \$169,811 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is November 2014 and for completion of construction is July 2015. (See Attachment 12 for this agenda item for additional annual operating costs.)

- (t) Summary 6-2014: JBRC Item 21. Budget and Control Board
Project: 9912, Rutledge Building Emergency Generator Installation
Funding Source: \$830,838 which includes \$723,945 Other, Depreciation Reserve funds, which are derived from rents changed to agencies, and \$106,893 Other, Department of Education funds which are funds contributed by the Department of Education from their General Fund appropriations to pay for the upgraded generator capacity.
Request: Increase budget to \$830,838 (add \$106,893 Other, Department of Education funds) to install an emergency generator in the Rutledge Building housing the Department of Education. The project was established in October 2012 for pre-design work and increased for construction in May 2013. The work will include installing a new emergency generator and automatic transfer switches and upgrading the electrical system to provide power from the generator to life safety and other systems. The 50 year-old building would be required to have an emergency generator if built today. The new generator will provide backup power for the fire pump, egress lighting, elevators, fire detection and notification systems, and information technology operations. Its installation will bring this part of the building up to current standards and prevent elevator passengers from being stranded during power outages as happened recently. Energy savings and conservation measures are not applicable to this generator project. The increase will allow the project to also provide back-up power to the Department of Education Data Center, located on the 12th floor of the Rutledge Building and will support increased construction costs, contingency costs and project management fees. The agency reports the total projected cost of this project \$830,838, an increase of \$106,893 from the approved amount of \$723,945, and no additional annual operating costs will result from the project. The agency also reports the projected date for execution of the construction contract is June 2014 and for completion of construction is January 2015.

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

Division of State Budget: Real Property Acquisitions (Regular Session Item #3)

With regard to item 3(a) concerning the Department of Natural Resources (DNR), Mr. Loftis asked if there is some value to be placed on the land. Paul League and Bob Perry with DNR appeared before the Board on this item. Mr. League said that as with any donation DNR has not undertaken an appraisal of the property and has been provided one by the land owner. He said the only information DNR has was provided a week or so prior to the Board meeting was the appraised value as listed for tax purposes in Horry County. He stated that the larger parcel of 3,197 acres was valued at \$12,786,000. Mr. League said that DNR will ultimately take over 1,300 acres out of the larger 3,197 acre parcel. He said that is the best estimate of value that DNR has for the property at this time.

Concerning item 3(b) Mr. Eckstrom asked if there was going to be a building on the site. Andy Leaphart and Suzette Johnson with SCDOT appeared before the Board on this item. Mr. Leaphart said their plan is to put a building on the site. Mr. Eckstrom asked what the cost to build would be. Ms. Johnson said that DOT has a projected cost of \$8.3 million for the building. Mr. Leaphart said this will be a maintenance complex to serve Lexington County. Mr. Eckstrom asked if every county has a maintenance complex to which Mr. Leaphart responded yes. Mr. Leaphart said Lexington's current maintenance complex is downtown and that creates limitations for the daily operations in that facility.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the following real property acquisitions as requested by the Division of State Budget:

(a) Agency:	Department of Natural Resources
Acreage:	1,304 ± Acres of undeveloped land
Location:	North of the Waccamaw River and south of County Road 905 off Waccamaw Lane in Longs, SC.
County:	Horry
Purpose:	To protect upland wildlife habitat and wetland areas adjoining the Waccamaw River Heritage Preserve
Appraised Value:	N/A
Price/Seller:	Donation/American Timberlands Company
Source of Funds:	N/A
Project Number:	P24-9938
Environmental Study:	Approved
Building Condition	N/A

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Assessment:
Additional Annual Op No change
Cost/SOF:
Current Year Property Tax: \$1,551
Approved By: JBRC 4/8/2014

(b) Agency: **Department of Transportation**
Acreage: 33.6
Location: 2668 Two Notch Road
County: Lexington
Purpose: Future Lexington County Maintenance Complex
Appraised Value: \$1,615,000
Price/Seller: \$1,400,000 from Janda F. Fulmer and Julia S. Frahn
Source of Funds: State Highway Fund
Project Number: U12-9723
Environmental Study: Approved
Building Condition N/A
Assessment:
Additional Annual Op No change
Cost/SOF:
Current Year Property Tax: \$4,873.21
Approved By: JBRC 4/8/2014

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

Division of General Services: South Carolina Education Lottery Lease at 1333 Main Street, Columbia (Regular Session Item #4)

The South Carolina Education Lottery (SCEL) requested approval to lease 32,248 SF at 1333 Main Street in Columbia from Investments LLC, a South Carolina based company. SCEL currently leases 7,685 SF on the third floor, 3,285 SF on the ground floor and 28,963 SF on the fourth floor of this same building for a total of 39,933 SF at a rate of \$17.00/SF. The space is used for administrative offices. However, through consolidation of operations and duties for greater efficiency, SCEL has reduced its staff from approximately 143 FTE's to less than 120 FTE's and as such, wishes to relinquish the 7,685 SF on the third floor. By relinquishing this space, SCEL will immediately save \$243,000.

A solicitation was conducted and the only proposal received was for the current location. The lease term will be seven (7) years commencing the earlier of June 1, 2014 or within 60 days

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of the executed lease. SCEL will have the right to extend the term of this lease for three (3) years with the same terms, conditions, and escalations of the original lease. The landlord will upfit the space SCEL currently occupies on the fourth floor to accommodate the employees currently on the third floor and will continue to provide free parking for all employees. Base rent will be \$15.95 per square foot for the first year of the lease. Thereafter, base rent increases annually as shown in the chart below:

<u>INITIAL TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 1	\$514,355.64	\$ 42,862.97	\$ 15.95
YEAR 2	\$525,642.36	\$ 43,803.53	\$ 16.30
YEAR 3	\$536,929.20	\$ 44,744.10	\$ 16.65
YEAR 4	\$548,216.04	\$ 45,684.67	\$ 17.00
YEAR 5	\$559,502.76	\$ 46,625.23	\$ 17.35
YEAR 6	\$570,789.60	\$ 47,565.80	\$ 17.70
YEAR 7	\$582,076.44	\$ 48,506.37	\$ 18.05
<u>EXTENDED TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RENT PER SF</u>
YEAR 8	\$593,363.16	\$ 49,446.93	\$ 18.40
YEAR 9	\$604,650.00	\$ 50,387.50	\$ 18.75
YEAR 10	\$615,936.84	\$ 51,328.07	\$ 19.10

Basic Rent for the first year of the Initial Term consists of \$9.03 per square foot (\$291,199.44 per year) allocated to rental space and \$6.92 per square foot (\$223,156.16 per year) representing SCEL's share of Building Operating Cost as related to its pro rata share of space. At the conclusion of the second year of the Initial Term and at the conclusion of each subsequent year of the Term, the Landlord will compute the increase, if any, in the Building Operating Cost over the prior year Building Operating Cost. Such increase will be multiplied by SCEL's pro rata share and will be paid by SCEL to the Landlord; provided, however, that in no event will SCEL be liable for or obligated to pay any portion of the Building Operating Cost increases which exceed 105% of SCEL's pro rata share of Building Operating Cost in the immediately preceding rental year.

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There are adequate funds for the lease according to a Budget Approval Form and multi-year plan submitted by SCEL.

While only one proposal was received from the solicitation, the following chart represents comparable lease rates of similar business space, in the Columbia central business district:

Location	Base Rent Rate/SF
1122 Lady St	\$16.00
1441 Main St	\$17.50
1201 Main St	\$16.00

The lease was approved by JBRC at its April 8, 2014 meeting.

Paula Harper Bethea, Director of the Lottery Commission, appeared before the Board on this item along with Ashlie Lancaster with General Services. Mr. Eckstrom asked how a solicitation for office space could be issued and no responses be received with exception of the incumbent. Ms. Bethea said she did not know and that question would have to be asked of MMO (sic). She said the Lottery Commission went through the proper channels. She said the new lease is the result of the Lottery Commission going from 148 employees to 112.6 employees and cutting operating expenses over four years. She said they would like to consolidate their space. She noted that the savings are over \$300,000. Mr. Eckstrom said he applauds the savings, but was curious why there were no other bidders.

Mr. Eckstrom further asked about the use of the former DOR space at the Mills Building. Ms. Lancaster said the space at the Mills Building is fully occupied and that General Services does not currently have any space available with exception of one room that is available in the bottom of the Wade Hampton Building.

Ms. Bethea said there are special needs that the Lottery Commission has that other agencies do not have. She stated that they have to be on an electrical grid that can be restored more quickly because of their gaming operations and they are on that grid in their present location. She said they have been in that space for ten years and all of their parking spaces are free. She noted that in downtown Columbia that is remarkable. She further stated the Lottery Commission has the need to be at the end of a fiber optic connection for their studio. Ms. Bethea

also stated that it would cost them about one million dollars to move their data system. She said considering all of those things is not something that would save the State any money. She commented that would not allow the Lottery Commission to transfer as much as they transfer to the legislature for allocation. Ms. Bethea said it makes sense to stay where they are and they have negotiated a good agreement.

Mr. Loftis said he has a concern with agencies leasing space on Main Street. He asked Ms. Bethea if the Lottery Commission looked outside of Main Street because of the significant amount of rent that is being paid. Ms. Bethea replied that the Lottery Commission looked at purchasing, but because of the million dollars to move the data center and other reasons they found that it was cost effective to stay where they are. Ms. Lancaster also added that General Services did not limit the search just to Main Street.

Upon a motion by Mr. White, seconded by Mr. Loftis, the Board approved the proposed 7 year lease and 3 year extended term for the South Carolina Education Lottery at 1333 Main Street in Columbia.

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

Clemson University: Not Exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014, of Clemson University (Regular Session Item #5)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014, issued on behalf of the Clemson University.

The proceeds from the sale of the bonds will be used for the purposes of: (a) providing the amount necessary, together with other available fund for the University, to defray the costs of the Project; (b) subject to the provisions of Section 6.03 hereof, providing money to fund the Series 2014 Debt Service Reserve Fund; (c) providing moneys to pay the interest on the Series 2014 Bonds during construction of the project t, as determined under the provisions of Section 3.03 hereof; and (d) paying certain costs and expenses related to the issuance of the Series 2014 bonds for the purpose of planning, developing, constructing and equipping a mixed-use facility encompassing additional student housing, dining, retail, administrative and other auxiliary

facilities and services on the campus of the University.

Mr. Eckstrom said he wanted to point out that he has been aware that Clemson University has been moving toward this bond issue for years. He said this is a large amount of debt, but he knows the University is capable of servicing it.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board adopted a resolution making provision for the issuance and sale not exceeding \$100,000,000 Higher Education Revenue Bonds, Series 2014, issued on behalf of the Clemson University.

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

University of South Carolina: Not Exceeding \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2015A, of the University of South Carolina and Authorizing the Issuance and Sale of Athletic Facilities Revenue Bond Anticipation Notes (Regular #6)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2015A, of the University of South Carolina and authorizing the issuance of Athletic Facilities Revenue Bond Anticipation Notes.

The proceeds of the bonds are to be used to (i) make improvements to the Football Stadium Plaza and Athletic Village, which will include a new Soccer Building, improvements to the Track and Field Complex, and modifications to the Field House, and Athletic Facilities Revenue Bond Anticipation Notes.; (ii) reimbursing the University for capital expenditures previously made in connection with, and paying the costs to construct and equip the project, including capitalized interest on the Series 2015A bonds, if any; (iii) funding the Series 2015A Debt Serve Reserve Fund or purchasing a debt service reserve fund substitute, if any; and (iv) paying certain costs and expenses relating to the issuance of the Series 2015A bonds, including a municipal bond insurance premium, if any.

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board adopted a resolution making provision for the issuance and sale of not exceeding \$31,500,000 Principal Amount Athletic Facilities Revenue Bonds, Series 2015A, of the University of South Carolina and authorizing the issuance and sale of Athletic Facilities Revenue Bond Anticipation Notes.

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

State of South Carolina: Not Exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina (Regular #7)

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to provide funds which will be used to provide funds to effect the refunding of certain outstanding General Obligation State Highway Bonds and pay the costs of issuance thereof.

Mr. Eckstrom asked if this is a competitive issue. Mr. Harmon said all general obligations of the State are sold at competitive bids. He said most of the statutes proscribe competitive sales and a handful of statutes permit negotiated sales, but not for general obligation issues. Mr. Eckstrom asked how many rating agencies would be involved in rating the bonds. Mr. Harmon replied that three would be involved that include Moody, Fitch, and Standard & Poor's.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board adopted a resolution making provision for the issuance and sale not exceeding \$76,000,000 Principal Amount of General Obligation State Highway Refunding Bonds, Series 2014, of the State of South Carolina.

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

State Treasurer's Office: Update on State Auditor Position (Regular Session Item #8)

S. C. Code Ann. 11-7-10 (1976, as amended) authorizes the State Budget and Control Board to select the State Auditor. The State Budget and Control Board members appointed a Search Committee to recruit a candidate to be the State Auditor. The Board was asked to receive an update on the search for the State Auditor. Since this item involves consideration of a personnel matter, the Board may elect to convene in executive session to discuss the matter, if

necessary.

Mr. Loftis noted that Rich Gilbert has been the interim State Auditor for seven years. He said he has been on the Board for 3½ years and a committee was formed 1½ years ago and nothing has been done about filling the State Auditor's position. He said the State Auditor should have the full backing of the Board or whatever organization the State Auditor ends up working for. He said the need of a State Auditor's office that is properly funded cannot be underestimated and the support of the group that has hired him. He said he wanted to have this public discussion and see what happens as a result of the discussion.

Senator Leatherman asked if there were different thoughts from the committee as to who should be the State Auditor. Mr. Loftis said that is correct. Senator Leatherman asked if the committee had made a decision. Mr. Loftis said no decision has been made, but offers had been made that were not accepted. Senator Leatherman asked what the Board is supposed to do if there is no one before the Board to approve. Mr. Loftis said he brought the issue up for discussion publicly to see if he could get a renewed commitment to doing something. He said seven years with an interim State Auditor is not an appropriate way to do business.

Governor Haley asked if there have been any applicants. Mr. Loftis said there have been applicants and that the committee has been meeting for over a year. He said there may be a salary issue because an offer has been extended several times. Senator Leatherman asked what is to be accomplished by the discussion. Mr. Loftis responded that he did not think the Board would accomplish much at the moment. He said he wanted to make the public aware that the State has had an interim State Auditor for seven years and an unfunded State office. He said he thinks that the leadership of the Board should address the issue and reassure others that this is a top priority for the Board.

Senator Leatherman further asked if the issue being made public will spur the committee on to make a decision. He also asked Mr. Loftis what is the committee's reaction when he proposes that they move forward and find a candidate. Mr. Loftis said there is a lot of agreement, but each person represents someone with exception of Mr. Eckstrom serving on the committee himself. He said he thinks there has been frustration by all of the committee members. Mr. Eckstrom said the committee remains very committed to completing this project. He said the committee has continued to reach out to candidates and has interviewed ten

candidates and screened hundreds of candidates. He said that State Human Resources has recently reached out to some of the candidates. He said one of the candidates, who had a health episode that prevented him from considering moving forward, that he regarded as a very strong candidate has expressed a tentative interest in talking with the committee. Mr. Loftis said he was aware of that because it was his committee member that asked State Human Resources speak to the candidate again.

Mr. White said that Mr. Loftis is asking is that a time be set to make a decision. He said that he has gotten frustrated by this as well. He said, as a result of speaking with his appointee, he does not believe the Board needs to continue to solicit for candidates because people will start questioning what the Board is doing. He said he would like for the Board to decide when this will conclude and find out what is holding up finding a candidate. He said if it is the salary the Board needs to know that. Governor Haley said there should be a salary comparison to other states. Mr. White said qualified people have applied numerous times and the Board should work with what it has. Governor Haley pointed out that Ms. Adam indicated that a competitive salary range has been done and provided to the committee.

Mr. White continued the discussion noting that Mr. Gilbert does a good job, but a full time person needs to be in the position. He said the Board needs to establish a timeline to settle the matter. Mr. Loftis asked if this is a salary issue. Mr. Eckstrom said with some candidates it was an issue of salary. He said the more competitive candidates that they are trying to bring in are in situations where they are being paid more than what is being offered. Ms. Adams noted that if a candidate is chosen there is a salary range that can be brought back to the Board. She advised the Board that the range for this position is \$111,279 to \$172,503. She said the midpoint of the salary range is \$141,396.

Mr. Loftis asked if a candidate would be told he could make a salary of \$111,279 to \$172,503. Mr. Eckstrom said the committee would not do that. He said the committee would indicate that a candidate is a good candidate, why he is a good fit for the State, and the compensation package the candidate is currently enjoying. Governor Haley said typically the directors have been brought on with the pay salary of the last director and they are told the salary request has to go before the Agency Head Salary Commission. Senator Leatherman said that the Board is not in the position to determine what the salary will be. He said the candidate can be

given the range and told that they will fall somewhere in that range. He said that the salary is going to depend on qualifications and experience.

Mr. Loftis asked if there has been any feedback about the State Auditor's budget. He noted that the budget has diminished over the years to about \$3 million. Mr. Gilbert said he believes it is higher than that. Mr. Loftis said he wonders if a qualified candidate sees something like that and concludes there is not a commitment to the office.

Governor Haley said that she agrees with Mr. White that the committee should give itself a timeline to choose a candidate. Senator Leatherman said caution should be taken in establishing a timeline so that the wrong person is not chosen.

The Board received as information an update on the search for the State Auditor.

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

Future Meeting

Upon a motion by Mr. White, seconded by Mr. Loftis, the Board agreed to meet at 10:00 a.m. on Tuesday, June 17, 2014, in Room 252, Edgar A Brown Building.

Adjournment

The meeting adjourned at 11:40 a.m.

[Secretary's Note: In compliance with Code Section 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, near the Board Secretary's office in the Wade Hampton Building, and in the lobbies of the Wade Hampton Building and the Edgar A. Brown Building at 9:15 a.m. on Tuesday, April 29, 2014.]