

MINUTES OF BUDGET AND CONTROL BOARD MEETING

November 4, 1964 through November 19, 1964

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The State Budget and Control Board met in the Conference Room of the State Auditor's Office on November 4, 5, 10, 12, 17, 18 and 19 for the purpose of hearing appropriation requests for 1965-66 from certain departments and institutions. All members of the Board were generally present throughout the entire schedule of hearings.

Representatives of the following departments and institutions appeared before the Board as follows:

WEDNESDAY, NOVEMBER 4

10:30 A. M.	--	Attorney General
10:30	--	Children's Bureau
11:00	--	John de la Howe School
11:30	--	S. C. Opportunity School
12:00	--	State Library Board
3:00 P. M.	--	S. C. Alcoholic Center
3:30	--	Public Service Commission
3:30	--	Probation, Parole and Pardon Board
4:00	--	Educational Finance Commission

THURSDAY, NOVEMBER 5

10:00 A. M.	--	Department of Agriculture
10:30	--	Educational Television Commission
11:00	--	Wildlife Resources Commission
11:30	--	S. C. State College
3:00 P. M.	--	The Archives Department
3:30	--	S. C. Sanatorium
4:00	--	Insurance Department
4:30	--	Adjutant General

TUESDAY, NOVEMBER 10

10:30 A. M.	--	State Industrial Schools Board John G. Richards Industrial School Industrial School for Girls Industrial School for Negro Girls S. C. School for Boys
11:30	--	Whitten Village

TUESDAY, NOVEMBER 10 (Cont'd)

3:00 P. M. - Department of Public Welfare  
3:30 - Department of Corrections  
4:00 - Dr. Hall and Mr. MacDougall

THURSDAY, NOVEMBER 12

10:00 A. M. - University of South Carolina  
11:00 - Winthrop College  
  
3:00 P. M. - Advisory Committee for Technical Training  
3:30 - Department of Education

TUESDAY, NOVEMBER 17

10:00 A. M. - S. C. Tax Commission  
10:30 - State Medical College  
  
3:00 P. M. - School for the Deaf and the Blind  
3:30 - S. C. Mental Health Commission  
The State Hospital  
Pineland Training School

WEDNESDAY, NOVEMBER 18

10:00 A. M. - Vocational Rehabilitation Agency  
10:30 - The Citadel  
11:00 - S. C. Association of School Boards  
11:30 - S. C. Industrial Commission  
  
3:00 P. M. - S. C. Employees' Association  
3:00 - Clemson University

THURSDAY, NOVEMBER 19

10:00 A. M. - State Service Bureau  
10:00 - S. C. Aeronautics Commission  
10:30 - T. Allen Legare - RE: Beach Erosion  
11:00 - State Forestry Commission  
11:30 - S. C. Retarded Childrens Habilitation  
Center  
  
3:00 P. M. - Civil Defense Agency  
3:30 - Water Pollution Control Authority  
3:30 - State Board of Health  
4:00 - State Development Board



During the course of the Budget Hearings, Mr. Gus Graydon, Mrs. Bedford Moore and others appeared before the Board requesting financial assistance from the State in purchasing the old Boyleston property on Richland Street, near the Governor's Mansion.

In addition to the above schedule of Budget Hearings the following matter was acted upon by the Board during the above two weeks.

TUESDAY, NOVEMBER 4

DEPARTMENT OF CORRECTIONS - Authorization to Extend Note Issue  
of November 1, 1962.

As authorized in Section 4, of Part II of Act No. 1004 (Deficiency Appropriations Act 1963-64) the Board approved the re-issuance of the \$1,500,000.00 State Note dated November 1, 1962 issued for the Department of Corrections in order that the payment period be extended from ten years as originally issued, to twenty years. (NO. 8A)

No. 8 A  
Nov. 4, 1964

THE STATE OF SOUTH CAROLINA.

WHEREAS, by the provisions of Section 4, Part II, of Act No. 1004 of the Acts of the General Assembly of the State of South Carolina for the year 1964, the State Budget and Control Board of South Carolina (the State Board) is authorized and empowered to refinance indebtedness heretofore incurred for the South Carolina Penitentiary pursuant to Act No. 906 of the Acts of the General Assembly for the year 1960, so as to extend the repayment of the principal over a longer period of time; and

WHEREAS, after due investigation of its own, the State Board has concluded that the authorization above cited is in the interest of the State Penitentiary and should be availed of,

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

SECTION 1.

Pursuant to the provisions of Section 4, Part II, of Act No. 1004 of the Acts of the General Assembly of the State of South Carolina for the year 1964, the State Board authorizes and empowers the Governor and State Treasurer to refinance \$1,500,000 of Notes of the State of South Carolina heretofore issued pursuant to the provisions of Act No. 906 of the Acts of 1960, the proceeds of which bonds were expended to defray a portion of the cost of constructing and equipping a laundry facility for the State Penitentiary, through the issuance of \$1,500,000 State Penitentiary Refunding Notes.

SECTION 2.

Said Penitentiary Refunding Notes shall be issued in fully registered form and as a single fully registered Note, in the name of the State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System, and payable to said State Budget and Control Board of South Carolina, as such Trustee, or to its assigns.

SECTION 3.

Said Penitentiary Refunding Notes shall be dated November 1, 1964, shall bear interest at the rate of four and one-half per centum (4-1/2%) per annum, payable on the first days of May and November of each year, beginning May 1, 1965, and shall mature in annual instalments on November 1 in the years and in the amounts set forth below, viz.:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1966	\$ 25,000	1975	\$100,000
1967	25,000	1976	100,000
1968	25,000	1977	125,000
1969	25,000	1978	125,000
1970	50,000	1979	125,000
1971	75,000	1980	125,000
1972	75,000	1981	150,000
1973	100,000	1982	150,000
1974	100,000		

SECTION 4.

The State of South Carolina reserves the right to effect the prepayment, on any interest payment date after November 1, 1968, of any portion of the indebtedness evidenced by said Penitentiary Refunding Notes that it may determine upon, in the inverse chronological order of the maturities of the principal instalments, and in multiples of \$1,000, at a redemption price equal to the par value of the principal amount so redeemed, and accrued interest to the date fixed for redemption, plus a redemption premium of 2% of the principal amount so redeemed.

If the option to redeem shall be exercised, notice of redemption shall be given to the holder of said Penitentiary Refunding Notes, at least thirty (30) days prior to the redemption date, by mailing to such holder a notice prescribing the prepayment date and specifying the amount of principal (and premium) to be prepaid.

SECTION 5.

Payment of interest and instalments of principal of said Penitentiary Refunding Notes and portions thereof (if the privilege of prepayment be exercised) shall be effected by check

or draft drawn by the State Treasurer. Such payments shall be effected by the use of funds pledged for the payment of the principal and interest of the Notes. All payments of principal and interest shall be duly endorsed upon the Payment Record appended to said registered Note.

SECTION 6.

Such single fully registered SOUTH CAROLINA PENITENTIARY REFUNDING NOTE shall be executed on behalf of the State of South Carolina by the Governor and State Treasurer. The Great Seal of the State shall be affixed thereto and the same shall be attested by the Secretary of State.

SECTION 7.

For the payment of the principal of and interest on said Penitentiary Refunding Notes there are hereby pledged:

- (a) all net revenues derived from the operation of the laundry facility at the State Penitentiary which was constructed and equipped with the proceeds of the Penitentiary Notes dated November 1, 1962; and
- (b) such net revenues as may be derived by the State Penitentiary from the manufacture of State Motor Vehicle License Tags.

All moneys so derived shall be collected by the Treasurer of South Carolina State Penitentiary, or his deputies or agents, and shall be remitted monthly to the State Treasurer, who shall cause the same to be deposited in a special fund applicable solely to the payment of the principal and interest of such Penitentiary Refunding Notes, as the same respectively mature. Moneys in such fund may be invested or reinvested in direct obligations of the United States of America and said fund shall be applied solely to effect the payment of the principal and interest of said Penitentiary Refunding Notes.

To additionally secure the payment of the principal and interest of the Penitentiary Refunding Notes herein authorized, there is hereby pledged so much of the revenues as may be derived from the tax imposed pursuant to Article 1, Chapter 12, Title 65, Code of Laws of South Carolina, 1962, is hereby declared to be on a parity with the pledges securing the following outstanding obligations of the State of South Carolina, all of which are held by the State Budget and Control Board, as Trustee:

(a) The now outstanding \$850,000 of an original issue of \$2,125,000 State Notes, dated 2-1-58, issued for various State Institutions.

(b) The now outstanding \$160,000 of an original issue of \$300,000 State Notes, dated 10-1-57, issued for Clemson College.

(c) The now outstanding \$110,000 of an original issue of \$150,000 State Notes, dated 8-1-60, issued for Clemson College.

(d) The now outstanding \$110,000 of an original issue of \$150,000 State Notes, dated 8-1-60, issued for the University of South Carolina.

(e) The now outstanding \$160,000 of an original issue of \$300,000 State Notes, dated 10-1-57, issued for the University of South Carolina.

(f) The now outstanding \$100,000 of an original issue of \$200,000 State Notes, dated 7-1-59, issued for the Archives Department.

(g) The now outstanding \$1,215,000 of an original issue of \$1,305,000 State Notes, First Series of 1963, dated 7-1-63.

(h) The now outstanding \$94,000 of an original issue of \$100,000 State Notes, Second Series of 1963, dated as of the 1st day of July, 1963.

(i) The now outstanding \$1,345,000 South Carolina State Notes, Third Series of 1963, dated as of May 1, 1964.

(j) The now outstanding \$40,000 South Carolina State Notes, Fourth Series of 1963, dated as of July 1, 1964.

(k) The now outstanding \$265,000 South Carolina State Notes, First Series of 1964, dated May 1, 1964.

(l) The now outstanding \$277,000 South Carolina State Notes, Second Series of 1964, dated September 1, 1964.

Whenever funds derived from the sources first above mentioned shall be insufficient to effect the punctual payment of the principal of and interest on the Penitentiary Refunding Notes, the State Treasurer shall forthwith withdraw from the moneys derived from the tax levied pursuant to Article 1, Chapter 12, Title 65, Code of Laws of South Carolina, 1962, sufficient moneys to effect the punctual payment of the principal of and interest on the Penitentiary Refunding Notes: PROVIDED, ALWAYS, that withdrawals from said tax shall be done in such manner as to leave undisturbed the equal right to the use of the revenues from said tax for the payment of principal and interest of all other Notes on a parity with said Penitentiary Refunding Notes:

SECTION 8.

The State Budget and Control Board, in its capacity as the owner and holder of the outstanding Notes described in SECTION 7, supra, hereby consents that the pledge additionally securing the Notes hereunder shall be on a parity in all respects with the pledge securing the outstanding Notes now held by it and more fully described in Section 7, supra, The State Treasurer is hereby authorized and empowered to place upon the face of each of said outstanding Notes, a written statement as follows:

"The pledge of revenues derived from the tax imposed pursuant to Article 1, Chapter 12, Title 65, Code of Laws of South Carolina, 1962, has been placed on a parity with the \$1,500,000 State Penitentiary Refunding Notes, dated November 1, 1964.

\_\_\_\_\_  
State Treasurer."

SECTION 9.

Simultaneously with the delivery of the fully registered State Penitentiary Refunding Note, dated November 1, 1964, herein authorized, there shall be surrendered to the State Treasurer and duly cancelled the single fully registered State Penitentiary Note, in the principal amount of \$1,500,000, dated November 1, 1962.

SECTION 10.

The form of said Penitentiary Refunding Notes as issued in fully registered form shall be substantially as follows:

UNITED STATES OF AMERICA

STATE OF SOUTH CAROLINA

SOUTH CAROLINA STATE PENITENTIARY REFUNDING NOTE

(ISSUED PURSUANT TO ACT NO. 1004 OF THE ACTS OF 1964)

NUMBER R-1

\$1,500,000

The STATE OF SOUTH CAROLINA hereby acknowledges itself indebted, and for value received, promises to pay to the STATE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA as Trustee of the funds of the South Carolina Retirement System, or its registered assigns, the principal sum of

ONE MILLION FIVE HUNDRED THOUSAND DOLLARS

on the first day of November in the years and amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
1966	\$ 25,000	1975	\$100,000
1967	25,000	1976	100,000
1968	25,000	1977	125,000
1969	25,000	1978	125,000
1970	50,000	1979	125,000
1971	75,000	1980	125,000
1972	75,000	1981	150,000
1973	100,000	1982	150,000
1974	100,000		

and to pay to the registered holder hereof interest on the balance of said principal sum from time to time remaining unpaid, at the rate of four and one-half per centum (4-1/2%) per annum, payable semi-annually on May 1 and November 1 of each year, commencing May 1, 1965, until the principal amount hereof has been fully paid. Both the principal of and interest on this Note are payable in any coin or currency which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts, by check or draft issued by the State Treasurer of the State of South Carolina to the registered holder hereof.

THIS NOTE, designated as SOUTH CAROLINA STATE PENITENTIARY REFUNDING NOTE, is issued pursuant to and in accordance with the Constitution and Laws of the State of South Carolina,

including particularly the provisions of Section 4, Part II, of Act No. 1004 of the Acts of the General Assembly of the State of South Carolina, Approved the 20th day of April, 1964, and Resolutions duly adopted by the State Budget and Control Board of South Carolina, for the purpose of refunding \$1,500,000 South Carolina State Penitentiary Notes, dated November 1, 1962, issued pursuant to Act No. 906 of the Acts of 1960.

In addition to the instalments of principal required to be paid as hereinabove set forth, the right is reserved to the State of South Carolina to prepay on November 1, 1968, and all subsequent interest payment dates, instalments of principal in inverse chronological order, and in multiples of \$1,000, and at the price of 102% (expressed in terms of percentage amount of such prepayment), plus accrued interest to the date of prepayment.

Notice of any such optional prepayment shall be given at least thirty days prior to the prepayment date by mailing to the registered holder of this Note a notice fixing such prepayment date, the amount of principal and the premium, if any, to be prepaid.

THIS NOTE may be assigned and upon such assignment the assignor shall promptly notify the State Treasurer in the City of Columbia, South Carolina, by registered mail, and upon the surrender of this Note to the State Treasurer either in exchange for a new fully registered Note or for transfer on the registration records and verification of the endorsements made on the Payment Record attached hereto of the portion of the principal amount hereof and interest hereon paid or prepaid, and every such assignee shall take this Note subject to such condition.

For the payment of the instalments of principal of and interest on this Note, as the same respectively mature, there are hereby pledged all net revenues derived from the operation of the laundry facility at the State Penitentiary, which was constructed and equipped with the proceeds of the Penitentiary Notes dated November 1, 1962, and such net revenues as may be derived by the State Penitentiary from the manufacture of State

Motor Vehicle License Tags. And, in addition thereto, and as further security for the payment of the instalments of principal of and interest on this Note, there is hereby pledged, to the extent related in the aforesaid Resolution of the State Budget and Control Board, so much as may be needed of the revenue derived from the tax imposed pursuant to Article 1, Chapter 12, Title 65, Code of Laws of South Carolina, 1962.

The pledge of the revenues derived from the tax imposed pursuant to Article 1, Chapter 12, Title 65, Code of Laws of South Carolina, 1962, is on a parity with existing pledges made to secure the outstanding obligations of the State of South Carolina more fully described in the Resolution above referred to.

The right is further reserved to issue additional obligations of the State of South Carolina to be authorized by legislation subsequently to be enacted and to be secured by a pledge on a parity with the pledge of revenues derived from the tax imposed pursuant to Article 1, Chapter 12, Title 65, Code of Laws of South Carolina, 1962.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts and things required by the Constitution or Statutes of the State of South Carolina to exist, be performed or happen precedent to or in the issuance of this Note, exist, have been performed and have happened, and that the amount of this Note, together with all other indebtedness of the State of South Carolina, does not exceed any limit prescribed by such Constitution or Statutes.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this NOTE to be signed by the Governor of South Carolina and by the State Treasurer of South Carolina, and has caused the Great Seal of the State to be affixed hereto or impressed hereon and attested by the Secretary of State, and this Note to be dated the first day of November, 1964.

(SEAL)

Attest:

\_\_\_\_\_  
Governor

\_\_\_\_\_  
State Treasurer

\_\_\_\_\_  
Secretary of State

FORM OF ASSIGNMENT

(A form similar to this but not attached to the within Note may also be used)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Note of the State of South Carolina, and hereby irrevocably constitutes and appoints \_\_\_\_\_ Attorney, to transfer the same on books of the State Treasurer with full power of substitution in the premises.

Dated: \_\_\_\_\_

\_\_\_\_\_, 19\_\_\_\_.

DATE OF REGISTRATION	NAME OF REGISTERED HOLDER	SIGNATURE OF STATE TREASURER OR DEPUTY
November 1, 1964	State Budget and Control Board of South Carolina, As Trustee	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

PAYMENT RECORD

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
May 1, 1965	:	:	:	:	:
Nov. 1, 1965	:	:	:	:	:
May 1, 1966	:	:	:	:	:
Nov. 1, 1966	\$ 25,000	:	:	:	:
May 1, 1967	:	:	:	:	:
Nov. 1, 1967	\$ 25,000	:	:	:	:
May 1, 1968	:	:	:	:	:
Nov. 1, 1968	\$ 25,000	:	:	:	:
May 1, 1969	:	:	:	:	:
Nov. 1, 1969	\$ 25,000	:	:	:	:
May 1, 1970	:	:	:	:	:
Nov. 1, 1970	\$ 50,000	:	:	:	:
May 1, 1971	:	:	:	:	:
Nov. 1, 1971	\$ 75,000	:	:	:	:
May 1, 1972	:	:	:	:	:
Nov. 1, 1972	\$ 75,000	:	:	:	:
May 1, 1973	:	:	:	:	:
Nov. 1, 1973	\$100,000	:	:	:	:
May 1, 1974	:	:	:	:	:
Nov. 1, 1974	\$100,000	:	:	:	:

Payment Record

2.

Due Date	Principal Payment	Principal Balance Due	Interest Payment 4-1/2%	Date Paid	Signature of State Treasurer or his Deputy
May 1, 1975	:	:	:	:	:
Nov. 1, 1975	\$100,000	:	:	:	:
May 1, 1976	:	:	:	:	:
Nov. 1, 1976	\$100,000	:	:	:	:
May 1, 1977	:	:	:	:	:
Nov. 1, 1977	\$125,000	:	:	:	:
May 1, 1978	:	:	:	:	:
Nov. 1, 1978	\$125,000	:	:	:	:
May 1, 1979	:	:	:	:	:
Nov. 1, 1979	\$125,000	:	:	:	:
May 1, 1980	:	:	:	:	:
Nov. 1, 1980	\$125,000	:	:	:	:
May 1, 1981	:	:	:	:	:
Nov. 1, 1981	\$150,000	:	:	:	:
May 1, 1982	:	:	:	:	:
Nov. 1, 1982	\$150,000	:	:	:	:

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