

MINUTES OF BUDGET AND CONTROL BOARD MEETING

FEBRUARY 13, 1980

POLL

On this date, Deputy Executive Director William A. McInnis completed a poll begun on February 12 of the following Budget and Control Board members on the items of business described below:

Governor Richard W. Riley
(through Executive Assistant Clarke)
Mr. Grady L. Patterson, Jr.
Mr. Earle E. Morris, Jr.
Senator Rembert C. Dennis
(through staff member Harry M. Johnston)
Representative Tom G. Mangum

MEDICAL UNIVERSITY - PAYMENT OF BOND ANTICIPATION NOTE - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the Board members polled adopted a resolution authorizing the State Treasurer to withdraw \$386,718 from the Medical University Plant Improvement Bond Reserve Fund to effect the payment of a bond anticipation note due February 15, 1980. The payment is to be made to the South Carolina National Bank, holder of the note. The proceeds of this note were used with other available funds to acquire facilities known as the BCD Building properties for the Medical University.

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

CLEMSON UNIVERSITY - \$700,000 INSTITUTION BOND AUTHORIZATION - Clemson University Vice President for Business and Finance Melvin E. Barnette advised the Board that the low bid received for the Tillman Hall renovation project exceeded the funds presently encumbered for it by about \$700,000 and requested Board authorization to use \$700,000 from

2 - 2/13/80

a future issue of State Institution Bonds to make possible awarding the contract to the low bidder as had been approved by the Clemson Board of Trustees on January 25. Board members were advised that Clemson presently has approximately \$3,000,000 of Institution Bond capacity.

The members polled approved the Clemson University request to use \$700,000 from a future issue of State Institution Bonds for the Tillman Hall renovation project which increased the estimated cost of this project from \$3,900,000 to \$4,600,000. After this approval, the source of funds for this project are State Institution Bonds, \$3,400,000 and Plant Improvement Bonds and Fees, \$1,200,000. The Joint Bond Review Committee, in response to a prior communication from the Board, indicated its approval of this request in a letter dated February 12, 1980.

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

STATE TREASURER'S OFFICE - \$10,000,000 CAPITAL IMPROVEMENT BOND ANTICIPATION NOTE - Upon a motion by Mr. Patterson, seconded by Mr. Morris, the members polled approved a resolution authorizing the issuance of \$10,000,000 of Bond Anticipation Notes in anticipation of the issuance of Capital Improvement Bonds in order to finance on-going previously-authorized projects and purposes.

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

EXHIBIT

FEB 13 1980 NO. 01

STATE BUDGET & CONTROL BOARD

BE IT RESOLVED BY THE BUDGET AND CONTROL BOARD OF SOUTH CAROLINA IN MEETING DULY ASSEMBLED.

Findings of Fact

As of February 15, 1979, the Medical University of South Carolina did, with the approval of this Board, issue its Bond Anticipation Note in the principal amount of \$365,000 dated February 15, 1979 and due February 15, 1980.

WHEREAS, the proceeds of said Note were used together with other available funds to Effect the acquisition of facilities known as the BCD BUILDING for the Medical University.

WHEREAS, said Act 1654 provides that moneys in the Bond Reserve Fund established thereunder may be used to pay costs of Plant Improvements when the accumulations of Bond Reserve Funds shall become greater than the amount prescribed therefor in the Resolution of the Trustees authorizing any series of Bonds, and

WHEREAS, moneys presently available in said Bond Reserve Fund are substantially in excess of the amounts required for the now outstanding \$4,000,000 of an issue of Plant Improvement Bonds dated June 1, 1976, and

WHEREAS, the Trustees of the Medical University of South Carolina have requested that a necessary portion of such excess be utilized to retire the above mentioned Bond Anticipation Note.

NOW THEREFORE LET IT BE RESOLVED, BY THE STATE BUDGET AND CONTROL BOARD that the sum of \$386,718 (\$365,000 principal and \$21,718 interest) shall be used to effect payment on February 15, 1980 to the South Carolina National Bank as holder of the Bond Anticipation Note.

FEB 04 1980

SINKLER GIBBS & SIMONS
PROFESSIONAL ASSOCIATION
ATTORNEYS & COUNSELLORS AT LAW
160 EAST BAY STREET
CHARLESTON, S. C. 29402

POST OFFICE BOX 340

EXHIBIT

FEB 13 1980
TELEPHONE 722-3366
AREA CODE 803
NO. 01

STATE BUDGET & CONTROL BOARD

February 1, 1980

William A. McInnis, Secretary
S. C. State Budget and Control Board
P. O. Box 12444
Columbia, S. C. 29211

Re: Medical University of South Carolina Plant Improvement
Bonds

Dear Bill:

Enclosed is a proposed form of Resolution authorizing the State Treasurer to withdraw sufficient Plant Improvement Bond Service Funds to repay the Medical University's \$365,000 Bond Anticipation Note on February 15, 1980. If you should have any question about the Resolution, please give me a call.

With kindest regards,

Bill

M. William Youngblood, Jr.

MWY:cmo

JAN 31 1980

EXHIBIT

FEB 13 1980

NO. 02



CLEMSON
UNIVERSITY

STATE BUDGET & CONTROL BOARD

VICE PRESIDENT FOR BUSINESS AND FINANCE

January 29, 1980

STATE BUDGET AND CONTROL BOARD
Post Office Box 12444
Columbia, South Carolina 29211

Attention: Mr. William A. McInnis, Deputy Executive Director

Dear Sirs:

On January 16th bids were opened on the renovation project for Tillman Hall (Project No. H 12 019). Obviously the length of time between estimates of cost and funding of the project was such that the high rates of cost escalation resulted in a low bid exceeding funds available by approximately \$700,000. Careful analysis of the project and the bids indicates little hope of ever doing the renovation without costs being even higher.

On January 25th the Clemson University Board of Trustees approved awarding the contract to the low bidder pending your approval of using an additional \$700,000 from the next issue of State Institution Bonds with Bond Anticipation Notes being used if necessary. At the present time required tests indicate that Clemson University could issue approximately \$3,000,000 additional bonds. You will recall that previous action by the State Budget and Control Board pledged approximately \$2,150,000 of this to our new housing project, pending approval by the General Assembly to increase the bonding ceiling for Dormitory and Housing Revenue Bonds. This, then, leaves adequate funding of the \$700,000 from our next issue of State Institution Bonds.

If the preceding is not advisable an alternate arrangement for funding is to use excess debt reserve funds for State Institution Bonds. There is more than adequate amounts for this.

Your early action and/or approval of this request will be appreciated.

Sincerely yours,

Melvin E. Barnette

Vice President for Business and Finance

MEB/jac
Enclosures
E-2, E-11 Tillman Hall

Bids good to 2/14

EXHIBIT

Form E-11
 (Rev. 10-72) **02**
 Submit in Duplicate

REVISION OF PROJECT COST ESTIMATE

STATE BUDGET & CONTROL BOARD

Date: January 28, 1980.

Institution or Agency: Clemson University

Name of Project: Tillman Hall Renovation No. H 12 019

To: State Budget and Control Board
 Columbia, South Carolina

Your approval of the following revised cost estimate on the above project is requested.

A statement is attached indicating the necessity of these revisions. * 1/

Item	Last Estimate	Revised Estimate	Change
Site	\$	\$	\$
Grading	.....	.....	.....
Construction	.....	.....	.....
Fees	202,000.00	202,000.00	.....
Renovation	3,437,000.00	4,114,975.00	677,975.00
Basic Equipment and Supplies	100,000.00	106,599.00	6,599.00
Landscaping	.....	.....	.....
Builder's Risk Insurance	4,700.00	4,700.00	.....
Other Advertising	300.00	300.00	.....
Work by Univ. Forces	30,000.00	30,000.00	.....
Expense of Bond Sale	16,425.53	16,425.53	.....
Contingencies	109,574.47	125,000.47	15,426.00
Total Estimated Cost	\$ 3,900,000.00	\$ 4,600,000.00	\$ 700,000.00 ^{2/}

RECEIVED
 JAN 30 1980
 S. C. BUDGET AND
 CONTROL BOARD

1/ Revised to reflect receipt of Bids
 2/ Source of Funds -

State Institution Bonds	\$ 2,700,000.00	(Signed) <u>Melvin E. Barnette</u>	
Plant Improvem't Bonds & Fees	1,200,000.00		
Future Issue St. Institution Bonds (Increase)*	700,000.00	Title <u>Vice President for Business and Finance</u>	
	\$ 4,600,000.00	**or excess debt service reserves"	

* If the total estimated cost of the project has been increased, the source of the additional funds required should be indicated also.

APPROVED: _____ DATE: _____
 State Auditor

FEB 13 1980

NO. 02

REQUEST FOR AUTHORITY TO EXECUTE A CONSTRUCTION CONTRACT

STATE BUDGET & CONTROL BOARD

Date January 28, 19 80

Institution or Agency Clemson University

Name of Project Tillman Hall Renovation No. H12 019

To: State Budget and Control Board
Columbia, South Carolina

Attached herewith is a tabulation of bids received on the above named project on January 16, 19 80

Your authorization is requested to enter into a contract with the following bidder, whose bid has been determined to be the most advantageous:

Name of Bidder Triangle Construction Company, Greenville, SC

* Amount of Bid - - - - - \$ 4,114,975.00 ^{1/}

Amount Estimated Prior to Receipt of Bids - - - - - \$ 3,437,000.00

1/ Base Bid ----- \$3,987,000.00
Alternate #1-- 127,975.00
\$4,114,975.00

(Signed) Melvin C. Barnette
Melvin C. Barnette
Vice President for Business & Finance
Title _____

* If alternates were involved in the call for bids, it should be clearly shown how the proposed contract figure was determined.

Note:—Two copies of Form E—11, "Revision of Project Cost Estimate" should be submitted with this Request.

APPROVED: [Signature] DATE: _____
State Auditor



House of Representatives - State of South Carolina - Columbia

CHARLES E. HODGES
DISTRICT NO. 104-HORRY COUNTY

HOME ADDRESS:
4307 BROAD STREET
LORIS, S. C. 29569

COMMITTEES:
STATE REORGANIZATION COMMISSION, CHAIRMAN
WAYS AND MEANS

February 12, 1980

EXHIBIT

FEB 13 1980 NO. 02

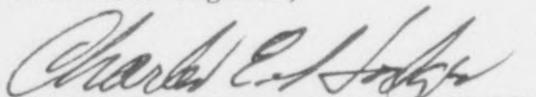
STATE BUDGET & CONTROL BOARD

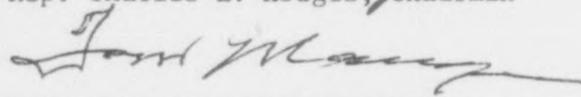
Mr. William A. McInnis
Deputy Executive Director
State Budget & Control Board
212 Wade Hampton Bldg.
Columbia, South Carolina 29201

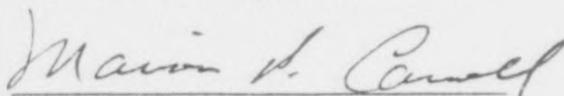
Dear Mr. McInnis:

In response to your letter of February 6 advising that bids on Clemson University's Tillman Hall renovation project exceed the funds committed by \$700,000 and further advising that Clemson University has requested authorization to use \$700,000 of a future State Institution Bond issue for this project, this is to advise that we, the members of the Joint Bond Review Committee, have considered the request and hereby recommend approval.

With kind regards,

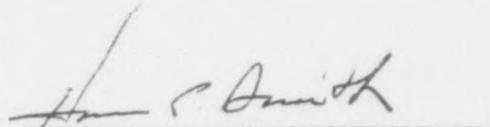

Rep. Charles E. Hodges, Chairman

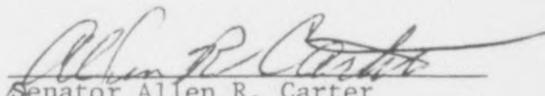

Rep. Tom G. Mangum

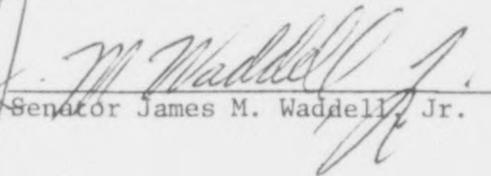

Rep. Marion P. Carnell

CEH:lc

cc: Mr. Melvin E. Barnette
Vice President for Business/Finance
Clemson University


Senator Horace C. Smith


Senator Allen R. Carter


Senator James M. Waddell, Jr.

EXHIBIT

FEB 13 1980 NO. 03

A RESOLUTION

STATE BUDGET & CONTROL BOARD

AUTHORIZING THE ISSUANCE OF TEN MILLION DOLLARS OF BOND ANTICIPATION NOTES OF THE STATE OF SOUTH CAROLINA IN ANTICIPATION OF THE ISSUANCE OF STATE CAPITAL IMPROVEMENT BONDS OF THE STATE OF SOUTH CAROLINA.

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD OF THE STATE OF SOUTH CAROLINA:

SECTION 1

As an incident to the adoption of this Resolution and the issuance of the Bond Anticipation Notes herein authorized, the State Budget and Control Board of the State of South Carolina (the State Board) finds:

1. The State Board is authorized by Act No. 1377 of the Acts of the General Assembly of the State of South Carolina for the year 1968, as amended (Act 1377) to make provision for the issuance of State Capital Improvement Bonds in order to raise funds for the expenditures authorized by Act 1377.

2. Act 1377 was duly enacted by the General Assembly in the year 1968 and became effective upon its approval by the Governor on June 24, 1968. It has been amended by statutes enacted by the General Assembly during each annual session of the General Assembly thereafter, including the 1979 session.

3. The statutory limitation now controlling the issuance of State Capital Improvement Bonds is that set

forth in Section 2 of Part I of Act 632 of the Acts of 1979 and is fixed at \$669,974,318.80, exclusive of bonds issued on behalf of the Mental Health Commission as provided in Act 1276 of 1970 and Act 1272 of 1970, and bonds issued on behalf of the Commission on Mental Retardation as provided in Act 1087 of 1970.* Heretofore, an aggregate of \$410,380,000 of State Capital Improvement Bonds has been issued, leaving unissued a substantial balance of the authorization. Notwithstanding, State Capital Improvement Bonds must be issued in such fashion that the provisions of subparagraph "c" of paragraph 6 of Section 13 of new Article X are complied with.

SECTION 2

There are now outstanding \$30,000,000 Bond Anticipation Notes of the State of South Carolina which were issued in anticipation of the sale of State Capital Improvement Bonds. Such Notes mature on April 10, 1980. Scheduled for sale on February 26, 1980, and delivery on April 2, 1980, are \$66 Million of State Capital Improvement Bonds whose proceeds will be used to pay the \$30 Million of outstanding Bond Anticipation Notes and to meet the costs of projects for which the remaining proceeds of the \$66 Million of State

* The figure set forth on the second line of this page results from the subtraction of the total of items vetoed by the Governor from \$731,537,768.80, the figure actually appearing in Section 2 of Part I of Act 194 of The Acts of the General Assembly of the State of South Carolina for 1979.

Capital Improvement Bonds are authorized by Section 8 of a Resolution of the State Budget and Control Board adopted January 22, 1980. The State Board finds that construction of certain projects to be funded with the proceeds of the proposed bonds has progressed faster than anticipated, and that it is desirable that an additional \$10 Million be raised by a sale of Bond Anticipation Notes.

SECTION 3

The State Board is authorized by Chapter 17, Title 11, Code of Laws of South Carolina, 1976, to issue Bond Anticipation Notes to provide the funds in anticipation of the receipt of Bond proceeds of bonds authorized by law to be issued.

SECTION 4

Accordingly, it is the purpose of this Resolution to:

- (a) Reaffirm the direction heretofore given to Governor and the State Treasurer to issue State Capital Improvement Bonds of the State of South Carolina, in the aggregate principal amount of \$66 Million, which bonds shall be dated as of April 1, 1980, and shall be sold on February 26, 1980, and delivered on April 2, 1980, so as to make the proceeds thereof available to meet the payment of the Bond Anticipation Notes now outstanding and those hereafter to be issued pursuant to this resolution at their maturity date, April 10, 1980;

- (b) obligate the State of South Carolina to effect the issuance of such \$66 Million State Capital Improvement Bonds; and
- c) authorize the Governor and State Treasurer to effect the issuance of an additional \$10 Million of Bond Anticipation Notes to raise the moneys with which to pay project costs as set forth in Section 8 of the Resolution of this Board adopted January 22, 1980.

SECTION 5

It is hereby determined that additional temporary financing pursuant to Chapter 17, Title 11, Code of Laws of South Carolina, 1976, to the extent of \$10 Million in anticipation of the issuance of State Capital Improvement Bonds, shall be immediately undertaken, and that authorization be given to the Governor and State Treasurer which will enable such officers to comply with the directives of this Resolution.

SECTION 6

There shall be issued by the State of South Carolina Bond Anticipation Notes of the State of South Carolina, in the aggregate principal amount of \$10 Million, which shall be dated as of the date of their delivery, and which shall be expressed to mature on April 10, 1980 (the Notes).

SECTION 7

The Bond Anticipation Notes shall bear interest from the date of their delivery, payable upon the stated maturity

thereof, at such rate as shall be negotiated by the State Treasurer.

SECTION 8

The Bond Anticipation Notes shall be in such denominations (with appropriate numbering) as shall be agreed to by the State Treasurer and the purchasers of the Bond Anticipation Notes. The Bond Anticipation Notes shall be payable, both principal and interest, at such bank or banks as shall be agreed to by the State Treasurer and the purchasers of the Bond Anticipation Notes.

SECTION 9

The State Treasurer is authorized and empowered to negotiate the sale of the Bond Anticipation Notes herein authorized to such bank or banks or investment bankers as he shall select.

SECTION 10

The Bond Anticipation Notes shall be executed on behalf of the State of South Carolina by the Governor of the State of South Carolina and by the State Treasurer of South Carolina, and the Great Seal of the State of South Carolina shall be impressed thereon, and the same shall be attested by the Secretary of State of South Carolina, provided that at least one of such signatures shall be a manual signature of the officer signing the Notes.

SECTION 11

The Notes shall be substantially in the form attached hereto as "EXHIBIT A".

SECTION 12

For the payment of the principal of and interest on the the Bond Anticipation Notes, as the same shall fall due, the full faith, credit and taxing power of the State of South Carolina shall be pledged. In addition thereto, so much of the principal proceeds of the \$66 Million State Capital Improvement Bonds heretofore described as are necessary therefor are hereby pledged and the State Treasurer, upon receipt of the proceeds of said State Capital Improvement Bonds, shall and he is hereby directed to apply such proceeds to such payment.

SECTION 13

This Board authorizes, and on behalf of the State of South Carolina, covenants and agrees to effect the issuance of the \$66 Million State Capital Improvement Bonds of the State of South Carolina in order that a portion of the proceeds thereof sufficient to provide for the retirement of all Bond Anticipation Notes maturing April 10, 1980, may become available for such purposes.

SECTION 14

So much as may be required to pay the interest on the outstanding \$30 Million Bond Anticipation Notes maturing on April 10, 1980, and the \$10 Million of Bond Anticipation Notes herein authorized, shall be paid from the line appropriation for Debt Service in the Appropriation Bill for the fiscal year July 1, 1979, to June 30, 1980. The sum required to pay the principal of all Bond Anticipation Notes

maturing April 10, 1980, shall be paid from the proceeds of the sale of the \$66 Million State Capital Improvement Bonds.

SECTION 15

The Bond Anticipation Notes shall be forthwith prepared, executed in the manner hereinabove set forth, and thereafter delivered to the purchaser thereof, upon receipt of the proceeds thereof. The proceeds shall be paid to the State Treasurer and applied to meet the cost of projects for which the proceeds of the \$66 Million State Capital Improvement Bonds, dated April 1, 1980, have been made available by Section 8 of the Resolution of this Board adopted January 22, 1980.

SECTION 16

A certified copy of this Resolution shall be transmitted to the Governor and the State Treasurer, as a means of authorizing the issuance of the Notes and apprising them of the action taken by this Board as above set forth.

EXHIBIT "A"

\$ _____

\$ _____

UNITED STATES OF AMERICA
STATE OF
SOUTH CAROLINA
BOND ANTICIPATON NOTE

KNOW ALL MEN BY THESE PRESENTS That the STATE OF SOUTH CAROLINA hereby acknowledges itself indebted, and for value received, promises to pay to the BEARER hereof, the sum of

at the principal office of _____
_____, in the City of _____, State of _____, on the
10th day of April, 1980, and to pay interest on said
principal sum from the date hereof, at the rate of ____% per
annum, payable upon the maturity of this Note.

Both the principal of and interest on this Note are payable in any coin or currency of the United States of America which is, at the time of payment, legal tender for the payment of public and private debts.

THIS NOTE is one of an issue of Bond Anticipation Notes, of like date, tenor and effect, except as to numbering, aggregating \$10,000,000 (the Notes), issued by the State of South Carolina, pursuant to the authorizations of Chapter 17, Title 11, Code of Laws of South Carolina, 1976, in anticipation of the receipt of the proceeds to be derived from the sale of State Capital Improvement Bonds of the State of South Carolina to be issued pursuant to Act 1377 of the Acts of the General Assembly of the State of South Carolina for the year 1968, as amended. For the payment of the principal of and interest on this Note, the full faith, credit and taxing power of the State of South Carolina are pledged, and in addition, the proceeds to be derived from the sale of the bonds, in anticipation of which, the Notes are issued.

THIS NOTE and the interest hereon are exempt from all State, County, Municipal, School District, and all other taxes or assessments of the State of South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except inheritance, estate or transfer taxes.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required by the Constitution and Laws of the State of South Carolina to exist, to happen, or to be performed precedent to or in the issuance of this Note, do exist, have happened, and have been performed in regular and due time, form and manner.

IN WITNESS WHEREOF, the STATE OF SOUTH CAROLINA has caused this Note to be signed by the facsimile signature of the Governor of South Carolina and by the manual signature of the State Treasurer of South Carolina, the Great Seal of the State to be reproduced hereon, attested by the facsimile signature of the Secretary of State of South Carolina, and this Note to be dated the ____ day of _____, 1980.

Governor of the State of
South Carolina

State Treasurer

Attest:

Secretary of State

(SEAL)

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

That a poll of all members was conducted on Tuesday and Wednesday, February 12 and 13, 1980 during which a Resolution, of which the attached is a true, correct and verbatim copy, was introduced by Mr. Patterson, who moved its adoption; said motion was seconded by Mr. Morris, and upon the vote being taken and recorded it appeared that the following votes were cast:

FOR MOTION

5

AGAINST MOTION

0

That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

Secretary

February 13, 1980

STATE OF SOUTH CAROLINA

COUNTY OF RICHLAND

I, WILLIAM A. McINNIS, Secretary to the South Carolina State Budget and Control Board, DO HEREBY CERTIFY:

That the said State Budget and Control Board (the Board) is composed of the following:

His Excellency, Richard W. Riley, Governor and Chairman of the Board;

The Honorable Grady L. Patterson, Jr., State Treasurer;

The Honorable Earle E. Morris, Jr., Comptroller General;

The Honorable Rembert C. Dennis, Chairman of the Senate Finance Committee; and

The Honorable Tom G. Mangum, Chairman of the House Ways and Means Committee.

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That the Chairman thereupon declared the Resolution unanimously adopted and the original thereof has been duly entered in the permanent records of minutes of meetings of said Board in my custody as its Secretary.

Secretary

February 13, 1980

THE END