

MEETING OF THE STATE BUDGET AND CONTROL BOARD

MARCH 14, 1961

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The State Budget and Control Board met in the Office of the Governor on March 14, 1961, at 10:00 A. M. All members of the Board were present at this meeting.

The Board authorized a loan of up to \$50,000.00 to the Insurance Commission, and to the State Senate in the amount of \$7,500.00, to enable them to continue operations pending passage of the Deficiency Appropriations Bill. These loans were to be repaid out of appropriations which would be provided in the Deficiency Bill.

The Board authorized the State Auditor to engage the R. A. Ransome Engineering Company, of Washington, D. C., to survey the gas rates of the Trans-continental Gas Pipe Line Company and the effect which the present territory zoning had on such rates in South Carolina. It was thought by the Board that a more equitable zoning might result in considerable savings in rates to that company's consumers in South Carolina.

The Board authorized the State Educational Finance Commission to issue bus purchase bonds in the amount of \$1,685,000.00, to be dated April 1, 1961, at an interest rate of $4\frac{1}{2}\%$. The Board also agreed to the purchase of this issue by the State Retirement System. (Resolution Attached)

The Board approved an allotment of \$500.00 from the Civil Contingent Fund to the State Retirement System for the purchase of additional equipment.

The Board adopted the following regulation in connection with the affairs of the State Retirement System.

"All records of members, active and inactive, maintained by the South Carolina Retirement System are classified as confidential and shall not be disclosed to third parties, except State and Federal Authorities, and then only at the discretion of the Director of the South Carolina Retirement System."

The Board authorized the Director of the Sinking Funds and Property Division to make the following loans:

Richland County	\$190,000.00
Richland County School District No. 2	80,000.00
Chester County	250,000.00
Lexington County	350,000.00
Chesterfield County	112,500.00
Colleton County	108,000.00

The Board approved a tuition bond issue by The Citadel, in the amount of \$400,000.00, to cover the following work:

1. Renovation of Barrack No. 4
2. Air Condition Mess Hall
3. Waterproof and paint remaining buildings which surround the Parade Grounds.

The Board approved a bond issue by Whitten Village, in the amount of \$500,000.00, to be supplemented by Hill-Burton Funds in a like amount, for the purpose of building and equipping a new hospital at Whitten Village, subject to the passage of legislation at this session of the General Assembly pledging additional revenues to supplement revenues pledged by the institution.

The Board approved a bond issue by the South Carolina Mental Health Commission for use at the South Carolina State Hospital, in the amount of \$3,000,000.00, for improvements at that institution, including a receiving and intensive treatment ward building, the cost of which would be defrayed to the extent of \$1,000,000.00 by the Federal Government. The approval of this issue was also conditioned upon the passage of legislation at this session of the General Assembly pledging additional revenue to the payment of these bonds.

The Board approved a bond issued by the University of South Carolina, in the amount of \$2,700,000.00, for the following purposes:

1. The construction and equipping of a Life Sciences Building.
2. The construction and equipping of a Dormitory for Women, including the installation of a food service arrangement.
3. The construction and equipping of a Dormitory for Men.
4. The construction and equipping of a Physics Building
5. The acquisition of additional real property which shall become a part of the campus of the University of South Carolina.

The bonds authorized above would be secured by tuition income of the institution. Additional funds in the amount of will be borrowed from the Federal Government, Department, on a pledge of dormitory fees, to supplement the amounts provided by the State for the construction of the two dormitories.

The Board then adjourned.

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RESOLUTION OF STATE BUDGET AND CONTROL BOARD

WHEREAS, the State Budget and Control Board has been formally requested by the State Educational Finance Commission to approve the private placement of an issue of One Million Six Hundred Eighty-Five Thousand Dollars (\$1,685,000) State School Bonds, Series R, to be dated April 1, 1961, to bear interest at the rate of four and one-half per centum (4-1/2%) per annum, payable semi-annually on April 1 and October 1 in each year until the respective maturity of the bonds, to mature as follows: \$215,000 on April 1, 1962, and \$210,000 on April 1, 1963 to 1969, inclusive, and to be subject to redemption on all interest payment dates, at par, and accrued interest to the date of redemption; and,

WHEREAS, said request is predicated upon the offer of the State Budget and Control Board, in its capacity as Trustee of the South Carolina Retirement System, to purchase said bonds on the terms above set forth; and,

WHEREAS, after due consideration, the State Budget and Control Board has approved of the terms and conditions of such disposition, including the contract made for the sale of said bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD:

That the approval of the State Budget and Control Board is herewith given to the issuance and private placement of the bonds described in the preambles hereof, under the terms and conditions set forth therein, and to the contract to purchase

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made by it in its capacity as Trustee of the South Carolina Retirement System for the purchase of said Bonds.

Information Memorandum for Bushy Park Meeting:

From: Sinking Funds

The Bushy Park Authority under an Act passed by the General Assembly, authorized the State Budget and Control Board to make a loan of \$850,000 payable in eight (8) installments of \$85,000 annually with the first installment beginning on the second anniversary of the Note. Therefore, the last installment would be a double payment of \$170,000. The rate of interest was 3% per annum. An interest payment of \$33,220.55 was made for the period covering May 1956 to August 31, 1957. Since that time, there has been no payment on the interest or has there ever been a payment on the principal.

According to the correspondence in my file, the State Budget and Control Board, in August 1957, authorized a waiver of priority on the State's loan to the extent of \$100,000 for the first funds coming into the Bushy Park Authority from any sale of land that the Authority might have made. This waiver was given to the Citizens and Southern National Bank of South Carolina, and at the same time, the Counties of Charleston and Berkeley, as well as, the City of Charleston, agreed to comply with this waiver.

Now, to bring you to to date, and for the benefit of any person or persons not familiar with this situation, the money loaned to the Authority from the Sinking Funds, was loaned from a trust fund and endorsement of repayment of this note secured by the full faith and credit of Charleston and Berkeley Counties, and the City of Charleston.

It is the position of the State that since no payment has been made on the principal since the inception of the note (May 1956) and no interest payment since August 1957, that the State has no recourse except to demand payment for the delinquent installments and interest to date. The total amount due being \$323,779.45.

COPY



STATE OF SOUTH CAROLINA
BUDGET AND CONTROL BOARD
117 WADE HAMPTON STATE OFFICE BLDG.
COLUMBIA

WALTER B. BROWN, DIRECTOR
SINKING FUNDS AND PROPERTY

February 10, 1961

Mr. J. T. Langley
Manager
Bushy Park Authority
Moncks Corner, South Carolina

Dear Mr. Langley:

The State Budget and Control Board has requested that a meeting be called for 10 o'clock on Wednesday morning, February 15, in the Governor's Office to discuss the delinquency of the Authority's indebtedness to the State of South Carolina.

Together with you and your board, the following interested parties are cordially requested to attend, or to send a representative to this meeting:

Senator Dennis
Senator Legare
Mayor Gaillard
Mr. Hugh C. Lane
Mr. James S. Verner

Trusting that this time will be suitable for everyone concerned.

Yours very truly,

WALTER B. BROWN
DIRECTOR

WBB/cbt
cc:

Senator Rembert C. Dennis
Senator T. Allen Legare, Jr.
Honorable Mayor J. Palmer Gaillard
Mr. Hugh C. Lane
Members of State Budget and Control Board
Assistant Attorney General James S. Verner
Mr. J. M. Smith, State Auditor

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