

MINUTES OF BUDGET AND CONTROL BOARD MEETING

FEBRUARY 24, 1966

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The Budget and Control Board met in the Governor's Office, in the Wade Hampton Building, at 11:00 A. M., Wednesday, February 23, 1966 with all members of the Board present. Also present was Mr. P. C. Smith.

The following business was transacted.

STATE PORTS AUTHORITY - \$2,500,000.00 Bond Issue

In accord with previous action authorizing the State Ports Authority to undertake the construction of an addition to its grain elevator facilities, the Board received a formal request from the Authority to approve the issuance of \$2,500,000.00 of State Ports bonds for this purpose.

A formal resolution indicating the Board's approval of this request was introduced and unanimously approved by the Board.

A copy of the written request of the Authority and the Board's resolution are attached herewith as a part of the minutes. (No. 9)

MENTAL HEALTH COMMISSION - Issue of \$500,000.00 of State Notes

The Board had before it a formal resolution providing for the issuance of \$500,000.00 of State Notes for construction of various permanent improvement projects previously approved. The resolution was unanimously adopted.

A copy of the resolution is attached herewith as a part of the minutes. (No. 10)

No further business was transacted and the meeting adjourned at 11:15

A. M.

No 9
Feb. 24, 1966

REQUEST

February 1, 1966

State Budget and Control Board
120 Hampton Office Building
Columbia, South Carolina

Gentlemen:

Pursuant to the provisions of Section 3 of Act No. 821 of the Acts of the General Assembly of the State of South Carolina for the year 1956, as amended, and a Resolution duly adopted by The South Carolina State Ports Authority at a meeting held at Litchfield Beach, South Carolina, on the 1st day of February, 1966, The South Carolina State Ports Authority hereby requests that the State Budget and Control Board take the required action and make the necessary findings and recommendations, pursuant to Section 4 of said Act No. 821 of 1956, as amended, for the issuance of State Ports Bonds, Series E, of the State of South Carolina, in the aggregate principal amount of \$2,500,000, to be dated April 1, 1966, to bear interest at a rate which shall in no event be in excess of four per centum (4%) per annum, to be payable semi-annually on the first days of April and October in each year, beginning on the first day of October, 1966, to be payable to bearer, in the form of negotiable coupon bonds, in the denomination of \$5,000 each, registrable as to principal only, or as to both principal and interest, and to mature in the principal amount of \$125,000 on the first day of April in each of the years 1967 to 1986, both inclusive.

The bonds of Series E maturing on and after April 1, in each of the years 1982 to 1986, both inclusive, numbered E-376 to E-500, inclusive, are to be subject to redemption on and after April 1, 1981, and prior to their respective maturities, upon published notice, as hereinafter set forth, at the election of the State, on any interest payment date, as a whole, or in part, in inverse numerical order, at the principal amount of each bond redeemed and accrued interest to the date fixed for redemption, plus a redemption premium of two per centum (2%) of the principal amount of the bond redeemed. The bonds are to be payable, upon redemption, at the office of the State Treasury, in the City of Columbia, South Carolina, or, at the option of the holder, at any agency of the State of South Carolina, in the City of New York, State of New York. Notice of redemption shall be published at least once in a financial journal published in the Borough of Manhattan, City of New York, State of New York, not less than 30 days nor more than 60 days prior to the redemption date, and if, on said date, moneys shall be available for the redemption of all the bonds to be redeemed, together with interest to said date, interest on such bonds shall cease to accrue and be payable to the holders or registered owners thereof, and the coupons appertaining thereto, maturing subsequent to the redemption date, shall be void in the hands of such holders or registered owners or their transferees.

The bonds shall be designated State Ports Bonds, Series E, the number appearing on each bond and coupon shall

bear as a prefix the letter E, so that the bonds of this series shall be distinguished from other series of State Ports Bonds, and the bonds shall be appropriately numbered in order of maturity, beginning with the number E-1.

The funds raised by the issuance of these bonds are to be used to meet the costs of enlarging and improving facilities at the port of Charleston for storing and exporting soybeans and other small grains.

Attached hereto and incorporated herein as part and parcel hereof are the following exhibits:

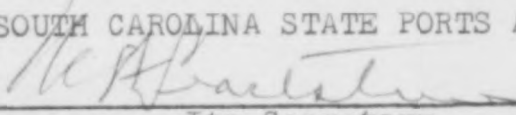
Exhibit A: A copy of the Resolution duly adopted by The South Carolina State Ports Authority, requesting the issuance of State Ports Bonds in the principal amount of \$2,500,000, and empowering the undersigned to execute this Request on behalf of said Authority and transmit the same to the State Budget and Control Board.

Exhibit B: A schedule showing debt service requirements of State Ports Bonds issued under Act No. 821 of 1956, as amended.

Respectfully submitted,

THE SOUTH CAROLINA STATE PORTS AUTHORITY

BY


Its Secretary

(SEAL)

Exhibit B.

SCHEDULE SHOWING DEBT SERVICE REQUIREMENTS ON
STATE PORTS BONDS ISSUED UNDER
ACT NO. 821 of 1956, AS AMENDED

1. The amount of State Ports Bonds heretofore issued
and outstanding as of the date of this request
is \$14,650,000
2. The amount of bonds sought to be issued as of
the date of this request is \$ 2,500,000
3. Said bonds are sought to be issued for the
following purposes:
To enlarge and improve facilities at the port
of Charleston for storing and exporting
soybeans and other small grains \$ 2,500,000

Ports Bonds.

MEMORANDUM WITH FINANCIAL DATA PREPARED BY THE STATE
BUDGET AND CONTROL BOARD, PURSUANT TO SECTION 4 OF
ACT NO. 821 of 1956, AS AMENDED

(Prepared as of April 2, 1966)

A. Coverage based on Income Tax Collections During
Preceding Three Fiscal Years

1. The amount of revenues derived from the tax levied
by Chapter 5 of Title 65, Code of Laws of South
Carolina, 1962 (Commonly called the "Income Tax")
during the fiscal year ended June 30, 1965.....\$ 67,103,750
~~50,585,636~~
2. The amount of revenues derived from the tax levied
by Chapter 5 of Title 65, Code of Laws of South
Carolina, 1962, during the fiscal year ended
June 30, 1964.....\$ 53,415,744
3. The amount of revenues derived from the tax levied
by Chapter 5 of Title 65, Code of Laws of South
Carolina, 1962, during the fiscal year ended
June 30, 1963\$ 50,585,636
4. Estimated highest annual debt service requirements
on all State Ports Bonds issued under Act No. 821
of 1956, as amended, and outstanding as of the
date of this Memorandum and sought to be issued.....\$ 1,719,800.00**
5. Percentage of coverage based on collections in
three fiscal years ended

(a)	June 30, 1965	_____	<u>3,902%</u>
(b)	June 30, 1964	_____	<u>3,106%</u>
(c)	June 30, 1963	_____	<u>2,941%</u>

B. Coverage Based on Estimates by the Board of Revenue
To be received During each Fiscal Year in which the
State Ports Bonds will be Outstanding

1. Estimated revenue to be received from the Income
Tax during the partial fiscal year beginning as
of the date of the State Ports Bonds sought to
be issued (April 1, 1966) and ending June 30,
1966 (3/12 of estimated total for year)*\$ 15,000,000
~~45,000,000~~
 2. Estimated revenue to be received from the Income
Tax from July 1, 1966 (beginning of next fiscal
year) to the date of the last maturity of the
State Ports Bonds sought to be issued as of the
date of this recommendation (April 1, 1986)*\$ 1,195,000,000
- Carried forward\$ 1,200,000,000

*Estimated at \$ 60,000,000 for each year.

**Computations are made on the assumption that the bonds will sell
at a 3-1/2% interest rate, notwithstanding that recommendation
permits interest rate of not exceeding 4%.

- Carried forward\$ 1,200,000,000
3. Total principal and interest requirements of State Ports Bonds issued under Act No. 821 of 1956, as amended, outstanding as of the date of this recommendation and sought to be issued\$20,687,650.00
4. Percentage of overall coverage based on estimate of future collections of Income Tax 5,800%
5. Maximum annual principal and interest requirements of State Ports Bonds issued under Act No. 821 of 1956, as amended, outstanding as of the date of this recommendation and sought to be issued\$ 1,719,800
6. Minimum estimated annual amount of revenues derived from Income Tax to be received in any year during life of State Ports Bonds outstanding as of date of this recommendation and sought to be issued\$ 60,000,000
7. Minimum percentage of annual coverage based on future collections 3489%

RESOLUTION OF STATE BUDGET AND CONTROL BOARD

WHEREAS, in accordance with the provisions of Act No. 821 of 1956, as amended, The South Carolina State Ports Authority has requested that this Board recommend to the Governor and State Treasurer the issuance of \$2,500,000 principal amount of bonds of the State of South Carolina, to be known as State Ports Bonds, Series E; and

WHEREAS, this Board has given due consideration to such request and has considered the purposes for which the proceeds of the bonds sought to be issued are to be expended and the need therefor; NOW, THEREFORE,

BE IT RESOLVED BY THE STATE BUDGET AND CONTROL BOARD:

Section 1.

That this Board hereby estimates that the revenue derived from the tax pledged to the payment of the State Ports Bonds, Series "E," will be the amounts set forth in "Exhibit B" attached to the recommendation authorized by Section 3 hereof.

Section 2.

It is hereby affirmatively found, determined and declared that:

(a) the revenues derived from the tax pledged by Section 6 of Act No. 821 of 1956, as amended, for the payment of the principal and interest of the State Ports Bonds, Series E, to be issued pursuant to said Act, as amended, have, during each

of the last preceding three fiscal years, been not less than one hundred fifty per cent of the highest annual debt service requirements of all State Ports Bonds heretofore issued and on all State Ports Bonds now proposed to be issued; and

(b) the estimate by this Board of such tax for the fiscal years during which State Ports Bonds shall be outstanding shows that in each such fiscal year the estimated collection from such tax will be not less than one hundred fifty per cent of the debt service requirements of the State Ports Bonds maturing in each such fiscal year.

Section 3.

That formal recommendations be made to the Governor and State Treasurer to issue as soon as practicable, in accordance with the Constitution and Laws of the State of South Carolina, bonds of the State in the principal amount of \$2,500,000, to be known as State Ports Bonds, Series E, to be dated the first day of April, 1966, bearing interest from their date at a rate not to exceed four per centum (4%) per annum, payable semi-annually, beginning on the first day of October, 1966, to be in the denomination of \$5,000 each, numbered in order of maturity from E 1 to E 500, both inclusive, payable at the State Treasury in the City of Columbia, South Carolina, or, at the option of the holder, at any agency of the State of South Carolina, in the City of New York, New York, and to mature in the principal amount of \$125,000 on the first day of April in each of the years 1967 to 1986, both inclusive. Of such bonds, those to

mature in the years 1982 to 1986, both inclusive, shall be subject to redemption, at the option of the State, in whole or in part, but if in part, in inverse numerical order, on April 1, 1981, and all subsequent interest payment dates, at par plus accrued interest to the date fixed for redemption, plus a redemption premium of two per centum (2%) of the principal amount of the Bond redeemed. If, pursuant to the right to redeem so reserved, the State of South Carolina shall elect to effect the redemption of all or any part of such bonds prior to the stated maturity thereof, notice of redemption specifying the date fixed for redemption and designating the bonds called for redemption shall be given on behalf of the State of South Carolina by publication to appear in a financial journal published in the City of New York, State of New York, not more than 60 and not less than 30 days prior to the date fixed for redemption.

Section 4.

That the proceeds received from the sale of such bonds shall be expended to enlarge and improve facilities at the port of Charleston for storing and exporting soybeans and other small grains.

Section 5.

That the Secretary of this Board be and he is hereby authorized to transmit the formal Recommendation referred to in Section 1 of this Resolution, on behalf of this Board, to the Governor and the State Treasurer, said Recommendation to embody the financial data prescribed by Act No. 821 of 1956, as amended.

Section 6.

In adopting this resolution and directing the submission of the formal recommendation above referred to, this Board specifically finds and hereby certifies that, prior to approving the Request of the South Carolina State Ports Authority for the issuance of the bonds, it did receive from said Authority, and give its approval to, a schedule of rates and charges to be imposed, upon a per bushel basis, upon all of those who may utilize the facilities for storing and exporting soybeans and other small grains, and that the schedule of rates so submitted is now in effect, and that by reason thereof the special condition precedent to the issuance of the bonds proposed to be issued has been fulfilled.

No. 10
Feb 24, 1966

THE STATE OF SOUTH CAROLINA.

WHEREAS, the South Carolina Mental Health Commission, by and through its Board of Regents (the Commission) has presented an application to the State Budget and Control Board of the State of South Carolina (the Board) for the sum of Five Hundred Thousand Dollars (\$500,000) to pay the cost of renovating existing and constructing additional facilities to house and provide for patients of the State Department of Mental Health; and

WHEREAS, the Board has considered said application and has, for itself, obtained the information needed to make the findings hereinafter made;

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

I.

The Board has ascertained, and hereby determines that a definite and immediate need exists for the improvements described in the application made on behalf of the Commission as follows: To pay the cost of renovating existing, and constructing additional, facilities to house and provide for patients of the State Department of Mental Health, and that the application therefor should be approved.

II.

That the fees collected from paying patients of the State Department of Mental Health calculated both on the basis of the preceding 12-month period, as contemplated by Paragraph 3 of Section 1 of Act 1100 of the Acts of the General Assembly of the State of South Carolina, entitled "AN ACT TO AUTHORIZE THE ISSUANCE OF NOTES OR BONDS FOR MENTAL HEALTH FACILITIES; TO PRESCRIBE THE CONDITIONS UNDER WHICH THEY MAY BE ISSUED; TO PROVIDE FOR INVESTMENTS IN SUCH NOTES OR BONDS; AND TO PROVIDE FOR THEIR PAYMENT, "Approved the 20th day of April, 1964 (Act 1100), and on the basis of the available number of patients for the preceding 3-year period as contemplated by Section 4 of Act 1100, were as follows:

<u>Year</u>	<u>Number Patients</u>	<u>Revenue From Patients</u>
1962-63	1410	\$ 531,309.44
1963-64	1314	601,644.85
1964-65	<u>1434</u>	<u>671,848.75</u>

And the estimated number of paying patients and the amount estimated to be received from them during the 12-month period 1965-66 is as follows:

<u>Year</u>	<u>Estimated Number of patients</u>	<u>Estimated Revenue From Patients</u>
1965-66	1550	\$700,000.00

Such estimated revenue, based both on the basis of the fees collected during the preceding 12-month period contemplated by Paragraph 3 of Section 1 of Act 1100, and on the basis of the preceding 3-year period contemplated by Section 4 of Act 1100, will, if multiplied by the number of years for which the Notes herein provided shall be outstanding, result in the production of a sum equal to not less than one hundred twenty-five per cent (125%) of the estimated aggregate principal and interest requirements of all Notes or Bonds now outstanding and now proposed to be issued for said Institution upon the approval of such application.

III.

The Board hereby approves such application and shall transmit to the Governor and State Treasurer a request for the issuance of Notes to the extent of \$500,000 on behalf of the State Department of Mental Health and in order to comply with the provisions of Section 3 of Act 1100 sets forth the following information:

1. The name of the State Institution seeking funds and the amount sought on the basis of the application filed with the Board is as follows:

SOUTH CAROLINA STATE HOSPITAL \$500,000

2. The Board has made all findings required of it by Section 2 of Act 1100 and has not modified in any way the application made on behalf of the Commission.

3. The proposed maturity schedule of the Notes is as set forth in Schedule "E" attached to the application.

4. The anticipated interest cost for each year during the life of the Notes and the anticipated aggregate principal and interest requirements for the Notes are set out in full in Schedule "D" attached to the application of the Commission.

5. It is proposed that the Notes to be issued be subject to redemption on any interest payment date after February 1, 1970, in the inverse chronological order of the maturities of the principal installments, 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 equal to 2% of the principal amount so redeemed.

6. The number of paying patients of the South Carolina State Hospital at the time of application and the revenue derived therefrom during the preceding 12-month period were as follows:

<u>Year</u>	<u>Number Patients</u>	<u>Revenue From Patients</u>
1964-65	1434	\$ 671,848.75

IV.

State Institution Notes in the aggregate amount of \$500,000 should be issued as a single issue. Such issue shall consist of a single fully registered Note, more fully described as follows:

\$500,000 State Hospital Note, Series of February 1, 1966, dated as of the first day of February, 1966, payable in twenty (20) equal annual installments of \$25,000 each on the first day of February in the years 1967 to 1986, inclusive, bearing interest at the rate of four and one-half per centum (4-1/2%) per annum, from the date of delivery thereof (as established by the certification endorsed thereon) payable on February 1 and August 1 of each year, commencing August 1, 1966. Both principal and interest are payable in legal tender by check or draft issued by the State Treasurer of the State of South Carolina to the registered holder of the Note.

The form of said fully registered Note shall be substantially as set forth in Exhibit B attached hereto.

The State of South Carolina reserves the right to effect the prepayment, on any interest payment date after February 1, 1970, of any portion of the indebtedness evidenced by said State Hospital Note, Series of February 1, 1966, that it may determine upon, in the inverse chronological order of the maturities of the principal installments, 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 equal to 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 Registered Note at least thirty (30) days prior to the prepayment date, by mailing to such holder a notice prescribing such prepayment date and specifying the amount of principal (and premium) to be pre-paid.

Payment of interest and installments of principal of said Note, and portions thereof (if the privilege of redemption be exercised) shall be effected by check or draft drawn by the State Treasurer to the order of the registered holder. All payments of principal shall be duly endorsed upon the Payment Record appended to said Registered Note.

V.

Said Registered Note shall be executed on behalf of the State of South Carolina by the Governor and State Treasurer. The Great Seal of the State of South Carolina shall be affixed thereto and the same shall be attested by the Secretary of State.

VI.

Pursuant to the authorization of Section 13 of Act 1100, the Board approves the private placement of the Note hereby authorized to be issued, to bear interest at the rate of four

and one-half per centum (4-1/2%) per annum, from the date of the delivery of the Note (as established by the certification endorsed thereon), payable on February 1 and August 1 of each year, commencing August 1, 1966. Such registered Note shall be sold to the State Budget and Control Board of South Carolina, as Trustee of the funds of the South Carolina Retirement System.

VII.

For the payment of the principal and interest of the Notes herein authorized, there shall be pledged the revenues derived from paying patients at the State Hospital and so much of the revenue derived by the State of South Carolina from inheritances, gifts, or estate taxes as may be necessary to meet the annual principal and interest requirements of said Notes.

VIII.

The State Budget and Control Board, in its capacity as the owner and holder of all Notes heretofore issued for the State Hospital hereby consents that the Notes issued pursuant to this Resolution shall be on a parity in all respects with the Notes heretofore issued for the State Hospital and Whitten Village, as well as on a parity with all other Notes hereafter to be issued for the State Hospital; and the State Treasurer is hereby authorized and empowered to place upon the face of all of said Notes heretofore issued a written statement evidencing this action.

IX.

The pledge of the revenues derived by the State of South Carolina from taxes imposed upon inheritances, gifts and the estates of deceased persons, herein made to additionally secure the State Hospital Notes, Series of February 1, 1966, shall not be deemed closed, and obligations may hereafter be issued by the State of South Carolina (if authorized by appropriate legislative enactment) secured in whole or in part by a pledge of the revenues derived by the State of South Carolina from taxes levied upon inheritances, gifts and the estates of deceased

persons, on a parity in all respects with the pledges made to additionally secure obligations issued or to be issued for the State Hospital.

X.

A certified copy of this Resolution shall be transmitted to each of the State Governor and the State Treasurer, who shall, if they make the findings prescribed by Section 4 of Act 1100, approve this request and thereafter effect the issuance of the Notes herewith requested.

E N D