

## **MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING**

**September 3, 2013 -- 10:00 A. M.**

The Budget and Control Board (Board) met at 10:00 a.m. on Tuesday, September 3, 2013, 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 Steve Elliott; Division Directors Les Boles, Dianne Poston, and Nolan Wiggins; General Counsel Paul Koch; Governor's Deputy Chief of Staff for Policy, Budget, and Cabinet Affairs Ted Pitts; Treasurer's Chief of Staff Bill Leidinger; Comptroller General's Chief of Staff James M. Holly; 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 Mr. White, seconded by Senator Leatherman, the Board adopted the Budget and Control Board agenda as presented.

### ***Minutes of Previous Meeting***

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board approved the minutes of the June 18, 2013, July 30, 2013, and August 23, 2013, Budget and Control Board meetings, and, acting as the State Education Assistance Authority, approved the minutes of the June 18, 2013, Authority meeting.

### ***Blue Agenda***

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

**Minutes of Budget and Control Board Meeting  
September 3, 2013 – Page 2**

***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:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$5,500,000 SC JEDA	SarlaFlex, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm
\$4,500,000 SC JEDA	Senior Solutions	Haynsworth Sinkler Boyd	Pope Zeigler
\$160,000,000 SC JEDA	AnMed Health	McNair Law Firm	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: Aiken  
 From: Aiken Technical College  
 To: Central Electric Power Cooperative, Inc.  
 Consideration: \$41,300  
 Description/Purpose: To grant a 1.50 acre easement for the construction, maintenance, alteration and replacement of an electric transmission line. The easement is part of a project to construct a secondary transmission line and to improve the electrical system reliability. Consideration is the appraised value plus additional compensation.
  
- (b) County Location: Charleston  
 From: Patriots Point Development Authority  
 To: Commissioners of Public Works of the Town of Mount Pleasant d/b/a Mount Pleasant Waterworks  
 Consideration: \$100  
 Description/Purpose: To grant a 0.035 acre utility easement for the construction, service and repair of water distribution and sewage collection lines, treatment and disposal facilities, backflow preventers and meters located on Parcels B, C and D at

**Minutes of Budget and Control Board Meeting**  
**September 3, 2013 – Page 3**

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Patriots Point. The easement will serve the new waterfront restaurant at the Charleston Harbor Resort and Marina.

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

***Division of General Services: Real Property Conveyances (Blue Agenda Item #3)***

The Board approved the following property conveyances as recommended by the Division of General Services:

- (a) **Agency:** **Budget and Control Board** (Adjutant General)  
**Acreage:** 2.6± acres  
**Location:** 700 Blue Ridge Avenue, Belton  
**County:** Anderson  
**Purpose:** To transfer a surplus National Guard Armory to a political subdivision pursuant to Joint Resolution R10, S351. This joint resolution takes effect October 1, 2013.  
**Price/Transferred To:** N/A / City of Belton
  
- (b) **Agency:** **Department of Transportation**  
**Acreage:** 1.07± acres  
**Location:** On U.S. Highway 25, North Augusta  
**County:** Aiken  
**Purpose:** To dispose of surplus property.  
**Price/Transferred To:**  
**Appraised Value:** \$54,000 as of 7/31/12  
**Price/Transferred To:** \$20,000 / Belvedere Fire District  
**Disposition of Proceeds:** To be retained by Department of Transportation pursuant to Proviso 101.24.  
**Additional Information:** On October 30, 2012, the Board approved the sale of the former Sweetwater Maintenance Shed for not less than the appraised value which was \$54,000. The Belvedere Fire Department purchased 0.54 acre of the site in February 1999 and is interested in purchasing the remaining 1.07 acres to expand its operation. The Belvedere Fire Department has made an offer to purchase the property at less than the appraised value and SCDOT supports the sale as the expansion of fire services in the area will greatly serve the public.

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

***Division of General Services: Request by Department of Natural Resources to Enter Sanctuary Agreements on Bird Key-Stono, Crab Bank and Deveaux Bank Island in Charleston County (Blue Agenda Item #4)***

The Department of Natural Resources (DNR) determined that enhanced protection for nesting birds on Bird Key-Stono, Crab Bank and Deveaux Bank Islands is necessary so that the Department may control visitation by humans and pets which is harmful to nesting sea bird populations. Some years ago, the islands were previously dedicated as heritage preserves and placed in the South Carolina Heritage Trust Program. DNR determined that its ability to control access to these islands is insufficient for the level of protection it deems necessary for nesting sea birds. DNR will have the authority to prohibit hunting and trespassing on the islands and to limit or prevent human access to the islands during such times or seasons as it deems necessary. Sanctuary Agreements for these areas were approved by the Board on March 21, 2006, but have now expired and the agreements for current approval are identical to the previous agreements.

The Board authorized the Department of Natural Resources to enter Sanctuary Agreements on Bird Key-Stono, Crab Bank, and Deveaux Bank Islands in Charleston County.

Mr. Eckstrom commended DNR for the responsible way in which it has protected public lands. He noted that there are three acquisitions that show the agency is acting in the best interest of the State.

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

***Division of Human Resources: Appointment of State Employee Grievance Committee Members (Blue Agenda Item #5)***

Section 8-17-340 (A) of the S.C. Code of Laws provides that members of the State Employee Grievance Committee be appointed by the Budget and Control Board. The Division of Human Resources recommended the reappointment of the following members for three year terms: Leesa Benggio, State Library; Elizabeth Hill, Department of Juvenile Justice; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation Department; and Anne Wolf, Office of the Lieutenant Governor.

Agencies have submitted nominations, and the Division of Human Resources recommended the appointment of the following new members: Kim Aydlette, Department of Education; Dan

Koon, Human Affairs Commission; and Mark Pleasant, Department of Transportation. Ms. Aydlette, Mr. Koon and Mr. Pleasant will serve three year terms.

The Board approved the following appointments to the State Employee Grievance Committee as recommended by the Division of Human Resources to be effective when training is completed:

The reappointment of the following members for three year terms: Leesa Benggio, State Library; Elizabeth Hill, Department of Juvenile Justice; Terri McGee, Department of Natural Resources; Kenneth Norris, Vocational Rehabilitation Division; and Anne Wolf, Office of the Lieutenant Governor; and

The appointment of the following new members: Kim Aydlette, Department of Education; Dan Koon, Human Affairs Commission; and Mark Pleasant, Department of Transportation. Ms. Aydlette, Mr. Koon and Mr. Pleasant will serve three year terms.

Information relating to this matter has been retained in these files and is identified as Exhibit 5.

***Division of Procurement Services: Procurement Audit of Midlands Technical College Enterprise Campus Authority (Blue Agenda Item #6)***

In accordance with Section 59-53-1748(B) of the South Carolina Code of Laws, the Division of Procurement Services advised the Board that it reviewed the procurement system of the Midlands Technical College Enterprise Campus Authority. The audit report was submitted as information only.

The Board received the audit report of the Midlands Technical College Enterprise Campus Authority as information only.

Information relating to this matter has been retained in these files and is identified as Exhibit 6.

***Division of Procurement Services: Request for Reauthorization of the Midlands Technical College Enterprise Campus Authority's Procurement Policy (Blue Agenda #7)***

Midlands Technical College Enterprise Campus Authority requested that the Board reauthorize the Midlands Technical College Enterprise Campus Authority's procurement policy.

The Authority made this request in accordance with Section 59-53-1748(B) of the South

Carolina Code of Laws, which exempts the Authority from the South Carolina Consolidated Procurement Code, provided the authority adopts a procurement policy requiring competitive solicitations. As a condition of adoption, the statute requires that the policy be filed with and approved by the State Budget and Control Board. The Board originally approved the procurement policy at its September 2006 meeting. On February 23, 2010, the Board reauthorized the Authority's procurement policy. Midlands Technical College Enterprise Campus Authority requests that the Budget and Control Board reauthorize the Procurement Policy. The Authority requested no changes to the current policy.

As requested by Midlands Technical College Enterprise Campus Authority, the Board reauthorized the Authority's procurement policy in accordance with S. C. Code of Laws Section 59-53-1748(B).

Information relating to this matter has been retained in these files and is identified as Exhibit 7.

***Division of Procurement Services: Procurement Audit and Certification (Blue Agenda #8)***

The Division of Procurement Services, in accord with Section 11-35-1210, audited the following agency and recommended certification within the parameters described in the audit reports for the following limits (total potential purchase commitment whether single-or multi-year contracts are used):

Midlands Technical College (for a period of three years): supplies and services, \$300,000\* per commitment; information technology, \$100,000\* per commitment; consultant services, \$300,000\* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

In accord with Section 11-35-1210, the Board granted the following procurement certification within parameters described in the audit report for the following limits (total potential purchase commitment whether single-or multi- year contracts are used) for the following agency:

Midlands Technical College (for a period of three years): supplies and services, \$300,000\* per commitment; information technology, \$100,000\* per commitment; consultant services, \$300,000\* per commitment; construction contract change order, \$25,000 per change order; architect/engineer contract amendment, \$5,000 per amendment.

\*Total potential purchase commitment whether single or multi-term contracts are used.

Information relating to this matter has been retained in these files and is identified as Exhibit 8.

***Energy Office: Qualified Energy Conservation Bond Change in Scope from Prior Reallocation to JEDA for Abundant Power/Charleston Green Community Program to a Statewide Green Community Program (Blue Agenda Item #9)***

Reallocation to:	JEDA
Reallocation Amount:	\$10,000,000
Purpose/Description:	Recommendation to approve a change in scope from Charleston to Statewide for the previously approved reallocation of \$10M of the volume cap QECCB allocations to the South Carolina Jobs-Economic Development Authority (SC JEDA) for the benefit of Abundant Power Solutions, LLC, to implement a green community program. The scope modification has been approved by the Volume CAP Advisory Committee and the JEDA Board.
History:	In April of 2011, Abundant Power Solutions, Inc. requested and received approval for \$10M in Qualified Energy Conservation Bond [QECCB] volume cap allocation through the ARRA Volume Cap Allocation Committee and the Budget and Control Board with JEDA as conduit issuer. The 2011 proposed scope of the project was for a Green Community Program in the City of Charleston; however, applicant received an insufficient number of projects to meet the requirements under the program guidelines. In July 2012, the Internal Revenue Service guidelines for the use of QECCBs broadened the range of programs which qualify under the Green Community Programs designation to ‘promote energy conservation, energy efficiency or environmental conservation initiatives relating to energy consumption, broadly construed’ and ‘programs must involve property that is available for general public use or involve a loan or grant program that is broadly available to members of the general public’. Eligible initiatives under this expanded interpretation include [a] retrofitting initiatives for heating, cooling, lighting, water-saving, storm-water reducing or other efficiency measures; [b] distributed generation initiatives; [c] transportation initiatives that conserve energy and/or support alternative fuel infrastructure; [d] improvements to public infrastructure that enhance proximity and connectivity

between community assets and public transit to reduce motor vehicle use; and [e] public street lighting upgrades. Based on the expanded definition of the Green Community Program, Abundant Power proposes to create the SouthCarolinaSAVES (SC SAVES) Program to be a state-wide Green Community Program Loan Program, which will make loans for measures promoting energy conservation, energy efficiency, and environmental conservation throughout South Carolina. It is estimated that this project will create approximately 96 jobs based on DOE estimates and save businesses and residents an estimated \$2,000,000 per year in energy costs at 20% savings. Applicant currently has the following projects identified in the City of Greenville: [i] energy efficiency measures at the Bi-Lo Center, including control upgrades, lighting retrofits, hot water and chiller plant upgrades, and roofing material; [ii] energy efficiency measures at a commercial office building currently undergoing renovations, including HVAC, lighting and building envelope upgrades; [iii] potential renovations at the Swamp Rabbit Trail greenways. In Richland County and the City of Columbia, the Applicant proposes to finance conversion of several diesel fleets (CMRTA, USC, City of Columbia, Richland County and Waste Management) to compressed natural gas (“CNG”) and costs associated with fueling infrastructure. These projects are being implemented and developed by Trane as contractor and by Hess Corporation as natural gas and infrastructure provider. A private institutional buyer has been identified to purchase the QECBs for private placement.

Project Impact:	Completion of this project will create approximately 96 jobs based on DOE estimates and save businesses and residents an estimated \$2,000,000/year in energy costs at 20% savings.
Cost of Project:	\$10,000,000

The Board approved the change in scope for the previously approved reallocation request for JEDA/Abundant Power for a statewide green community program in the amount of \$10,000,000.

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

***Executive Director: Revenue Bonds (Blue Agenda Item #10)***

The Board approved the following proposals to issue revenue bonds:

- a. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$160,000,000 Hospital Refunding Bonds  
(\$110,000,000 refunding involved)  
Allocation Needed: -0-  
Name of Project: AnMed Health  
Employment Impact: maintaining approximately 2,974 jobs  
Project Description: to (i) refinance all or a portion of the outstanding principal amounts of the (a) \$34,585,000 original principal amount South Carolina Job-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009A, (b) \$56,800,000 original principal amount south Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009C, and (c) \$18,805,000 original principal amount South Carolina Jobs-Economic Development Authority Hospital Refunding Revenue Bonds (AnMed Health Project), Series 2009D which were previously issued to refund prior indebtedness of the Corporation, and (ii) finance, through the issuance and sale of additional bonds, the cost of renovations and improvements to and the expansion of hospital facilities and improvements located at the Corporation's Main and North hospital campuses and related machinery and equipment, including, but not limited to, a replacement of the Corporation's central information system, operating room relocation, sleep/TMS center renovations, and the acquisition of computer systems, major medical equipment and other hospital machinery and equipment to be located at the aforesaid campuses.

*Note:* *public or private sale*

Bond Counsel: William M. Musser, McNair Law Firm, P.A.  
(Exhibit 10)

- b. Issuing Authority: Jobs-Economic Development Authority  
Amount of Issue: Not Exceeding \$4,200,000 Economic Development Revenue Bonds  
Allocation Needed: -0-  
Name of Project: SENIORS Solutions  
Employment Impact: maintain 139 jobs and add 15 more within 24 months  
Project Description: acquire land and refinance existing indebtedness used to construct project in Anderson County and to acquire land and construct and improve buildings in Greenville County

*Note:* *private sale*

Bond Counsel: Kathleen Crum McKinney, Haynsworth Sinkler Boyd, P. A.  
(Exhibit 11)

***Public Employee Benefit Authority, Employee Insurance Program: State Health Plan Benefits and Contribution Rates Effective January 1, 2013 (Regular Session Item #1)***

Pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the Board of Directors of the South Carolina Public Employee Benefit Authority (PEBA) is required to approve the provisions of the State Health Plan for the 2014 calendar year, including the applicable subscriber and employer contribution rates for 2014, by August 15, 2013.

As part of the General Appropriations Act of 2013, the General Assembly passed a proviso that set the premium increases for the 2014 State Health Plan and put limits upon other possible changes to the Plan's benefit structure, including increase in co-payments and deductibles. This proviso, set out in Section 105.7 of Part 1B of the Act, provides that:

105.7. (PEBA: FY 2014 State Health Plan) Of the funds authorized for the State Health Plan in Plan Year 2014 pursuant to Section 1-11-710(A)(2) of the 1976 Code, an employer premium increase of 6.8% and a subscriber premium increase of 0% for each tier (subscriber, subscriber/spouse, subscriber/children, full family) will result for the standard State Health Plan in Plan Year 2014. Co-payment increases for participants of the State Health Plan in Plan Year 2014 shall not exceed 20%. Notwithstanding the foregoing, pursuant to Section 1-11-710(A)(3), the Public Employee Benefit Authority may adjust the plan, benefits, or contributions of the State Health Plan during Plan Year 2014 to ensure the fiscal stability of the Plan.

Further, pursuant to federal health care regulations, the State Health Plan must be amended for 2014 to eliminate pre-existing condition exclusions for all participants, not just for participants under age 19. This change is required for all health care plans regardless of grandfathered status.

At the regular meeting of the PEBA Board of Directors on July 17, 2013, the PEBA Board approved a State Health Plan for the 2014 calendar year. As directed by the budget proviso, and as shown in Exhibit 2, the State Health Plan approved by the PEBA Board increases employer premium for each coverage tier by 6.8% for the 2014 calendar year and does not increase subscriber premium rates. Further, as authorized by the budget proviso, and as shown in Exhibit 3, the PEBA Board determined that the existing co-payments and deductibles for the State Health Plan must be increased by 20% for the 2014 plan year in order to ensure that the Plan remains properly funded for the plan year. In addition, the State Health Plan approved by the PEBA Board also eliminates any pre-existing condition exclusions for all participants as required by federal regulation for all plans beginning January 1, 2014. There are no other coverage or premium

changes between the 2013 State Health Plan and the 2014 State Health Plan.

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Coverage changes and premium increases made to the State Health Plan are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B) of the Code of Laws.

Accordingly, pursuant to Section 9-4-45, the Budget and Control Board is asked to approve the 2014 contribution rates and plan changes for the State Health Plan as set out in Exhibits 2 and 3.

Governor Haley reminded the Board members that there would be a premium increase of 6.8% with copays not exceeding 20%.

Mr. Eckstrom commended PEBA for its efforts to spread the costs. He commented that he believes it is easier for many users of the health plan to pay during office visits and to pay deductibles than it is to have a fixed increase in premium costs. He noted the costs have been spread and that is the sort of focus that needs to be maintained to sustain the plan.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the 2014 contribution rates and plan changes for the State Health Plan as set out in Exhibits 2 (SC PEBA Monthly Premiums) and 3 (SC PEBA Benefit Summary) for this agenda item.

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

***Public Employee Benefit Authority, Employee Insurance Program: Pilot Health Plan for MUSC Effective January 1, 2013 (Regular Session Item 2)***

Pursuant to Section 1-11-710(A)(2) of the South Carolina Code of Laws, the Board of Directors of the South Carolina Public Employee Benefit Authority (PEBA) is required to approve any plan of health insurance benefits for the 2014 calendar year by August 15, 2013.

MUSC has proposed a pilot health plan covering all of its employees and their dependents under a patient-centered medical home (PCMH) model. At a meeting of the PEBA Board of Directors on August 5, 2013, the PEBA Board considered and approved the MUSC pilot health plan. The provisions of this pilot plan are shown on Exhibit 2.

Pursuant to Section 9-4-45(A) of the Code of Laws, policy determinations made by the PEBA Board are subject to approval by the Budget and Control Board, as evidenced by a majority vote of the Board. Coverage changes and premium increases made to the State Health Plan are policy determinations subject to Budget and Control Board approval. See Section 9-4-45(B) of the Code of Laws.

Mr. Eckstrom asked for someone from MUSC to describe the difference in expected costs. David K. Avant, PEBA Interim Executive Director, appeared before the Board on this matter along with Dr. Pat Crawley, MUSC CEO. Dr. Crawley stated that over the last year MUSC has looked at ways to decrease and save costs. He said that MUSC presented a pilot to PEBA that would incentivize MUSC's employees to get care through a primary care medical home. He noted that the primary medical care home has been known to decrease costs about 15%. He stated that employees would be incentivized to get preventive care and noted that the State Health Plan provided has a little incentive, but not a great one. Dr. Crawley stated that MUSC would do both and that MUSC would not bear the full brunt of the increase. He said that if the pilot is successful MUSC and the State will save money.

Mr. Eckstrom asked how a primary care medical home is different from an HMO. Dr. Crawley stated a primary medical care home is a new term that has come about in the last 10 years and that it is more than just seeing a doctor as a primary care doctor. He said it involves the right kinds of nurses and coordination staff and is completely different from an HMO. Mr. Eckstrom further asked if the pilot is successful how it might be replicated. Dr. Crawley said that if it is successful they would have to look at the details in rolling it out to the rest of the State. He said that MUSC could be used as the example in how to design such a program. Mr. Avant said that the plan is to incentivize other providers to provide patient center medical homes around the State.

Senator Leatherman asked what was the timeframe for the pilot. Dr. Crawley said that the pilot is for one year. Mr. Avant noted that the pilot will be monitored monthly for costs.

Mr. Eckstrom also asked if the program was elective for MUSC employees. Dr. Crawley responded that it is elective for the employees.

Mr. Loftis inquired as to who selects the medical home. Mr. Avant said that in this case MUSC made the selection. Mr. Loftis also asked when the pilot would begin to which Mr.

Avant said January 2014. Mr. Loftis further asked who would pay if the plan lost money. Mr. Avant said the pool would pay, but that there will be monthly monitoring that would allow for the plan to be discontinued if it becomes costly.

In further discussion, Governor Haley commented that primary care and preventive care are very important. She said focusing on those two should be very productive. Dr. Crawley said that is the main piece of the pilot. He said that data shows that when people focus on primary care and preventive care there is less cost for medical care.

Mr. White asked Mr. Avant whether the fee structure for participants are in line with other managed cares. Mr. Avant said it was necessary for the fee structure to be actuarially neutral. He said it was designed to give as much incentive as possible for the participants and not be a drain on the State. He said that it was derived by doing a comparison to other types of managed care programs.

Upon a motion by Mr. Eckstrom, seconded by Mr. Loftis, pursuant to Section 9-4-45, the Board approved the MUSC pilot health plan for MUSC's employees and their dependents for the 2014 calendar year, as shown on Exhibit 2 (MUSC's Proposed PCMH Pilot Program) for this agenda item.

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

***Division of State Budget: Permanent Improvement Projects (Regular Session Item #3)***

Upon a motion by Senator Leatherman, seconded by Mr. White, 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 1-2014: JBRC Item 2. Budget and Control Board  
Project: 9921, DEW Warehouse Roof Replacement  
Funding Source: \$3,750 Other, Department of Workforce and Employment (DEW) funds which are Contingency Assessment funds, a portion of the unemployment tax that is used by DEW to fund administrative costs and employment services.  
Request: Establish project and budget for \$3,750 (Other, DEW funds) to begin design

work to replace the roof on the Department of Workforce and Employment's warehouse building on Wayne Street. The work will include replacing the roof, skylight domes, insulation, front and side canopies, and gutters. The 38 year-old roof is original to the building and is more than ten years past its normal life expectancy. It has had numerous ongoing leaks which have been addressed over time, including a larger, partial re-cover repair ten years ago. A roofing consultant engaged by the agency in 2012 to evaluate the roof concluded it was no longer cost effective to continue to repair it and recommended replacement. The agency's internal estimated cost of this project, prior to A&E design being done, is \$301,250. The proposed source of funds for construction is Other, DEW Contingency Assessment funds.

- (b) Summary 1-2014: JBRC Item 3. Department of Mental Health  
Project: 9728, DMH Administration Building Roof and HVAC Replacement  
Funding Source: \$18,000 Other, Operating Revenue funds which are Medicaid fee-for-service earned revenues for clinical services Mental Health provides under contract with Health and Human Services.  
Request: Establish project and budget for \$18,000 (Other, Operating Revenue funds) to begin design work to replace the roof and HVAC equipment at the Department of Mental Health's Administration Building in Columbia. The work will include replacing the built up roof and a portion of the building's condensing units and air handlers. The existing flat built up roof and HVAC equipment are 45 years old and original to the building. The roof has developed numerous leaks and attempts to make temporary patches have not always been successful, so leaks continue. Two roofing consultants who have assisted in trying to stop the leaks have stated that the roof needs total replacement. Approximately half of the building's HVAC equipment was replaced in 2009, but the remaining old equipment has failures each summer, is inefficient to operate and maintain, and needs to be replaced. The agency's internal estimated cost of this project, prior to A&E design being done, is \$1,200,000. The proposed source of funds for construction is Other, Operating Revenue funds.

### **Establish Construction Budget**

- (c) Summary 1-2014: JBRC Item 1. Clemson University  
Project: 9903, Watt Innovation Center Construction  
Funding Source: \$30,543,000, including \$27,043,000 Institution Bond funds which are general obligation debt of the State backed by a pledge of University tuition and fees and \$3,500,000 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 \$30,543,000 (add \$30,300,000: \$27,043,000 Institution Bond and \$3,257,000 Other, Private Gift funds) to revise the scope and construct an approximately 70,000 square foot cutting edge facility at Clemson. The project

was established in June 2012 for pre-design work which is now complete. The work will include constructing a new facility for teaching and research in science, technology and engineering that will include studios, smart classrooms and project areas with flexible infrastructure to serve the needs of an increasingly diverse student community and to accommodate current and emerging technologies with minimal cost and effort. The new facility is needed to address key University goals of providing for student leadership and related opportunities, to leverage the university's information technology investments and assets, and to introduce teaching and research modules based on the university's core competencies and marketplace relevance. It also addresses the campus's less than adequate classroom space. The facility will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a negative cost benefit of \$320,000 based on preliminary figures, but Clemson staff anticipate the negative benefit will be negligible once the design nears completion. The agency reports the total projected cost of this project is \$30,543,000 and additional annual operating costs ranging from \$240,000 to \$254,616 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is August 2013 and for completion of construction is December 2015. (See Attachment 1 for this agenda item for additional annual operating costs.)

- (d) Summary 1-2014: JBRC Item 4. College of Charleston  
Project: 9646, Jewish Studies Center Expansion  
Funding Source: \$6,000,000, including \$5,000,000 Other, Capital Improvement Project Funds which are revenues in excess of current annual debt service related to bonds generated from a \$744 per semester student fee and \$1,000,000 Other, Private funds which are funds derived from external sources including individual contributors and foundations.  
Request: Increase budget to \$6,000,000 (add \$5,932,500: \$4,932,500 Other, Capital Improvement Project Funds and \$1,000,000 Other, Private funds) to expand the Jewish Studies Center at the College of Charleston. The project was established in June 2011 for pre-design work which is now complete. The 15,000 square foot expansion will include a kosher/vegetarian kitchen and dining room on the first floor and classrooms and academic support spaces on the second and third floors to add approximately 220 classroom seats. The College estimates approximately 10% of its student body is Jewish and the surrounding Charleston community has a large Jewish population. The College's current classroom utilization is well below the statewide standard and the additional classrooms will be used for multiple disciplines. The expansion will be constructed to LEED Silver certification and will include sustainable sites, energy and atmosphere, indoor environmental quality and other measures. The LEED cost benefit analysis shows a positive cost benefit of \$399,779 over 30 years. The agency reports the total projected cost of this

**Minutes of Budget and Control Board Meeting**  
**September 3, 2013 – Page 16**

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project is \$6 million and additional annual operating costs of \$105,000 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is January 2014 and for completion of construction is December 2014. (See Attachment 2 for this agenda item for additional annual operating costs.)

(e) Summary 1-2014: JBRC Item 6. State Board for Technical and Comprehensive Education

Project: 6055, York - Building C Classroom Addition/Renovation

Funding Source: \$3,521,992 Other, College Capital Reserve Funds which are excess college revenues from various sources transferred at year end to an account for construction, renovation, maintenance and improvements to buildings.

Request: Increase budget to \$3,521,992 (add \$3,505,249 Other, College Capital Reserve Funds) to renovate and expand Building C at York Tech. The project was established in October 2012 for pre-design work which is now complete. The work will include renovating 7,760 square feet of the existing facility and adding a 2,800 square foot addition to convert eight small, seldom used 10-15 person classrooms to five larger, more flexible 35-40 person classrooms. It will also include renovating the building's front entrance to eliminate a structural problem where a metal canopy was removed from each side of the entrance and will create a new front façade and entrance allowing better circulation through the building. The renovation and expansion will provide flexible classrooms allowing utilization by multiple programs, address the structural issue, and provide for better circulation. Energy savings and conservation measures will include the installation of energy efficient exterior glazing, an energy efficient HVAC system, interior lighting sensors, and low flow plumbing fixtures. The agency reports the total projected cost of this project is \$3,521,992 and additional annual operating costs ranging from \$6,529 to \$6,927 will result in the three years following project completion. The agency also reports the projected date for execution of the construction contract is December 2013 and for completion of construction is June 2014. (See Attachment 4 for this agenda item for additional annual operating costs.)

(f) Summary 1-2014: JBRC Item 7. Budget and Control Board

Project: 9903, McEachern Parking Facility Waterproofing

Funding Source: \$3,000,000 Other, Depreciation Reserve funds which are derived from the rent account which receives rent charged to state agencies for use of state buildings.

Request: Increase budget to \$3,000,000 (add \$2,982,492 Other, Deprecation Reserve funds) to waterproof the underground McEachern Parking Facility serving the Capitol Complex to address numerous leaks. The project was established in September 2011 for pre-design work which is now complete. The work will include chemical grouting the curtain wall and localized areas, sealing the floor slab, tunnel entrances, and other areas, and providing weeps to alleviate pressure and reduce future potential leaks. The facility leaks in numerous

areas, which contributes to corrosion of the steel reinforcing the concrete walls and will weaken the structure if not addressed. The waterproofing will also eliminate the need for Facilities Management to devote resources to stopgap measures including frequent cleaning and installing drip pans, mats and diverters to manage slip and fall hazards. Energy savings and conservation measures are not applicable this waterproofing project. The agency reports the total projected cost of this project is \$3 million 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 February 2014 and for completion of construction is February 2015.

- (g) Summary 1-2013: JBRC Item 8. Vocational Rehabilitation Department  
Project: 9597, Walterboro VR Center Reroofing  
Funding Source: \$416,700 Other, Work Training Center Program Income which is revenue generated by production contracts in the work training center providing client's opportunity to learn work skills, offset by client wages and other production costs.  
Request: Increase budget to \$416,700 (add \$405,700 Other, Work Training Center Program Income funds) to reroof the Walterboro VR Center for the Vocational Rehabilitation (VR) Department. The project was established in June 2013 for pre-design work which is now complete. The work will include removing the existing built-up roof, applying a new vented built-up roof with associated flashings and metal work, and removing and disposing of asbestos-containing soffit material. The roof is approximately 24 years old and well past its life expectancy. Several leaks have already been repaired in the existing roof, but leaks continue. The roof needs to be replaced before water deteriorates the roof deck, ceilings and contents of the building. Energy savings and conservation measures will include the installation of energy efficient roofing insulation. The agency reports the total projected cost of this project is \$416,700 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 September 2013 and for completion of construction is November 2013.

### **Increase Budget**

- (h) Summary 1-2014: JBRC Item 9. Budget and Control Board  
Project: 9914, DEW - David Building Emergency Generator Installation  
Funding Source: \$296,346 Other, Department of Workforce and Employment funds which derive from a combination of federal Supplemental Budget Request funds from the US Department of Labor and Contingency Assessment funds, a portion of the unemployment tax that is used by DEW to fund administrative costs and employment services.  
Request: Increase budget to \$293,346 (add \$65,720 Other, DEW funds) to meet the low bid for installing an emergency generator at the Department of Workforce and

Employment's (DEW) David Building. The project was established for pre-design work in October 2012 and the construction budget was established in December 2012. Bids on the project were received in June 2013 and all bids exceeded the approved project budget because labor costs and materials were higher than estimated. In addition, the small project contingency will be increased to 10% to provide for unforeseen conditions during construction. The work will include installing an emergency generator to supply back-up power for DEW's information technology operations, fire pumps, and building emergency egress lighting. Energy savings and conservation measures are not applicable to this generator project. The agency reports the total projected cost of this project is \$293,346 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 September 2013 and for completion of construction is December 2013.

**Establish Project for Preliminary Land Studies**

- (i) Summary 1-2014: JBRC Item 10. State Board for Technical and Comprehensive Education  
Project: 6082, Horry-Georgetown - Conway Fire Station Acquisition  
Funding Source: \$20,000 Other, College funds which are excess of revenues over expenses, held to address capital needs and local matching requirements.  
Request: Establish project and budget for \$20,000 (Other, College funds) to procure the investigative studies required to adequately evaluate property prior to purchase. Horry-Georgetown Tech is considering the acquisition of approximately 2.5 acres of land with an approximately 5,000 square foot fire station located in the center of its Conway campus. The station is being vacated by the county and the College desires to use the existing facility to expand its maintenance and warehouse facilities. The College has outgrown its existing maintenance space and needs larger, more conducive acreage for these support services. As part of the acquisition, the College will close the road now serving the fire station, which intersects the campus at one of its busiest vehicular and pedestrian areas, creating a safety problem recognized by city, county and college officials.
  
- (j) Summary 1-2014: JBRC Item 11. Department of Natural Resources  
Project: 9935, Lancaster/Kershaw - Catawba River WMA Property Acquisition  
Funding Source: \$20,000 Other, Heritage Land Trust Funds which are funds provided from various sources by law which can be used for acquiring interest in property in priority areas, legal fees, appraisals, surveys, or other costs involved in the acquisition of interest in priority areas.  
Request: Establish project and budget for \$20,000 (Other, Heritage Land Trust Funds) to procure the investigative studies required to adequately evaluate property prior to purchase. The Department of Natural Resources is considering the acquisition of approximately 1,628 acres of land in Lancaster and Kershaw Counties that adjoins the Catawba River Wildlife Management Area. The

property borders the river on the north side of Lake Wateree, provides habitat for game and non-game species including the federally endangered fish species, the shortnose sturgeon, and will provide for hunting, fishing and hiking opportunities for the public

After the vote on the item, Governor Haley commented that she has requested a list of buildings for the State since her first month in office and she still does not have the list. She said there is a problem with that and she knows Board staff is working on getting the information. She commented that the fact that it has taken 2½ years to come up with a list of state-owned buildings indicates the State owns too many buildings. Mr. Eckstrom commented that the project has been going on longer than 2½ years. Governor Haley stated that she will be discussing this more as the market goes back up because that will be the time to get rid of empty buildings and move some leases around.

Mr. Loftis asked if the information can be retrieved by component. Governor Haley stated that Board staff is given the information through SCEIS, but that is when money changes hands. She stated that does not mean there is information on buildings where money is not changing hands. She said that is what she is most concerned about. Ms. Adams stated that Board staff has a listing of the assets through SCEIS and that those assets are for the agencies that use SCEIS. She noted that Board staff would also be working with the universities for them to provide a list of buildings since they are not on SCEIS.

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

***Division of State Budget: Real Property Acquisitions (Regular Session Item #4)***

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

- |             |  |
|-------------|--|
| (a) Agency: | Clemson University PSA   |
| Acreage:    | 10± acres and five buildings totaling 24,684 square feet   |
| Location:   | On Old Cherry Road in Clemson, formerly the USDA Agricultural Research Service Facility.                   |
| County:     | Pickens  |
| Purpose:    | To acquire land and buildings to be used by Public Service Activities for the Research Farm Services Unit, |

**Minutes of Budget and Control Board Meeting**  
**September 3, 2013 – Page 20**

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	Extension, and the Beginning Farmers and Ranchers Program.
Appraised Value:	N/A
Price/Seller:	Donation / US Department of Agriculture
Source of Funds:	N/A
Project Number:	P20-9548
Environmental Study:	Approved
Building Condition	Approved
Assessment:	
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated as Clemson has been paying utility and upkeep costs.
Current Year Property Tax:	N/A - Exempt
Approved By:	JBRC on 8/8/13
(b) Agency:	Department of Natural Resources
Acreeage:	65.5± acres of undeveloped land
Location:	On Oak Ridge Club Road and the Edisto River bordering the Gopher Tortoise Heritage Preserve near Windsor.
County:	Aiken
Purpose:	To expand the existing preserve to protect natural resources, including the state endangered gopher tortoise, and provide for outdoor recreational activities for the public.
Appraised Value:	\$155,000
Price/Seller:	\$129,250 / Robert C. and Laurie K. Blackmon, Williston, SC
Source of Funds:	Other, Heritage Land Trust Funds
Project Number:	P24-9930
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated as the property will be managed as part of the existing preserve.
Current Year Property Tax:	\$198
Approved By:	JBRC on 8/8/13
(c) Agency:	Department of Natural Resources
Acreeage:	88± acres of undeveloped land
Location:	On the north side of Highway 162 bordering the Dungannon Plantation Heritage Preserve and Wildlife Management Area near Hollywood.
County:	Charleston
Purpose:	To expand the Dungannon Plantation Heritage Preserve to protect natural and cultural resources,

**Minutes of Budget and Control Board Meeting**  
**September 3, 2013 – Page 21**

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	including the federally endangered wood stork, and provide for outdoor recreational activities for the public.
Appraised Value:	\$308,000
Price/Seller:	\$308,000 / Elizabeth Hanahan Clark, Charleston, SC
Source of Funds:	Other, Heritage Land Trust Funds and Other, Charleston County Greenbelt Bank funds
Project Number:	P24-9933
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated as the property will be managed as part of the existing preserve.
Current Year Property Tax:	\$161
Approved By:	JBRC on 8/8/13
Additional Information:	This request also includes approval of a budget increase to the permanent improvement project of \$308,000 from the fund sources noted above.
(d) Agency:	Department of Natural Resources
Acreage:	24.4± acres of undeveloped land
Location:	On Gauley Falls Road north of Highway 178 bordering the Jocassee Gorges Wildlife Management Area near Sunset.
County:	Pickens
Purpose:	To secure legal access along an entrance road into the Jocassee Gorges Wildlife Management Area that extends through this privately-owned parcel and to protect mature forests and trout waters.
Appraised Value:	\$110,000
Price/Seller:	\$101,622 / The Nature Conservancy
Source of Funds:	Other, Pickens County Game and Fish funds and Other, Fish and Wildlife Protection funds.
Project Number:	P24-9934
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	No additional annual operating costs are anticipated as the property will be managed as part of the existing wildlife management area.
Current Year Property Tax:	\$27
Approved By:	JBRC on 8/8/13

In discussing this matter, Mr. Loftis asked who provides the fire and medical protection

in areas like the Jocassee Gorges. Emily Cope with DNR responded that if a wildfire breaks out their local staff works with the South Carolina Forestry Commission to bring the fire under control. She said if a structure caught fire they would work with the local or county fire department. She said for medical emergencies or missing persons DNR officers will work with local officials and will handle recovery efforts. Mr. Loftis further asked if any of the incidents are handled by voluntary fire departments. He said he is asking because a lot of them are burdened by the costs of handling those incidents. Ms. Cope responded that she would have to look into that, but that she cannot recall a time when they have had to call a local fire department when DNR has fire to handle. She said they call the South Carolina Forestry Commission.

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

***Division of General Services: College of Charleston Lease – Fountain Walk (Reg. #5)***

The College of Charleston requested approval to lease 41,000 SF of space at Fountain Walk located at 360 Concord Street in downtown Charleston from R. E. R. Investments, Limited Company. The facility will be used for offices, classrooms, art studios and science labs.

A solicitation was conducted which resulted in three bids, only one of which met the College's requirements which is Fountain Walk. The other locations were not within the required one mile radius of the campus and would not allow students using campus facilities to change classes within an adequate time frame. Comparables of similar state agency space and other commercial property lease rates in the Charleston area are as follows:

Agency/Location	Rate/SF
SC Department of Revenue 1 South Park Circle	\$27.32
Vacant 25 Calhoun Street	\$35.00
Vacant 40 Calhoun Street	\$32.50

Fountain Walk is a prime location as the property is adjacent to a parking garage already used by the College as well as a public transportation stop. The site is also within walking distance of the main campus. The College will begin the renovation of the Rita Hollings Science

**Minutes of Budget and Control Board Meeting**  
**September 3, 2013 – Page 23**

Center and Simons Center for the Arts (two major academic buildings) within the next 12 months. This will require the relocation of occupants for the duration of the renovations. There is also the need to complete renovations and reconfigurations of existing space to meet the programmatic needs of academic and administrative units. The College does not have available space on campus to accommodate the shifts of these departments. Therefore, the College is seeking a long-term lease solution in the immediate downtown Charleston area.

The initial term of the lease is for seven years beginning on January 1, 2014 and ending on December 31, 2020, with one renewal period of seven additional years. The cost per square foot during the first year of the initial term is \$31.50/RSF, for an annual aggregate amount of \$1,291,500. For the remainder of the initial term and for the extended term, basic rent shall be adjusted annually for any change in the U.S. Consumer Price Index for all Urban Consumers (CPI-U) based on the percent change in the monthly index for April of each year, subject, however, to a 3% cap on annual increases over the immediately preceding year, regardless of whether the percent change in the CPI-U is higher than said cap. The rate includes utilities and janitorial services. Additionally, the landlord has agreed to provide \$30/SF in upfit costs.

Lease payments will be funded with College fees. The College has indicated that no fee increase will be associated with this lease. Based on the NTE (Not to Exceed) data, the total estimated lease cost over the seven year term is \$9,896,069.91.

Year	Basic Rent PSF (Rounded)	Maximum Basic Annual Rent	Monthly Maximum Basic Rent
1	\$31.50	\$1,291,500.00	\$107,625.00
2	\$32.45	\$1,330,245.00	\$110,853.75
3	\$33.42	\$1,370,152.35	\$114,179.36
4	\$34.42	\$1,411,256.92	\$117,604.74
5	\$35.45	\$1,453,594.63	\$121,132.89
6	\$36.52	\$1,497,202.47	\$124,766.87
7	\$37.61	\$1,542,118.54	\$128,509.88
<b>Total</b>		<b>\$9,896,069.91</b>	
<b>AVG</b>	<b>\$34.48</b>		

There will be an additional 14,000 SF available for lease in mid to late 2014. The College anticipates a need to lease this space as well. The requested action amount does not account for this additional square footage. Separate approval of this space will be sought through a lease amendment.

The College of Charleston has adequate funds for the lease according to a Budget Approval Form, which also includes a multi-year plan.

The lease was approved by the Commission on Higher Education (CHE) at its meeting on May 2, 2013 based on not to exceed terms. It was also approved by JBRC at its June 5, 2013 meeting at a rate of \$29/RSF not including utilities and janitorial costs. At its June 18, 2013 meeting, the Board did not approve the lease and requested that a solicitation be conducted. As a result of the solicitation, the total basic rent increased from \$9,110,667.53 to \$9,896,069.91; however, the new lease terms include utilities and janitorial costs, resulting in a projected estimated savings of approximately \$250,000 over the term of the lease. The new lease terms were approved by JBRC at its August 8, 2013 meeting.

Governor Haley reminded Board members that this is the matter the Board requested that an RFP be issued. She said that this shows that options matter.

Upon a motion by Senator Leatherman, seconded by Mr. Loftis, the Board approved the proposed lease of for the College of Charleston at Fountain Walk in Charleston.

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

***Division of General Services: Midlands Technical College Enterprise Campus Authority (R6)***

In 2004, the General Assembly created the Midlands Technical College Enterprise Campus Authority (Authority) for purposes of the development of the Northeast Campus. The Authority provides for the management, development and operation of the Enterprise Campus. The Enterprise Campus consists of approximately 150 acres at the intersection of Powell Road and Pisgah Church Road in northeast Richland County adjacent to the College's Northeast Campus. The Authority's mission is to pursue the location of business and industry on the Enterprise Campus that results in investment, job creation and relationships with the College that are beneficial to its students. Business partners will be able to purchase or lease facilities on the

150-acre campus.

Through an RFP seeking proposals from a Site Development Contractor, the Authority proposes to sell approximately 35 acres to an unnamed client referred to as Project Web or to the Developer who would enter into a design/build lease arrangement with Project Web. The appraised value of the property is \$30,000 per acre for parcels ranging from 15 to 30 acres. The primary term for a lease agreement between the Developer and Project Web would be not less than ten (10) years. Project Web proposes construction of one or more buildings containing a combined total of not less than 225,000 square feet of Class A office space with a total estimated cost in excess of \$45,000,000. More than 1,500 parking spaces will be needed for the facility. The total estimated investment in real and personal property is \$50,000,000 and the total number of new jobs is projected at 500.

The Authority sought approval of the proposed sale before the negotiation and execution of definitive documents because timely decisions are essential for economic development projects. The Authority requested approval to accept a sales price of not less than \$26,500 per acre, which is its cost base in the property, based on offsetting the appraised value with job creation and capital investment requirements. The proceeds from the sale of the property will be retained by the Midlands Technical College Enterprise Campus Authority pursuant to 2013-2014 Appropriations Bill H.3710, Part 1B, §101.24.

Upon a motion by Mr. Eckstrom seconded by Mr. Loftis, the Board approved the Midlands Technical College Enterprise Campus Authority's request to negotiate a sales price between \$26,500 - \$30,000 per acre to Project Web or the Developer.

Information relating to this matter has been retained in these files and is identified as Exhibit 17.

***Clemson University: Not Exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on behalf of Clemson University, Series 2013, of the State of South Carolina (R#7)***

The Board was asked to adopt a resolution making provision for the issuance and sale of not exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on behalf of Clemson University), Series 2013, of the State of South Carolina.

The proceeds from the sale of the bonds will be used to defray the costs of planning,

developing, constructing and equipping an approximately 70,000 square foot facility to provide flexible space for teaching and research in science, technology, and engineering on the campus.

Upon a motion by Mr. White, seconded by Mr. Eckstrom, the Board adopted a resolution making provision for the issuance and sale of not exceeding \$30,300,000 General Obligation State Institution Bonds (Issued on behalf of Clemson University), Series 2013 , of the State of South Carolina.

Information relating to this matter has been retained in these files and is identified as Exhibit 18.

***Future Meeting***

Upon a motion by Mr. White, seconded Senator Leatherman, the Board agreed to meet at 10:00 a.m. on Thursday, October 31, 2013.

***Adjournment***

The meeting adjourned at 10:37 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 1:15 p.m. on Thursday, August 29, 2013.]