

MINUTES OF STATE BUDGET AND CONTROL BOARD MEETING

June 16, 2015 -- 9:30 A. M.

The Budget and Control Board (Board) met at 9:30 a.m. on Tuesday, June 16, 2015, 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 Paul Koch; Division Director Nolan Wiggins; General Counsel David Avant; Governor's Chief of Staff James Burns; Treasurer's Chief of Staff Clarissa Adams; Comptroller General's Chief of Staff Eddie Gunn; Senate Finance Committee Budget Director Mike Shealy; Ways and Means 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 Senator Leatherman, seconded by Mr. White, the Board adopted the agenda as proposed.

Resolution for Samuel L. Wilkins

Upon a motion by Mr. Eckstrom, seconded by Senator Leatherman, the Board adopted a resolution commending Samuel L. Wilkins, Director of the Human Resources Division of the South Carolina Budget and Control Board, upon the occasion of his retirement from State government after 35 years of service. A copy of the resolution is attached and incorporated herein by reference.

Governor Haley commended Mr. Wilkins for his years of service to the State of South Carolina. Ms. Adams also thanked Mr. Wilkins for the work he has done for the State. She stated that he has displayed the highest level of professionalism and that he has been an asset to the Board. She said she is proud to say that she has worked with Mr. Wilkins.

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Introduction

Mr. White introduced Nicholas Adams, Ms. Adam's son, to the Board. He stated that Mr. Adams, a student at Clemson University, was present to observe Ms. Adams during this last official Budget and Control Board meeting. Governor Haley stated that Ms. Adams has done a fantastic job of leading the Board.

Minutes of Previous Meeting

Upon motion by Mr. White, seconded by Senator Leatherman, the Board approved the minutes of the April 28, 2015, Budget and Control Board meeting; and, acting as the Educational Facilities Authority for Private Nonprofit Institutions of Higher Learning, approved the minutes of the April 28, 2015, Authority meeting.

Blue Agenda

Upon a motion by Senator Leatherman, seconded by Mr. Eckstrom, the Board approved blue agenda items 1, 2, 3, and 5 as noted herein. By way of a motion by Mr. White, seconded by Mr. Loftis, the Board agreed to carry over blue agenda item #4 as noted herein.

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 bond counsel as requested by the State Treasurer's Office:

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

Description of Issue	Agency/Institution (Borrower)	Borrower's Counsel	Issuer's Counsel
\$36,500,000 SC JEDA	CareAlliance Health Service d/b/a Roper St. Francis Healthcare	Haynsworth Sinkler Boyd	Howell Linkous & Nettles
\$12,000,000 SC JEDA	Campbell Young Leaders, Inc.	Haynsworth Sinkler Boyd	McNair Law Firm
\$68,500,000 SC JEDA	Wofford College	Haynsworth Sinkler Boyd	Nexsen Pruet

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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 easement in accordance with the SC Code of Laws as requested by the Division of General Services:

- (a) County Location: Dillon
- From: Budget and Control Board
- To: City of Dillon
- Consideration: \$700
- Description/Purpose: To grant a 0.015 acre easement for the relocation, installation, operation and maintenance of a 14” sewer force main beneath the Little Pee Dee River to accommodate SCDOT’s US 301 Bridge Replacement Project. Consideration is \$500 plus \$200 per acre for easements across navigable waterways and submerged lands.

The Board concurred and acquiesced in granting the following easement as requested by the Division of General Services:

- (b) County Location: Charleston
- From: Medical University of South Carolina
- To: Commissioners of Public Works of the City of Charleston
- Consideration: \$5
- Description/Purpose: To grant a 0.0057 acre easement for the construction, installation, operation and maintenance of a water line, water meter and associated facilities on property of MUSC. The easement will be of mutual benefit to MUSC and Charleston Commissioners of Public Works.

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 real property conveyances as requested by the Division of General Services:

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- (a) **Agency:** Department of Education
Acreage: 6± acres and a 7,624 square foot building
Location: 565 Country Club Road, Blackville
County: Barnwell
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be divided between Budget and Control Board and Department of Education pursuant to Proviso 101.23.
- (b) **Agency:** Department of Education
Acreage: 9.50± acres and a 6,500 square foot building
Location: 1734 Jonesville Highway, Union
County: Union
Purpose: To dispose of surplus real property.
Price/Transferred To: Not less than appraised value/To be determined
Disposition of Proceeds: To be divided accordingly pursuant to applicable law, statute or proviso.
- (c) **Agency:** Vocational Rehabilitation Department
Acreage: 1.16± acres
Location: 3799 Old Easley Bridge Road, Greenville
County: Greenville
Purpose: To sell real property currently used for an access easement to the adjoining land owner, Robert A Vaughn.
Appraised Value: \$4,988 as of 2/3/2015
Price/Transferred To: \$5,388/ Robert A. Vaughn
Disposition of Proceeds: To be divided between Budget and Control Board and Vocational Rehabilitation Department pursuant to Proviso 101.23.
Additional Information: The Vocational Rehabilitation Department operates its Holmesview Center on approximately 18 acres in Greenville. This land has an easement along the western side of the property which gives the Vaughn's the only possible access to their property as the other sides are surrounded by the Saluda River. Mr. Vaughn desires to purchase the land on which the access easement lies for his continued use.
- (d) **Agency:** Budget and Control Board (Adjutant General)
Acreage: 15.85± acres and improvements
Location: US Highway 1, Cheraw
County: Chesterfield
Purpose: To transfer surplus National Guard Armory to a political

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subdivision pursuant to Joint Resolution R71, H3846.
Price/Transferred To: N/A / Town of Cheraw

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

SC Energy Office: \$2.3M Qualified Energy Conservation Bond Volume Cap Allocation Authority to Abundant Power Group, LLC/SC SAVES with the SC Jobs-Economic Development Authority (JEDA) as Conduit Issuer (Blue Agenda Item #4)

On May 2, 2011, the Board approved \$10M in Qualified Energy Conservation Bond [QECB] volume cap allocation to Abundant Power Group, LLC/SC SAVES in connection with the implementation of qualifying green community programs in Charleston. On August 13, 2013, the Budget and Control approved a scope modification to allow use of the allocation authority statewide. Abundant Power Group, LLC/SC SAVES has now exhausted all but \$2.7M of the original allocation authority and is requesting an additional \$2.3M in QECB volume cap allocation in connection with the implementation of qualifying green community programs, including an energy performance contract in Sumter County and CNG tractors for Randolph Trucking in Dorchester County. The total estimated cost for both projects is \$5M. SC Saves will utilize \$2.7M of its current allocation authority and the additional \$2.3M requested to fund the projects and is amending its current bond resolution with JEDA to reflect such.

The Sumter County project consists of a performance contract encompassing energy efficiency measures on ten county buildings in the form of HVAC system upgrades and controls, envelope improvements, LED lighting retrofits, and water conservation, and the Dorchester County project involves the purchase of four CNG tractors for use by Randolph Trucking. The application submitted by Abundant Power Group, LLC estimates the creation of approximately 84 direct jobs from the capital investment and approximately 10 indirect jobs based on expected energy savings of 6,000 MWhs annually.

In July 2012, the Internal Revenue Service guidelines for the use of QECBs 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

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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.

The QECB allocation authority request was approved by the SC ARRA Volume CAP Advisory Committee on May 12, 2015, with the stipulation that if the bonds are not issued by June 30, 2016, this allocation expires and reverts to the pool.

Mr. White asked that blue agenda item #4 be carried over in order to receive additional information on the item. Mr. Eckstrom asked what Mr. White's issue was concerning the item. Mr. White stated he wanted to find out more about the projects.

Upon a motion by Mr. White, seconded by Mr. Loftis, the Board carried over the request to approve the proposed additional \$2.3M Qualified Energy Conservation Bond volume cap allocation authority to Abundant Power Group, LLC/SC SAVES.

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

Executive Director: Revenue Bonds (Blue Agenda Item #5)

The Board approved the following proposals to issue revenue bonds:

- a. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$36,500,000 Economic Development Bonds
Allocation Needed: -0-
Name of Project: CareAlliance Health Services D/B/A Roper St. Francis Healthcare
Employment Impact: maintenance of approximately 5,300 employees
Project Description: acquisition by Roper St. Francis Healthcare of approximately 123 acres of Land in Goose Creek to be used as the site for the development of future healthcare facilities and the acquisition by Roper St. Francis Healthcare of capital assets throughout its healthcare system.

Note: negotiated private sale

Bond Counsel: Jeremy L. Cook, Haynsworth Sinkler Boyd, P. A.
(Exhibit 5)

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- b. Issuing Authority: Jobs-Economic Development Authority
Amount of Issue: Not Exceeding \$12,300,000 Qualified Energy Conservation Bonds
Allocation Needed: -0-
Name of Project: South Carolina SAVES, Inc. and Abundant Power Group, LLC and the South Carolina SAVES Green Community Program
Employment Impact: estimated at 84 direct jobs and 10 indirect jobs
Project Description: make low interest loans for the financing of energy efficiency and conservation projects sponsored by governmental, institutional and select commercial/industrial entities in municipalities and counties located within South Carolina
Note: negotiated private sale
Bond Counsel: Douglas Lamb, McGuireWoods LLP
(Exhibit 6)
- c. Issuing Authority: SC State Housing Finance and Development Authority
Amount of Issue: Not Exceeding \$70,000,000 Mortgage Revenue Bonds, Series 2015A (\$70,000,000 refunding involved)
Allocation Needed: -0-
Name of Project: Mortgage Revenue Bonds, Series 2015A
Employment Impact: n/a
Project Description: Mortgage Revenue Bonds, Series 2015A
Bond Counsel: Rion D. Foley, McNair Law Firm
(Exhibit 7)

B&CB/Elliott Davis: SCSU Financial Analysis Update (Regular Session Item #1)

By Resolution passed at the April 30, 2014, meeting, the Board (“Board”) authorized an interagency loan to South Carolina State University (“University”). As follow-up to the Resolution, the Board entered into an interagency loan agreement (“agreement”) with the University executed on May 22, 2014. Pursuant to both the Resolution and the Agreement, a portion of the loan proceeds were to be used by the Board to contract for consulting and/or auditing services to help the University assess and improve its financial management and various operational, administrative and governance practices. Accordingly, the Board engaged the accounting firm of Elliott Davis (now known as Elliott Davis Decosimo) to perform the services contemplated by the Resolution and Agreement.

As part of the engagement, Elliott Davis is to provide the following services and reports/deliverables:

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- 1) A forecasted compilation of cash inflows and cash outflows which will result in a “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses”;
- 2) A compiled statement of net position, a compiled statement of changes in net position and a compiled statement of cash flows (the financial statements);
- 3) Certain Agreed Upon Procedures (AUP) and an AUP Report; and,
- 4) A Letter of Comments and Recommendations.

At the March 18, 2015, meeting, the Board received and accepted the “Statement of Forecasted Monthly Cash Flows and Accounts Payable and Accrued Expenses”. The Board, as client for the purposes of the Elliott Davis engagement, was asked to receive and accept the draft compiled statements of net position, the AUP Report, and the Letter of Comments and Recommendations so that they can become final.

Appearing before the Board on this matter was Tom McNeish with the accounting firm Elliot Davis. Mr. McNeish provided the Board with a financial analysis update of SCSU’s financial position. A copy of Mr. McNeish’s presentation to the Board is attached and incorporated herein by reference. He noted that there were an extensive number of findings. He noted that among those were a steady reduction in enrollment and revenues since 2009; unsuccessful efforts to sufficiently reduce costs; lack of documentation to support the purpose and proper authorization of transactions; inadequate resources and training for effective practices to support timely, accurate financial reporting; and warnings received from the accreditation agency for non-compliance with principles related to financial stability and control over finances.

Senator Leatherman stated that he had heard that students at SCSU were not required to pay tuition at the time of enrollment. Mr. McNeish stated that that practice was happening at SCSU.

Mr. Eckstrom asked Mr. McNeish if he noticed any changes in the findings during their review. Mr. McNeish said the extent of their findings were consistent with prior findings in the external audit report.

Mr. McNeish indicated that the highest number of their findings were in disbursement

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transactions. He said those included discrepancies in accounting records, authorization deficiencies, and missing documentation. Mr. Eckstrom commented that it appears that 1 out of 5 of the transactions had discrepancies in the accounting records. Mr. McNeish said that is generally correct, but that the findings are not mutually exclusive and that some of the transactions were reflected in other areas as well.

Senator Leatherman asked if Mr. McNeish knew if there have been attempts to negotiate with vendors on account payables on the amount outstanding. Mr. McNeish said that he was not the person who could answer that question. Edward Patrick, Vice President for Finance and Management for SCSU advised the Board that there have been attempts to negotiate with their largest vendors to negotiate down the amount owed by SCSU to its vendors. Senator Leatherman asked Mr. Patrick who was involved in the negotiations. Mr. Patrick responded that SCSU's general counsel, its Board of Trustees, and he have been involved in the negotiations. Senator Leatherman said that the negotiations should be above staff level and that SCSU's board chairman, Charlie Way should be involved as well. Mr. Way said that there have been members of the Board of Trustees along with staff that have been negotiating with vendors and that they are very involved in this effort.

Mr. McNeish further noted, among other things, that student enrollment records should be reconciled to the subsidiary ledger on a monthly basis to monitor fruition of enrollment estimates to tuition revenue and cash collections. Governor Haley said that is a key point. She said what happened from 2009 until now is a key component to why things went "south" for SCSU.

After Mr. McNeish's presentation, Governor Haley stated that the report is the basis for SCSU moving forward. She asked Mr. Way to convey to SCSU's Board of Trustees the Budget and Control Board's appreciation for being committed to getting SCSU back on track. She indicated that the report shows that what SCSU did in the past may have been done with the best intentions, but that now things will be done with the best procedures in place. She said that will make a huge difference at SCSU.

Mr. Eckstrom asked if there is a roadmap for putting those procedures in place. Mr. Way said he received the report a couple of hours before this meeting and that he has read Elliott

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Davis' draft report and it is scathing. He said he will have to read the current report more closely. He commented that everyone has to realize that the problems at SCSU did not happen overnight, but have been coming on for years. He stated that SCSU has a very strong, brand new Board of Trustees that is very involved in the governance of SCSU. Senator Leatherman stated that he has all the confidence in the SCSU Board of Trustees. Governor Haley reminded Mr. Way that the Board is available to help however it can.

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Board received and accepted the compiled statements of net position, the Agreed Upon Procedures Report, and the Letter of Comments and Recommendations concerning South Carolina State University.

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

South Carolina State University: Request to Modify Repayment Terms of Budget and Control Board Interagency Loan Resolution (Regular Session Item #2)

The Board was asked to consider a request from South Carolina State University to modify repayment terms of a Board interagency loan of April 30, 2014, to South Carolina State University (SCSU).

Senator Leatherman stated that he did not agree with the loan being made initially. He said from what he has seen during this meeting, SCSU is on the right track. He said that he intends to move for approval of the request.

Mr. Eckstrom asked Mr. Patrick if there would be any debt covenant impact. Mr. Patrick stated that this action would help from a current ratio and going concern perspective and a SACS accreditation perspective. He stated that SCSU's current liability is high, but if that can be reduced it would make their balance sheet stronger. Mr. Eckstrom said that takes current liability and makes it long term. Mr. Patrick said from a covenant perspective SCSU only has a reporting covenant.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved a request from South Carolina State University to modify repayment terms of a Budget and Control Board interagency loan of April 30, 2014. The Board approved Scenario 2 that was

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provided to the Board. Scenario 2 specified payment terms that extends the due date of the loan to June 30, 2020, and requires the first payment of \$355,036.43 be made by June 30, 2016.

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

Division of General Services: Greenville Technical College Lease-Outs to Greer Middle School (Regular Session Item #3)

Greenville Technical College requested approval to lease approximately 6.0 acres of land located on their Benson Campus in Taylors to Greer Middle College, a South Carolina non-profit corporation, for the purpose of constructing and operating a public charter school or equivalent charter school providing public education.

This lease is the continuation of an existing partnership with Greer Middle College. Greer Middle College is presently operating out of portable buildings on the campus, and they desire to construct a permanent building near the site they are currently occupying. The Charter for the Middle College requires the institution be located on a college campus. Greer Middle College has almost 400 students and many of those students are also taking classes at Greenville Technical College. Many of the Middle College graduates enroll in Greenville Technical College after their high school career. Furthermore, the construction of this school on the Benson Campus will allow Greenville Technical College to have access to a gymnasium with a basketball court for student and college events. Based on the partnership and the benefits to both parties, the lease term will be fifty (50) years, beginning upon approval by the Budget and Control Board, at a rate of \$1.00 per year.

Both the Greer Charter High School Board and the Greenville Technical College Area Commission have approved the lease. Additionally, the State Board for Technical and Comprehensive Education approved the lease on May 28, 2015. Concurrent with the lease term, Greenville Technical College will grant general, non-exclusive easements as may be necessary and at the Landlord's discretion for the construction and maintenance of utility services, surface and storm water drainage, and property access. All maintenance and repairs of the leased property will be the sole responsibility of Greer Middle College. Any alterations, additions, or improvements constructed by Greer Middle College during the lease term will be and shall

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remain the property of Greer Middle College. Any such alterations, additions, or improvements must be removed at final termination of the lease and the property restored to a finished grade comparable to the condition of the property at inception of the lease.

Mr. Eckstrom asked if Greer Middle College currently exists. Jacqui DiMaggio with Greenville Technical College said the Greer Middle College has been operating on the College's campus for over five years. She stated that they are currently in portables and they would like to lease a separate piece of land from the College and acquire funding to build a building and gymnasium on the campus. She said Greer Middle College needs to have a long term lease in place while they seek to obtain funding.

Mr. Eckstrom asked if there were any liability risks for students being injured on campus. Ms. DiMaggio said that is addressed in the lease and that the Board's counsel has been very helpful in getting the coverage that is needed in the lease agreement.

Upon a motion by Mr. White, seconded by Senator Leatherman, the Board approved the proposed 50 year lease-out and related easements from Greenville Technical College to Greer Middle College.

Information relating to this matter has been retained in these files and is identified as Exhibit 10.

Executive Budget Office: Permanent Improvement Projects (Regular Session Item #4)

Budget and Control Board approval was requested for permanent improvement project establishment requests and budget revisions, as noted herein, which were reviewed favorably by the Joint Bond Review Committee.

Mr. Eckstrom commented that he noticed a number of the projects were included on the capital project improvement plan (CPIP), but a number of them were not. He asked if the plan was no longer being used by staff. Allyn Powell with the Executive Budget Office appeared before the Board on this matter. She stated that CPIP restarted last year and that was the first year a lot of agencies had done CPIP in a very long time. She said a number of agencies had to go through a readjustment process in looking at their capital needs and figure out what needed to be on their plans. She also said there have been some inconsistencies in reporting by some

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agencies. Ms. Adams added that the Department of Administration in conjunction with the Joint Bond Review Committee and the State Fiscal Accountability Authority will be looking at how to make that process better.

With regard to item 4(u) concerning a Department of Natural Resources (DNR) land acquisition, Mr. Eckstrom asked who owned the land. Ms. Powell said her understanding is that DNR is purchasing the property from the Conservation Fund, a nonprofit organization. Ken Prosser with DNR confirmed that the property was owned by the Conservation Fund. Mr. Eckstrom asked what would the cost to the State be for the property and how would it be acquired. Mr. Prosser said the property would be acquired using a variety of funds to include federal funds, state funds, Conservation Bank funds, a grant from the Forest Service, and, potentially, Heritage Trust funds. He said the expected is cost is \$5.5 million.

Mr. Loftis asked if the Department of Disabilities and Special Needs (DDSN) facilities listed in item 4(n) are statewide facilities or facilities owned by the county. A DDSN representative responded that the facilities are owned by the agency.

Upon a motion by Senator Leatherman, seconded by Mr. White, the Board approved the following permanent improvement project establishment requests and budget revisions except as otherwise noted herein.

Establish Project for A&E Design

- (a) Summary 7-2015: JBRC Item 1. State Board for Technical and Comprehensive Education
- Project: 6109, Orangeburg-Calhoun - Buildings A through J Roof Replacements
Funding Source: \$50,000 Other, Local funds, which are funds appropriated to the college by the county in support of the college.
- Request: Establish project and budget for \$50,000 (Other, Local funds) to begin design work to replace roofs on buildings A through J and the connecting corridors at Orangeburg-Calhoun Technical College in Orangeburg County. The buildings range in age from 40 to 45 years old and all of the roofs to be replaced are over 25 years old. The expected life of these roofs was 20 years, and they have reached the end of their useful life. The project will include all components of the roof replacement, including 145,000 square feet of roofing and addressing any secondary drainage issues. The buildings house office space for 85 faculty and staff, 20 classrooms with an average capacity of 21 students, 15 labs with an average capacity of 21 students, 1 large computer lab, 1 large lecture room

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with a seating capacity of 180 and a library.

- (b) Summary 7-2015: JBRC Item 2. Department of Mental Health
Project: 9742, Morris Village Lake Dam Repairs
Funding Source: \$30,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Establish project and budget for \$30,000 (Other, Capital Improvement and Maintenance Funds) to begin design work to repair the Morris Village Lake Dam at the Department of Mental Health's Morris Village Treatment Center in Richland County. Morris Village Lake is located adjacent to Morris Village and serves the Activity Therapy programs at Morris Village Treatment Center and Bryan Hospital. The dam was constructed in 1973 and approximately 300 clients, community and staff members use the facility annually. A study of the dam was performed in February 2015 which indicated that principal spillway intake structure and conduit had exceeded their design life. Seepage was also observed on the downstream slope of the dam. The report recommended that either a pipe and riser spillway or a siphon spillway be constructed to replace the existing spillway. It also recommended that an internal drainage system be installed to collect the seepage and that the downstream slope of the dam be flattened to facilitate maintenance and improve stability. This request is in excess of the 1.5% typically allowed for pre-design as a wetlands delineation study will also need to be conducted in order to determine whether the Army Corps of Engineers has jurisdiction over this project.
- (c) Summary 7-2015: JBRC Item 3. Department of Transportation
Project: 9732, SHEP Greenville/Spartanburg Office Phase I
Funding Source: \$15,000, which includes \$12,000 Federal funds, which are a part of the Interstate Mobility Program, and \$3,000 Other, State Highway Funds, which are derived from revenues from the state motor fuel user fee.
Request: Establish project and budget for \$15,000 (\$12,000 Federal and \$3,000 Other, State Highway Funds) to begin design work to construct a new 2,000 square foot facility to house the State Highway Emergency Program (SHEP) unit in the Greenville/Spartanburg area. The facility will be co-located with the Upstate Salt Shed near Exit 58 on I-85 at the Greenville/Spartanburg county line. SHEP units assist motorists with minor repairs to disabled vehicles and, provide support with traffic control and traffic incident management. The facility would include an office for 15 SHEP employees, parking for their personal vehicles, and secure parking for the SHEP vehicles and equipment. The program is currently located in a 17 year old, 360 square foot construction trailer located at a closed rest area. The location was intended to be temporary at the time the program was implemented. This request is in excess of the 1.5% typically allowed for pre-design as the facility is new construction which

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requires more extensive design work to produce a good construction estimate and due to the small overall project budget.

- (d) Summary 7-2015: JBRC Item 4. Department of Transportation
Project: 9733, Headquarters Parking Garage Structural Repairs
Funding Source: \$15,750 Other, State Highway Funds, which are derived from revenues from the state motor fuel user fee.
Request: Establish project and budget for \$15,750 (Other, State Highway Funds) to begin design work to perform structural repairs and maintenance on the Headquarters Parking Garage at the Department of Transportation. The 38 year old 207,900 square foot facility provides 802 parking spaces. The last major repairs to the facility were performed in 2012, with annual maintenance being performed since that time. The repairs would include repairs to cracked and spalling concrete decking and structural tee sections, sealing deck joints. They would also include a concrete surface coating on the top level of the parking structure to help prevent water intrusion.

Establish Construction Budget

- (e) Summary 7-2015: JBRC Item 5. College Of Charleston
Project: 9660, Lesesne House Renovation
Funding Source: \$2,800,000 Other, College funds which are Renovation Reserve funds that are college fees not specifically earmarked for debt service, auxiliary enterprise, clubs or activities
Request: Increase budget to \$2,800,000 (add \$2,800,000 Other College funds and subtract \$42,000 Other, Capital Institutional Project Funds) to increase for construction a project to complete renovation of the Knox Lesesne House and the Knox Lesesne Carriage House at the College of Charleston. The project was established for pre-design in January 2015, which is now complete. The buildings, constructed in 1846, have served as student housing in the heart of the campus since the early 1970s and total 7,039 square feet. The Lesesne House was taken off-line in May 2013 after significant structural and wiring issues were discovered. The buildings have not received major renovation in over forty years and the mechanical, electrical, and plumbing systems need replacement. The renovation will convert the buildings from student housing to academic support offices in an effort to better preserve and more gently utilize this historic building, as well as address program space shortages. The renovation will slightly modify the interior to make it more functional as office space and make the building ADA-accessible. The renovated buildings will house the Office of Sustainability and the Office of Economic Development, including 9 staff and 67 student users, in addition to providing support to many other undergraduate students. The project will be LEED Silver certified with a positive cost benefit of \$87,609 and will include measures such as a subterranean rainwater collection and irrigation system, local sourcing and

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recycling of original building materials where possible, LED lighting and a rooftop solar array. The agency reports the total projected cost of this project is \$2,800,000, and additional annual operating costs between \$17,955 and \$19,390 are anticipated in association with this project. The projected date for execution of the construction contract is January 2016, while the projected date for completion of construction is June 2017. (See attachment 1 for this agenda item for additional annual operating cost savings.)

- (f) Summary 6-2015: JBRC Item 6. University of South Carolina
Project: 6109, Men's Basketball Office/Team Spaces Renovation
Funding Source: \$4,000,000 Athletic Operating Funds, which are funds generated from Athletic revenues which consist of ticket sales, SEC Conference Distributions, Gamecock Club contributions, seat premiums and corporate sponsorships.
Request: Increase budget to \$4,000,000 (add \$3,940,000 – Athletic, Operating Funds) to increase for construction a project to renovate 23,900 square feet in the lower level of the Carolina Coliseum to create a men's basketball office suite and renovation of team spaces which serve the men's and women's basketball programs as well as the volleyball program at the University of South Carolina. The project was established for pre-design in December 2014, which is now complete. The 412,606 square foot Carolina Coliseum is 47 years old and this portion of the Coliseum has not undergone major renovations in that time. The men's basketball offices will relocate from the volleyball facility to the Coliseum on the ground floor. The exterior entrance and grounds immediately around the Park Street entry will be improved to better define the home of the men's basketball program. The team spaces will accommodate all three programs by renovating the corridor between the Coliseum and Athletic Practice Facility, renovating locker rooms, and creating a shared weight room in proximity to all three programs with adjacent training rooms. Each program, in its current location, has limited reception and entry areas and requires the sharing of office space, making it difficult to strongly promote each program individually. The project will also eliminate the need for student athletes to travel among multiple facilities for different functions and will serve 100 team members, coaches, staff and trainers for the various programs. Energy saving measures will be installed, including variable air volume HVAC systems and energy efficient lighting. The agency reports the total projected cost of this project is \$4,000,000 with no additional annual operating costs associated with the project. The projected date for execution of the construction contract is April 2016 with completion of construction in April 2017.
- (g) Summary 7-2015: JBRC Item 7. State Board for Technical and Comprehensive Education
Project: 6105, Florence-Darlington - Automotive and HVAC Technology Center
Funding Source: \$7,750,000, which includes \$2,750,000 Appropriated State funds, \$2,000,000 Other, Excess Debt Service Funds, \$2,000,000 Other, College and

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Local funds and \$1,000,000 Other Florence Darlington Education Foundation Funds.

Request: Increase budget to \$7,750,000 (add \$6,750,000 - \$1,750,000 Appropriated State, \$2,000,000 Other, Excess Debt Service, \$2,000,000 Other, College and Local and \$1,000,000 Other, Florence-Darlington Education Foundation Funds) to increase for construction a project to construct a new Automotive, Auto Body and HVAC Technologies Training Center at Florence-Darlington Technical College. The project was established for pre-design in February 2015 with legislatively authorized funds, which is now complete. The college's programs in these areas are currently constrained by the availability of facilities, limiting the number of students who can enroll in the programs. The waiting list for enrollment in these programs is currently over 200 students. In order to meet the needs of students and local industry, the college is planning to construct a new 35,000 square foot facility to house the Automotive, Auto Body and HVAC programs. The new facility will allow these programs to take advantage of the natural synergies that exist between programs, adding to the learning experience for students. The vacated space in the current automotive facility will be renovated to house the expanded Diesel program and the vacated space in the current HVAC facility will be renovated to house the Welding program. Determination of the LEED certification status of the project will be completed at design finalization as this project includes large open warehouse spaces that are not typically conducive to LEED certification. The agency reports the total projected cost of this project is \$7,750,000. Additional annual operating costs ranging from \$244,000 to \$258,000 are anticipated in the three years following project completion. The projected date for execution of the construction contract is August 2016 with completion of construction in January 2017. (See attachment 2 for this agenda item for additional annual operating costs.)

(h) Summary 7-2015: JBRC Item 8. State Board for Technical and Comprehensive Education

Project: 6100, Piedmont - Admissions/Student Support Building B Renovations

Funding Source: \$2,238,000 Other, College Funds which are a combination of a \$150 per semester per student capital fee and residual balance transfers approved by the Area Commission.

Request: Increase budget to \$2,238,000 (add \$2,208,000 Other, College Funds) to establish for construction a project to renovate the "B" Building at the Piedmont Technical College. The facility is occupied by student support, academics and continuing education, which includes financial aid, admissions, classrooms and training. The current space design does not accommodate the needs of the college. Building B was built in three phases in the years 1982, 1985 and 1989, totaling 19,830 square feet. Other than routine maintenance, roof replacement and restroom renovations, no major renovations have taken place since construction. In order to provide and accommodate the required

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space for student services, it is necessary to renovate the existing layout and offer a “one-stop-shop” environment by providing new and returning students the essential resources in one building. The project will involve renovating approximately 9,400 square feet of existing space and adding or rebuilding approximately 3,000 square feet to make the layout of the buildings more efficient. The agency reports the total projected cost of this project is \$2,238,000, with additional annual operating costs between \$8,528 and \$9,398 in the three years following project completion. The projected date for execution of the construction contract is September 2015, while the projected date for completion of construction is August 2016. (See attachment 3 for this agenda item for additional annual operating costs.)

- (i) Summary 7-2015: JBRC Item 9. Wil Lou Gray Opportunity School
Project: 9513, Campus Repaving Project
Funding Source: \$468,268 which is made up of \$350,000 Appropriated State funds, which were appropriated specifically for campus improvements, and \$118,268 Other, Special Deposit funds which are earmarked funds from the agency’s endowment
Request: Establish project and budget for \$468,268 (\$350,000 Appropriated State and \$118,268 Other, Special Deposit funds) to establish for construction a project to repave roads and parking lots on campus of the Wil Lou Gray Opportunity School in Richland County. The agency has worked with DOT to secure preliminary estimates for the paving work and as such is requesting that this be approved for construction without previous pre-design approval. The project will include the replacement of all paving on campus (approximately 24,700 square yards), painting spaces, and installing curb cuts to improve ADA compliance. The project will also include the installation of a small parking lot (10-16 spaces) beside the B dorm, which is currently leased to another state agency, to accommodate parking needs for that building, as well as the construction of an asphalt pad to accommodate JROTC and other campus activities. The agency reports the total projected cost for this project is \$468,268.14 and no additional annual operating costs are expected as a result of this project. The projected date for execution of the construction contract is May 2015 with completion in September 2015.
- (j) Summary 7-2015: JBRC Item 10. Vocational Rehabilitation Department
Project: 9600, Palmetto Center Facility Construction
Funding Source: \$10,650,125 which includes \$4,320,125 Capital Reserve funds, \$1,005,000 Appropriated State funds, which is part of an appropriation for facility improvements, and \$5,325,000 Federal funds, which are part of the state vocational rehabilitation services grant.
Request: Increase budget to \$10,650,125 (add \$7,650,125 - \$1,320,125 Capital Reserve, \$1,005,000 Appropriated State and \$5,325,000 Federal funds) to increase for construction a project to construct a new drug and alcohol treatment center to

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replace the Vocational Rehabilitation Department's Palmetto Center in Florence County. The project was established in October 2013 with legislatively authorized funds. The new 38,739 square foot facility, which will serve 50 clients and 44 staff, will replace the existing Palmetto Center, which is over 50 years old, and will be constructed on the existing 25 acres site. The new facility will include Men's and Women's dorm rooms, a community room, dayrooms, group therapy rooms, an exercise area, a computer classroom, offices, a kitchen and dining and support areas. The project will be constructed to LEED Silver certification with an estimated positive cost benefit of \$18,907 annually. The agency reports the total projected cost of this project is \$10,650,125 with no additional annual operating costs associated with this project. The projected date for execution of the construction contract is September 2015 with completion of construction in September 2016.

- (k) Summary 7-2015: JBRC Item 11. Department of Mental Health
Project: 9732, Harris Hospital Utility Building Renovations
Funding Source: \$946,000 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: Increase budget to \$946,000 (add \$931,000 Other, Capital Improvement and Maintenance Funds) to increase for construction a project to replace the Harris Hospital Utility/Support Building roof and wall waterproofing. The roof of the building is 29 years old and is constructed of precast concrete framing and a poured concrete deck. The poured concrete deck is covered with a membrane roofing system on top of which is 18 inches of soil covered with grass. The 13,016 square foot existing roof is leaking and concrete is falling from the concrete roof framing and deck. Signs of water infiltration have also been discovered in the exterior walls of the facility, indicating that waterproofing on the retaining walls has begun to fail. Soil excavations performed along the retaining wall and roof have indicated that the entire rear wall will need to be exposed in order to replace the waterproofing system. This will require extensive shoring work during construction. The scope revision will also allow for a French Drain system will be installed at the foundation level to help prevent future moisture intrusion. The agency reports the total projected cost of this project is \$946,000 with no additional annual operating costs associated with the project. The projected date for execution of the construction contract is January 2016 with completion of construction in July 2016.
- (l) Summary 7-2015: JBRC Item 12. Department of Disabilities and Special Needs
Project: 9885, Whitten Center Preventive Maintenance
Funding Source: \$325,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-

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1170 for capital improvements.

Request: Increase budget to \$325,000 (add \$320,125 - \$211,775 Excess Debt Service and \$108,350 Other, Whitten Center Trust Funds) to increase for construction a project to perform preventive maintenance at the Whitten Center in Laurens County. Seventeen buildings covering 121,628 square foot Whitten Center will be included in the project. The buildings serve approximately 264 clients and staff and range in age from 14 to 81 years old. Systems affected by the project range in age from 3 to 51 years old. Maintenance projects will include upgrading the dormitory fire alarm systems to include carbon monoxide detectors, replacing windows in a dorm, renovating the activity building, replacing a boiler at the dental clinic, tree removal and trimming and landscaping replacement at the Sensory Garden. The agency reports the total projected cost of this project is \$325,000 and no additional annual operating costs are anticipated in association with this project. The expected date for the execution of the construction contract is June 2015 with completion of construction in June 2016.

(m) Summary 7-2015: JBRC Item 13. Department of Disabilities and Special Needs

Project: 9886, Midlands Center Preventive Maintenance

Funding Source: \$390,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.

Request: Increase budget to \$390,000 (add \$384,150 Excess Debt Service funds) to increase for construction a project to perform preventive maintenance at the Midlands Center in Richland County. Twelve buildings at the 204,494 square foot Midlands Center will be included in the project. The buildings serve approximately five hundred clients and staff and range from 28 years old to 51 years old. All systems to be maintained or replaced are at least twelve years old, with most being significantly older. Maintenance projects will include the replacement of exterior soffit lights at dormitories to improve safety and security for residents, replacement of interior lighting and controls in dormitory storage areas, the removal of an underground fuel tank, painting of exterior entrances to the building, replacement of ceiling tiles, replacement of carpeting and the renovation of bathrooms for ADA compliance, and other lifecycle replacement projects. The agency reports the total projected cost of this project is \$390,000 and no additional annual operating costs are anticipated in association with this project. The expected date for execution of the construction contract is June 2015 with completion of construction in August 2016.

(n) Summary 7-2015: JBRC Item 14. Department of Disabilities and Special Needs

Project: 9887, Statewide Facilities License Conversion and Preventive Maintenance

Funding Source: \$400,000 Other, Excess Debt Service funds, which are derived from

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revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.

Request: Increase budget to \$400,000 (add \$394,000 Excess Debt Service funds) to increase for construction a project to replace building components at Department of Disabilities and Special Needs facilities statewide to provide code compliant upgrades that will allow for conversion of their licenses from ICF-ID to CRCF or CTH II license designations. The buildings range in age from 25 to 74 years old and serve 76 clients and staff. The projects will address life cycle replacement issues for HVAC equipment, water heaters, sanitizers, windows, doors, roofing, and life safety systems. It will also include energy efficient lighting, building envelope insulation, kitchen cabinet refurbishment, kitchen countertop replacement, and roll-in shower conversion. The agency reports the total projected cost of this project is \$400,000 and no additional annual operating costs are anticipated in association with this project. The expected date for execution of the construction contract is June 2015 with completion of construction in July 2016.

- (o) Summary 7-2015: JBRC Item 15. Department of Disabilities and Special Needs
Project: 9888, Pee Dee/Saleeby Centers Preventive Maintenance
Funding Source: \$522,000 Other, Excess Debt Service funds, which are derived from revenues received by the agency that were in excess of the amounts need to meet its debt service requirement and have been retained pursuant to §44-20-1170 for capital improvements.
- Request: Increase budget to \$522,000 (add \$514,170 Excess Debt Service funds) to increase for construction a project to perform preventive maintenance at the Pee-Dee Center, located in Florence and Saleeby Center, located in Hartsville. A total of 72,394 square feet will be renovated in this project across both centers. Buildings included in the project range in age from 35 to 47 years old and the renovations will impact 213 clients and staff. The work at the Pee Dee Center will include renovation of a total of 24 bathrooms located across six dorms, the replacement of cooking equipment in the Pee Dee Center Central Kitchen, the replacement of HVAC equipment in the Pee Dee Central Kitchen and a dorm, and the replacement of flooring in the administration and program buildings. The work at the Saleeby Center will include the replacement of damaged ceiling tiles, commercial laundry equipment and wall finishes, as well as the installation of additional accessible handrails. The agency reports the total projected cost of this project is \$522,000 and no additional annual operating costs are anticipated in association with this project. The expected date for execution of the construction contract is June 2015 with completion of construction in December 2016.

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Increase Budget

- (p) Summary 7-2015: JBRC Item 16. Coastal Carolina University
Project: 9548, Smith Science Building Renovation
Funding Source: \$7,150,000 which is made up of \$1,000,000 Appropriated State funds appropriated for this purpose, \$3,966,600 Other Renovation Reserve funds and \$2,183,400 Other, Institutional Capital Project funds.
Request: Increase budget to \$7,150,000 (add \$5,125,000 - \$1,000,000 Appropriated State, \$2,183,400 Other, Institutional Capital Project Fund and \$1,941,600 Other, Renovation Reserve/Plant Expansion Funds) to revise the scope and increase the construction budget for a project to perform maintenance on the Smith Science Building at Coastal Carolina University. The project was approved for pre-design in May 2006 and increased for construction in September 2007. Renovations to this building were put on hold as funding was secured and two new science buildings were constructed so that these renovations could be considered as part of a comprehensive package to address the needs of the science departments at the college. The approximately 40,000 square foot facility is 35 years old and has not undergone major renovations in that time. The project originally included only HVAC repairs, roof repairs, electrical upgrades and window replacements. The scope revision would add interior work to reconfigure portions of the building to allow for the reconfiguration of lab and office spaces as well as the abatement of asbestos found in floor tile, floor mastic and glue. The project will address maintenance issues, including replacement of the roof, replacement of windows, repair of trim work and the repair of masonry cracks. Interior improvements will include selective demolition to allow for the reconfiguration of space and the construction of a new 400 square foot entryway as well as interior cosmetic improvements. The Smith Science building will house the Physics, Mathematics and Psychology departments and the renovation will include state of the art teaching labs, classrooms, tutoring areas, office space to accommodate 68 faculty and staff, 13 labs/classrooms seating 25-35 students each, conference rooms and lounges. This renovation will complete the construction and reconfiguration of the science complex. The agency reports the total projected cost for this project is \$7,150,000 and that no additional annual operating costs are anticipated in association with the project. The projected date for execution of the construction contract is June 2016 with completion of construction in June 2017.
- (q) Summary 7-2015: JBRC Item 17. Vocational Rehabilitation Department
Project: 9554, Lyman VR Center Land Purchase/Building Construction
Funding Source: \$10,026,485 which includes \$1,500,000 Capital Reserve funds, \$758,100 Appropriated State funds, which are appropriations carried forward by the agency, \$5,325,742 Federal funds, which are from the state vocational rehabilitation services grant, \$2,160,743 Other, Work Shop Production funds,

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which are revenues derived from training center contracts, \$141,900 Other, Other Reimbursements funds which are other reimbursements due to the agency and expended pursuant to Proviso 32.1 and \$140,000 Other, Sale of Land funds, which are revenues derived from the sale of land in Laurens County by the agency.

Request: Increase budget to \$10,026,485 (add \$995,000 - \$855,000 Federal and \$140,000 Other, Sale of Land funds) to increase the construction budget for a project to construct a training center and storage building at the Department of Vocational Rehabilitation's Lyman VR Center in Spartanburg County. The project original project included both the land acquisition and the construction of the facility. The project was initiated in June 1998 and the land acquisition was completed in August 2006. In January 2008 approval was given to proceed with pre-design for the construction of the 18,000 square foot training center and 10,000 square foot storage building. Approval for the construction of the facilities was granted in December 2009 for a total budget of \$9,031,485 but the project was put on hold shortly thereafter due to the effects of agency budget reductions. The agency has restarted work on the project and has discovered that an additional \$995,000 is needed to complete the project, primarily due to inflation. The agency reports the total projected cost of this project is \$10,026,485 and additional annual operating costs ranging from \$1,199,598 to \$1,223,598 are anticipated in the three years following project completion. The projected date for execution of the construction contract is September 2015 with completion of construction in September 2016. (See attachment 4 for this agenda item for additional annual operating costs.)

(r) Summary 7-2015: JBRC Item 18. Department of Mental Health

Project: 9703, Bryan Hospital C&A Renovation

Funding Source: \$15,359,850, which includes \$ 13,759,850 Other, Operating Revenue funds and \$1,375,000 Other, Deferred Maintenance funds, which are funds authorized pursuant to Proviso 35.10 of FY 2014-15 for maintenance and repairs.

Request: Increase budget to \$15,359,850 (add \$225,000 Other, Deferred Maintenance funds) to increase the construction budget of a project to perform renovations to Bryan Psychiatric Hospital for renovations and additions related to the Child and Adolescent Programs in Richland County. The project was established in September 2006 to construct a new Child and Adolescent (C&A) Hospital and revised in August 2009 to renovate a building at Hall Institute to provide for this need. In October 2012 the project was modified to change the location from the 49 year old Hall Institute, located on the Bull Street campus, to the Bryan Psychiatric Hospital campus. The project was changed due to excessive deferred maintenance, renovation and code upgrade costs and due to the availability of space at the Bryan Psychiatric Hospital campus. The project includes 21,000 square feet of new construction and 36,900 square feet of renovation. The increase of \$225,000 is needed to correct electrical hardware

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issues in the lodges being renovated and to allow for the use of temporary office space longer than originally anticipated. The buildings at Bryan being renovated are 35 years old and the facility will serve approximately 44 staff and 220 residents. The agency reports the total projected cost of this project is \$15,359,850.

- (s) Summary 7-2015: JBRC Item 19. Department of Agriculture
Project: 9513, State Farmers Market Signage
Funding Source: \$363,779, which includes \$292,000 Other, Accrued Interest funds which are interest accrued and retained by the agency from the sale of property and \$71,779 Other, Tobacco funds, which are funds directed to the agency by proviso for the marketing and branding of agricultural crops.
Request: Increase budget to \$363,779 (add \$122,710 - \$71,779 Other, Tobacco and \$50,931 Other, Accrued Interest funds) to increase the construction budget to construct sign for the State Farmers Market adjacent to the facility in Lexington County. The project was initiated as a staff level project in February 2013 and was increased for construction in July 2014. The project will include the construction of a sign on the east side of US Highway 321 at the SC State sided monument entry sign of metal and stone construction with a full color message board, and lettering designating the location as the SC State Farmers Market. The sign will be visible during the day and at night to drivers traveling in both directions. After the project was increased for construction, the agency procured final design work for the project. The design work cost \$38,080 more than originally budgeted and the construct estimate was \$59,427 more than originally budgeted. The agency is also requesting an increase cover added contingency and inspection costs. The agency reports that these differences are due to the fact that the cost of a large complex sign is highly dependent on the exact final design chosen. The agency is also requesting an increase cover added contingency and inspection costs. The agency reports the total projected cost of this project is \$363,779. No additional operating costs or savings are anticipated to result from the project. The anticipated date for the execution of the construction contract is June 2015, with completion of construction in December 2015.

Revise Scope

- (t) Summary 7-2015: JBRC Item 20. Department of Mental Health
Project: 9735, Veterans Victory House Nurse Call/CCTV System Renovations
Funding Source: \$7,500 Other, Capital Improvement and Maintenance Funds which are funds authorized pursuant to Proviso 35.14 of FY 2014 and may include Medicaid fee-for service earned revenue, legal settlements and other one-time funding sources.
Request: To revise the scope of a project to renovate the nurse call and closed circuit television (CCTV) systems at the Department of Mental Health's Veterans

Victory House in Walterboro, SC. The 124,810 square foot 220 bed facility provides medical and nursing care, dementia care, rehabilitative therapy, pharmacy services, recreational and therapeutic activities, dietary and other services. The facility houses 220 veterans, and is used by approximately 230 support staff. The existing nurse call system is obsolete and has become unreliable. The existing black and white CCTV system is ten years old. The cameras are of a poor quality and are not located to meet current needs. The CCTV system will be replaced by a digital system to allow for enhanced monitoring and greater flexibility. In the original project scope the agency anticipated that most of the in-room components of the nurse call system could be reused. However, upon beginning design work, the agency discovered that replacement of the in-room components, including wiring and terminal points, would also be required. The agency is requesting to revise the scope to allow for a full replacement of the nurse call system.

Preliminary Land Acquisition

- (u) Summary 7-2015: JBRC Item 21. Department of Natural Resources
Project: 9946, Lancaster/Kershaw-Catawba River WMA Property Acquisition – Phase II
Funding Source: \$20,000 Other, Heritage Land Trust Funds, 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 1,829 acres of land in Lancaster and Kershaw Counties by the Department of Natural Resources. The property is adjacent to the agency's Liberty Hill Wildlife Management Area and is part of an overall acquisition plan for the larger Catawba Wildlife Management Area. Acquisition of this property will protect land containing habitats for deer, quail, small game and turkey. After the property is acquired it will be managed as part of the Catawba River WMA and will be open to the public for fishing, hunting, hiking and wildlife viewing.

Information relating to this matter has been retained in these files and is identified as Exhibit 11.

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Executive Budget Office: Real Property Acquisition (Regular Session Item #5)

The Executive Budget Office recommended approval of the real property acquisition noted herein.

Mr. Eckstrom said it seemed unusual that a foundation would accept a donation on behalf of the College and then sell the property to the College. He said he does not think that it is illegal, but that it is unusual.

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

(a) Agency:	H59 - Greenville Technical College
Acreage:	±4.01 acres
Location:	Adjacent to the North entrance to the Barton Campus on E. Faris Road in Greenville, SC.
County:	Greenville
Purpose:	Future parking needs
Appraised Value:	\$210,000
Price/Seller:	\$190,000 Greenville Tech Foundation, Inc.
Source of Funds:	Local Funds
Project Number:	H59-6102
Environmental Study:	Approved
Building Condition	N/A
Assessment:	
Additional Annual Op Cost/SOF:	Less than \$200 annually for the entire property
Current Year Property Tax:	N/A
Approved By:	JBRC on 6/3/2015

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

Department of Commerce: Not Exceeding \$123,000,000 Principal Amount General Obligation State Economic Development bonds of the State of South Carolina (Regular Session Item 6)

The Board was asked to adopt a resolution to provide for the issuance and sale of not exceeding \$123,000,000 General Obligation State Economic Development Bonds of the State of South Carolina in connection with an investment in the State of South Carolina by Volvo Car US

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Operations Inc. (Volvo), a wholly owned subsidiary of Volvo Cars of North America, LLC.

Volvo announced plans to construct facilities in Berkeley County for the manufacture and assembly of motor vehicle. No fewer than 2,000 “new jobs” are expected to be created as a result of this project.

Senator Leatherman commended Governor Haley and Commerce Secretary Hitt for getting Volvo to the State. He said that anytime the State makes a commitment to get a company to come to the State that commitment will be honored. He stated he is concerned that the State has cash, but bonds are being issued that will cost the taxpayers over \$86 million in interest. He said his preference is to get the General Assembly to appropriate funds to take care of this matter, rather than issue bonds. Governor Haley responded that she got an earful from the Senate and the House in terms of how South Carolina is a legislative state. She said she is reminded of that every day. She stated, however, that there is a reason Volvo wanted to proceed this way. Governor Haley said had Volvo seen the JBRC meeting it would have confirmed that reason. She said Volvo wanted to do this through economic development bonds. She stated that Volvo is going to bring 4000 jobs and a half billion dollars in investment to the State. She said the rural areas of the State will benefit. Governor Haley further said that this may not have been the best way for this transaction, but it was the only way for it to happen. She said had the transaction not occurred this way Volvo would have located in Georgia. She thanked Mr. Loftis and his team for stepping up to help make this transaction happen.

In further discussion, Mr. Eckstrom asked what the total commitment was JBRC made in approving the issuance of bonds. Mr. White said JBRC honored the commitment made of \$123 million. He said that now that the State has money the recommendation is that this be done conventionally and pay for it.

Upon a motion by Mr. Loftis, seconded by Mr. White, the Board adopted a resolution to provide for the issuance and sale of not exceeding \$123,000,000 General Obligation State Economic Development Bonds of the State of South Carolina in connection with an investment in the State of South Carolina by Volvo Car US Operations Inc.

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

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Future Meeting

Upon a motion by Mr. Loftis, seconded by Senator Leatherman, the Board agreed to meet as the State Fiscal Accountability Authority at 10:00 a.m. on Tuesday, August 11, 2015, in Room 252, Edgar A. Brown Building

Adjournment

The meeting adjourned at 11:00 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 9:10 a.m. on Monday, June 15, 2015.]