



STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT

PAT MCCRORY
GOVERNOR

ART POPE
STATE BUDGET DIRECTOR

July 30, 2014

MEMORANDUM

TO: Senator Phil Berger, President Pro-Tempore of the Senate
Representative Thom Tillis, Speaker of the House of Representatives

FROM: Donna S. Cox, Asst State Budget Officer for Statewide Analysis/ Capital
Donna S. Cox

SUBJECT: Report on the Reallocation of Repairs and Renovations Funds

The Office of State Budget and Management must report any Reallocation of the Repair and Renovation funds per Section 6.12 of S.L. 2013-360 amended G.S. 143C-4-3 to the Joint Legislative Commission on Governmental Operations within 60 days of the reallocation. Please see the attached table that shows the reallocations approved by the Office of State Budget and Management.

If you have any questions, please don't hesitate to contact me at 919-807-4746.

OK
Art Pope
8/1/2014

Reserve for Repairs & Renovations - Reallocation

SL 2012-142 Section 26.11 requires OSBM to report to Gov Ops regarding any reallocations of Reserve for Repairs and Renovations fund.

	Agency	Project Title	Budget Code	Amount Reallocated	Justification
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-4H01	\$49,850.00	
TO	DHHS	J Iverson Riddle - New Chiller Project	41344-4L03	\$49,850.00	The current chiller at the Mulberry Building and kitchen had one of its two compressors completely fail. It is more cost effective to replace the entire chiller instead of replacing one of the compressors and continue to operate the second older chiller as well. OSBM authorized the use of 2013 Reserve for Repairs and Renovations funding to pay for this project.
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-4H01	\$100,871.00	
TO	DPI	Gov Morehead School - Cold Storage Building	41303-4C03	\$100,871.00	On October 31, 2013 fire severely damaged the Cold Storage/Housekeeping facility at the Governor Morehead School. The Department declared this an emergency project on November 13, 2013. OSBM authorized the use of 2013 Reserve for Repairs and Renovations funding in order to pay the portion of the costs of repairs and required building upgrades that are not eligible for reimbursement through the Department of Insurance.
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-4H01	\$226,310.70	
TO	DHHS	Dix Hospital - New Cooling Tower Project	41341-4N01	\$226,310.70	The three existing 200 ton cooling towers that serve the McBryde North complex need to be replaced due to significant deterioration in the hot water basins, orifices, baffles, and cold water basin. The units are leaking causing excessive water consumption and increased chemical treatment costs. The new units should be stainless steel models to provide improved corrosion protection and longer service life. OSBM authorized the use of 2013 Reserve for Repairs and Renovations funding to pay a portion of the costs of the replacement of the three cooling towers.
FROM	DHHS	Longleaf - Chiller Replacement	41253-4J01	\$41,197.00	
TO	DHHS	Dix Hospital - New Cooling Tower Project	41341-4N01	\$41,197.00	The three existing 200 ton cooling towers that serve the McBryde North complex need to be replaced due to significant deterioration in the hot water basins, orifices, baffles, and cold water basin. The units are leaking causing excessive water consumption and increased chemical treatment costs. The new units should be stainless steel models to provide improved corrosion protection and longer service life. OSBM authorized the use of unexpended 2012 R&R funding to pay a portion of the costs of the replacement of the three cooling towers.

From	DHHS	Broughton Hospital - Refrigeration Equipment Upgrade	44942-4101	\$49,875.30	
To	DHHS	Dix Hospital - New Cooling Tower Project	44941-4K02	\$49,875.30	<p>The three existing 200 ton cooling towers that serve the McBryde North complex need to be replaced due to significant deterioration in the hot water basins, orifices, baffles, and cold water basin. The units are leaking causing excessive water consumption and increased chemical treatment costs. The new units should be stainless steel models to provide improved corrosion protection and longer service life. OSBM authorized the use of unexpended 2009 R&K funding to pay a portion of the costs of the replacement of the three cooling towers. The total cost to replace the three existing chillers is \$317,383</p>