



**STATE OF NORTH CAROLINA
OFFICE OF STATE BUDGET AND MANAGEMENT**

PAT MCCRORY
GOVERNOR

LEE HARRISS ROBERTS
STATE BUDGET DIRECTOR

September 11, 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.

Reserve for Repairs Renovations - Reallocation

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

	Agency	Project Title	Budget Code	Amount Reallocated	Justification
FROM	DOA	Albemarle Building Cooling Tower	41001-4P12	\$26,894.76	
TO	DOA	Shore Building - Replace Air Cooled Chillers	41301-4S39	\$26,894.76	The Shore Building - Replace Air Cooled Chillers project was funded through the 2013 Reserve for Repairs and Renovations. During the design phase of this project in early Summer 2014, the existing building chiller suffered a complete failure. DOA was then required to rent a portable chiller unit in order to provide HVAC service to the building. The increased costs of renting the portable equipment has necessitated the use of other unexpended R&R funding in order to allow the project to go out for bid. Project 41001-4P12 is complete and the remaining balance will be transferred to 41301-4S39.
From	DOA	Museum of Natural Sciences Colling Tower	41001-4P13	\$12,110.00	
To	DOA	Shore Building - Replace Air Cooled Chillers	41301-4S39	\$12,110.00	The Shore Building - Replace Air Cooled Chillers project was funded through the 2013 Reserve for Repairs and Renovations. During the design phase of this project in early Summer 2014, the existing building chiller suffered a complete failure. DOA was then required to rent a portable chiller unit in order to provide HVAC service to the building. The increased costs of renting the portable equipment has necessitated the use of other unexpended R&R funding in order to allow the project to go out for bid. Project 41001-4P13 is complete and the remaining balance will be transferred to 41301-4S39.
From	DOA	Albemarle Building Generator Replacement	41001-4P14	\$8,500.00	
To	DOA	Shore Building - Replace Air Cooled Chillers	41301-4S39	\$8,500.00	The Shore Building - Replace Air Cooled Chillers project was funded through the 2013 Reserve for Repairs and Renovations. During the design phase of this project in early Summer 2014, the existing building chiller suffered a complete failure. DOA was then required to rent a portable chiller unit in order to provide HVAC service to the building. The increased costs of renting the portable equipment has necessitated the use of other unexpended R&R funding in order to allow the project to go out for bid. Project 41001-4P14 is complete and the remaining balance will be transferred to 41301-4S39.
From	DOA	Old Revenue Building Freight Elevator Repairs	41201-4R04	\$16,813.00	

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To	DOA	Shore Building - Replace Air Cooled Chillers	41301-4S39	\$16,813.00	The Shore Building - Replace Air Cooled Chillers project was funded through the 2013 Reserve for Repairs and Renovations. During the design phase of this project in early Summer 2014, the existing building chiller suffered a complete failure. DOA was then required to rent a portable chiller unit in order to provide HVAC service to the building. The increased costs of renting the portable equipment has necessitated the use of other unexpended R&R funding in order to allow the project to go out for bid. Project 41201-4R04 is complete and the remaining balance will be transferred to 41301-4S39. The total amount being reallocated to the Shore Building - Replace Air Cooled Chillers project is \$64,317.76
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-4I101	\$43,310.00	
TO	Commerce	Wanchese Water Tower	41118-4U02	\$43,310.00	Department of Commerce had an urgent need to make repairs to the water tower. Major problems were found with structural rods and a dangerous level of corrosion.
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-4I101	\$121,749.00	
TO	DCR	Museum Albemarle Emergency Repairs	41314-4W34	\$121,749.00	Department of Cultural Resources had an urgent need to make repairs to address the damage from severe flooding throughout the first and second floor of the Museum of the Albemarle.
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-4I101	\$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	DOA	Hawkins Hatness House - Exterior Repairs & Painting	41301-4S09	\$112,700.00	
TO	DOA	Andrews-London & Bailey-Tucker Houses - Exterior Repairs and Painting	41301-4S08	\$112,700.00	The Hawkins Hatness House - Exterior Repairs & Painting project was bid and the cost of the project came in at \$202,100 (this project was funded at \$138,000), so the project will be deferred until 2014 Reserve for Repairs and Renovations funding is available. \$112,700 of the Hawkins Hatness House funding will be transferred to the Andrews-London & Bailey-Tucker Houses project, which also came in over budget.
From	DOA	Hawkins Hatness House - Exterior Repairs & Painting	41301-4S09	\$25,300.00	

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To	DOA	Jenkins & Wilson House - Exterior Repairs & Painting	41301-4S13	\$25,300.00	The Hawkins Harness House - Exterior Repairs & Painting project was bid and the cost of the project came in at \$202,100 (this project was funded at \$138,000), so the project will be deferred until 2014 Reserve for Repairs and Renovations funding is available. \$25,300 of the Hawkins Harness House funding will be transferred to the Jenkins & Wilson House - Exterior Repairs & Painting project, which also came in over budget.
FROM	DOA	Hleck Andrews House - Exterior Repairs & Painting	41301-4S05	\$3,900.00	
TO	DOA	Handy House - Exterior Repairs & Painting	41301-4S11	\$3,900.00	The Heck Andrews House - Exterior Repairs & Painting project was bid the cost of the project came in at \$211,000 under budget. \$3,900 of the available funds in this project will be used to supplement the Handy House - Exterior Repairs & Painting project which is expected to be underfunded.
From	DOA	Hleck Andrews House - Exterior Repairs & Painting	41301-4S05	\$25,300.00	
To	DOA	Jenkins & Wilson House - Exterior Repairs & Painting	41301-4S13	\$25,300.00	The Heck Andrews House - Exterior Repairs & Painting project was bid the cost of the project came in at \$211,000 under budget. \$25,300 of the available funds in this project will be used to supplement the Jenkins & Wilson House - Exterior Repairs & Painting project which is expected to be underfunded.
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-41101	\$200,000.00	
TO	DACS	J Iverson Riddle - New Chiller Project	41317-4R32	\$200,000.00	DACS had an urgent need to make renovation to the HVAC Systems in the Standards Laboratory in order to maintain an environment within acceptable tolerances for the tests performed there.
FROM	OSBM	2013 Repairs & Renovations-OSBM Contingency Reserve	41303-41101	\$250,000.00	
TO	DOA	Green Square Complex - Exterior Repairs	41301-4S70	\$250,000.00	Since the Green Square Complex was completed in Spring 2012, numerous glass panels that form the exterior glass surfaces of the Nature Research Center, DENR Office Building, and the Skybridge over Salisbury St., have shattered without warning, or apparent cause. The Department of Administration will hire a structural engineer/forensic consultant to investigate and recommend a permanent solution for the glass panel failures. OSBM approved the use of 2013 Reserve for Repairs and Renovations funding for this project.