



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

**PAT MCCRORY**  
GOVERNOR

**ANDREW T. HEATH**  
STATE BUDGET DIRECTOR

March 22, 2016

**MEMORANDUM**

**TO:** Senator Phil Berger, President Pro-Tempore of the Senate  
Representative Tim Moore, Speaker of the House of Representatives

**FROM:** Thomas Cheek, Assistant State Budget Officer for Statewide Analysis/Capital  
*Thomas Cheek*

**SUBJECT:** Report on the Reallocation of Repair and Renovation Funds

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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 919-807-4738.

Attachment

# 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	DHHS	Walter B Jones ADATC - HVAC Renovations	41363-4102	\$74,686.86	
FROM	DHHS	O'Berry - Chapel Roof Replacement	41345-4103	\$87,655.07	
FROM	DHHS	Broughton - Moran Building Roof Upgrades	41342-4P02	\$18,957.00	
FROM	DHHS	Archdale Cabling	41357-4F01	\$1,434.88	
FROM	DHHS	Black Mountain - Boiler Upgrades	41349-4L02	\$13,345.04	
FROM	DHHS	Caswell Center-Roofing Projects	41351-4M01	\$121,300.00	
TO	DHHS	Walter B Jones ADATC - Units 4&6 ADA and Security Upgrades	41363-4101	\$317,378.85	The Walter B Jones ADATC - Units 4&6 ADA and Security Upgrades project bids, including needed bid alternates, came in \$317,300 over budget. DHHS worked with the project design team and low bidder to identify possible cost-saving measures; however, all options considered would result in a building upgrade that does not meet the programmatic needs of the facility. All of the other projects listed are either complete or contain sufficient funding to carry the projects through completion. The total amount to transfer = \$317,378.85.
FROM	Agency	Project Title	Budget Code	Amount Reallocated	Justification
	Dept. of Commerce	Wanchese Building Repair	41318-4V01	\$25,167.23	In September 2015, OSBM reallocated \$85,400 in 2013 Reserve for Repairs and Renovations funding in order to address a deteriorating structural framing issue located in a building on Lot 28A at the Wanchese Marine Industrial Park. The Lot 28A project is now complete and contains an unexpended balance. Meanwhile, the building located on Lot 23 in the Park has become vacant for the first time in over two decades. It has served as a small business incubator building for over 10 businesses through the years. All of these businesses have since moved on to larger, privately-owned buildings in the Park. While the Lot 23 building is vacant, the Department of Commerce plans to complete some much-needed building code compliance repairs including re-writing a part of the building, and constructing code compliant bathrooms. This code compliance work has been postponed over the years since the building has always been occupied, and the repairs were impossible to make until it was vacated. Once the repairs are complete, Building 23 will again be leased.
TO	Dept. of Commerce	Wanchese Building Lot 23	41318-4V02		

**Reserve for Repairs & Renovations - Reallocation**

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	Agency	Project Title	Budget Code	Amount Reallocated	Justification
FROM	DNCR	NC Transportation Museum Powerhouse Renovation	41314-W08	\$76,245.08	
					The NC Transportation Museum Foundation provided \$680,000 in capital gifts to DNCR to aid completion of the exterior renovation of the Museum's Powerhouse Building. The Powerhouse Renovation is complete and the remaining \$76,245.08 balance of 2013 R&R funding is being transferred to the Back Shop Repairs project in order to award a construction contract. The Foundation has recently provided an additional \$600,000 in support of the Back Shop Repairs project.
TO	DNCR	NC Transportation Museum - Back Shop Repairs	41314-W32		
FROM	Agency DOA	Project Title Western Residence Sewer Repairs	Budget Code 41301-4S35	Amount Reallocated \$71,895.08	Justification
					The Western Residence Sewer Repairs project is complete and contains unexpended balances. Meanwhile, the kitchen repairs and driveway repairs have been deferred for some time. This reallocation will allow DOA to address these much needed, but delayed repairs.
TO	DOA	Western Residence Repairs	41301-4S72		
FROM	Agency OSBM	Project Title 2013 Reserve for Repairs and Renovations	Budget Code 41303-4101	Amount Reallocated \$304,171.19	Justification
					UNCOSA advertised for bids for this project and the low bid came in \$304,171.19 over budget. This transfer will allow UNCOSA to award a construction contract and begin work to replace its failing Primary Electrical Distribution system, while causing as little disruption to campus operations as possible.
TO	University of North Carolina School of the Arts	Electrical Improvements	41338-4S26		
	Agency	Project Title	Budget Code	Amount Reallocated	Justification
FROM	DOA	Dobbs Building Emergency Flood Repairs	41301-4S71	\$357,569.31	
					In May 2015, OSBM reallocated \$1,049,000 in 2013 Reserve for Repairs and Renovations funding in order to address repairs costs resulting from flooding in the Dobbs Building that occurred when a water supply pipe connection separated. The Dobbs Building emergency repairs have been completed and a surplus remains. Since that time, flooding has occurred in a few other buildings in the Government Complex, including the Agriculture Annex and Bath Buildings, and the remaining funds have been reallocated to address the repairs costs in these buildings.
TO	DOA	Government Complex Emergency Flood Repairs	41301-4S73		