SPECIAL MEETING MINUTES
OF THE EDGECOMBE COUNTY BOARD OF COMMISSIONERS JOINT MEETING
WITH NASH COUNTY BOARD OF COMMISSIONERS
MARCH 24, 2016 AT 10:00 A.M.
427 FALLS ROAD, ROCKY MOUNT, NORTH CAROLINA
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MEETING CALLED TO ORDER BY CHAIRMAN LEONARD WIGGINS AND CHAIRMAN FRED BELFIELD, JR.

EDGECOMBE COUNTY BOARD OF COMMISSIONERS PRESENT: Mr. Leonard Wiggins, Chairman, Mr. Jonathan Felton, Vice-Chairman, Mrs. Evelyn Powell, Rev. E. Wayne Hines, Mr. William Wooten, Mr. Donald Boswell and Mrs. Viola Harris.

EDGECOMBE COUNTY BOARD OF COMISSIONERS ABSENT: None.

OTHERS PRESENT FOR EDGECOMBE COUNTY: Mr. Eric Evans, County Manager, Mr. Mahlon DeLoatch, County Attorney, Mrs. JoAnne Crabtree, Finance Director and Ms. Frangie Mungo, Clerk to the Board.

NASH COUNTY BOARD OF COMMISSIONERS PRESENT: Mr. Fred Belfield, Chairman, Mr. Billy Morgan, Vice-Chairman, Ms. Lou Richardson, Ms. Lisa Barnes, Mr. Wayne Outlaw, Ms. Mary Wells and Mr. Robbie Davis.

NASH COUNTY BOARD OF COMMISSIONERS ABSENT: None.

OTHERS PRESENT FOR NASH COUNTY: Mr. Zee Lamb, County Manager, Ms. Rosemary Dorsey, Assistant County Manager/Acting Clerk to the Board, Vince Durham, County Attorney and Donna Webb, Finance Director.

INVOCATION.
Rev. Wayne Hines provided the invocation.

Both Chairmen agreed that there would be no public comments.

PRESENTATIONS FROM EACH BOARD.
On behalf of the Edgecombe County Board of Commissioners Mr. Eric Evans, County Manager provided the presentation regarding funding and school district lines for Nash-Rocky Mount School System. Mr. Evans summarized comments and thoughts that the Commissioners had when discussing this issue.

Issues raised

1. **Funding**
    - **Are there "inequities" as it has been described?**
    - **Capital Funding**
        - **Equity in funding is being gauged by how proportionate funding is to % of students from each County attending NRMS**
        - **This year 11.8% of NRMS students are Edgecombe citizens**
        - **Current year as an example:**

Capital Outlay to NRMS	$1,396,890
Total Debt Service paid (Excludes debt to RMSH)	$1,429,268
Total Cap. & Debt Service	$2,826,158
11.8% of that is	$ 333,486

        - **Capital Outlay and Debt Service**
          What came from Edgecombe?

Capital Outlay	$ 187,500
Lottery funds	$ 150,000
Total	$ 337,500

        - **Capital funding over 20 years**
          Edgecombe has allocated $5,573,281 + $3,430,000 in bonds issued =total of $9,003,281 ADM and $1,961,591 lottery = total of $4,311,669;

$13,314,950

- Future Capital Funding
  - ✓ NRMS CIP $136 million
  - ✓ Concern over Edgecombe's participation in future capital projects
  - ✓ Equitable for Edgecombe to pay 11.8% on future projects?
  - ✓ Will those projects continue to be primarily on schools with the fewest Edgecombe residents?
  - ✓ Edgecombe is committed to fairly consider the future capital needs of schools in which Edgecombe students attend.

2. Rocky Mount's participation
   - Rocky Mount provides current expense gap payment per legislation
   - Should reserve that discussion for Rocky Mount
   - A reasonable alternative to the use of utility funds seems to be sales tax revenues generated in Rocky Mount-Edgecombe
3. Lawsuits
   - School districts in NC are permitted to sue counties over the sufficiency of funding
   - Is Edgecombe out of reach for a lawsuit from NRMS?
   - We hope that we can build a partnership and have open discussion to meeting funding needs as best as possible
4. Impact
   - Loss of Edgecombe students would significantly impact state and federal funding for NRMS
   - No High School on Rocky Mount-Edgecombe

On behalf of the Nash County Board of Commissioners Chairman Belfield called on Mr. Davis to make the presentation.

Mr. Davis's presentation on NRMS District funding inequity included information on:

- Basics of County financing of public schools.
- County financials.
- Timeline:
  - September 2013 Nash County Commissioners attended a joint meeting with NRMS Board to hear a presentation on the ten year CIP in the amount of $136,290,088; at which time the recommendation was made to present the same to Edgecombe County Board of Commissioners. Nash was later informed that Edgecombe said there was no point to meet.
  - June 2014 Nash County Board of Commissioners is sued for additional funding by NRMS Board. Neither the City of Rocky Mount nor Edgecombe are included in the legal action.
  - November 2014 Fiscal Impact Study funded by Nash County is completed showing inequities in the funding equation.
  - November 2014-April 2015 Nash tries to meet with Edgecombe to discuss fiscal impact study without success.
  - April 2015 Nash Commissioners propose three options for Edgecombe:
    - ❖ Seek legislation to return to a county line school system.
    - ❖ Leave school system boundaries as they are but get legislation to remove Rocky Mount from funding. Capital projects would be based on 13% funding from Edgecombe and 87% from Nash.
    - ❖ Leave school system intact.

      Nash votes 4-3 for Option 1
  - June 2015 Nash, Edgecombe Rocky Mount along with Representative Collins and Senator Newton met with a directive from State Representatives that we should work to resolve. If we could not resolve, then they would.
  - June 2015 Nash Commissioners unanimously agree on final compromise: The Nash County Commissioners unanimously agree

on final compromise: the Nash County Commissioners unanimously propose the following final compromise to resolve the funding inequities existing between Nash and Edgecombe County for funding the Nash-Rocky Mount School system. Nash and Edgecombe Counties and the City of Rocky Mount shall seek legislation to implement a three year phase-in by Edgecombe County beginning FY 16-17 of equitable funding for all current expense, capital outlay, and all capital construction, including new construction, renovations and new debt service. After fiscal year 18-19 Rocky Mount will no longer be a funding partner. Each county share shall be recalculated on a yearly basis based upon the prior hear official ADM numbers. Edgecombe County shall be responsible for its pro-rata share of any G.S. 115C-431 equitable funding lawsuit brought by the NRMS system. In the event Edgecombe County and Rocky Mount do not accept this final offer to compromise, the Nash County Board of Commissioners will seek legislation on July 7, 2015 to separate the NRMS system along the county line, just as the other 99 county school systems are organized in North Carolina.

  - June 2015-September 2015 Numerous meeting with elected officials and/or county/city managers occur with little success
  - September 2015 legislation regarding a referendum to address the school funding issue is deferred until the 2016 short session.

- Current Facts
  - All legislation should be looked at from time to time
  - The current expense is now set by Nash County with no involvement from Edgecombe or City of Rocky Mount.
  - Rocky Mount is in a very vulnerable position with no input or involvement.
  - Rocky Mount must use funding other than ad valorem taxes to pay the gap funding.
  - Rocky Mount pays from the utility fund, which is not right. The revenues from the utility fund (82%) are derived from the citizens of the Nash County side, which is not fair.
  - The only capital money for major projects comes from Nash County tax payers. Unfair for both Counties.
  - Rocky Mount should be paying for all students that live in Rocky Mount. There should not be a select few just because they live in a certain area
  - School funding is the responsibility of the counties, not municipalities.
- Senate Bill 612 is 24 years old.
- Student population since merger.
- Appropriations history.
- Capital spending since merger.
- Projected ten year capital improvement needs.
- Three options.
- Final funding inequity resolution.
- Potential merger bill.
- Schedule of student attendance by county
- Proposed student profile breakdown.

Mr. Belfield stated that he had a proposal he wanted to present, stating that hopefully the issue can be resolved and the school system can stay intact as is.

Mr. Belfield's proposal is as follows:

1. Edgecombe County be responsible for 100% of the capital projects on the Edgecombe side of Rocky Mount including maintenance costs.
2. Edgecombe County be responsible for the proportionate amount of maintenance costs of Rocky Mount High School.
3. Edgecombe County be responsible for funding the per student funding on an equal basis with Nash County.

4. All Elementary and Middle School students residing on the Edgecombe side of Rocky Mount that are located in the Nash-Rocky Mount School system attend schools on the Edgecombe side of the City.
5. All Edgecombe students in grades 9-12 attend Rocky Mount High School.

Mr. Belfield stated that some on the Board members wish to resolve the issue without having the General Assembly involved.

Mr. Davis stated that the Board has not come into any agreements on Mr. Belfield's proposal yet because they have not had time to dissect it and fully understand what it means.

After comments from the Nash County Board of Commissioners Mr. Belfield stated that he is not for County line merger and hoped for a resolution between the twin Counties.

Mr. Wiggins stated that we are dealing with a school system that has never been a part of the Edgecombe County School system and the Edgecombe County does pay for its students. He stated that he would agree that the legislation should be looked at but that legislation should not be something that is mandated from one Board to another. He stated that there are some things in the proposal that Edgecombe County can agree to, but cannot agree that Nash County Board of Commissioners can tell Edgecombe County Board of Commissioners where the funding should come from. He stated that Rocky Mount has always participated and Nash County does not need to determine the funding partners for Edgecombe County.

Mr. Felton stated that Mr. Belfield's proposal is completely new and looks like it might be promising once it is studied. He stated that Rocky Mount has participated in funding for over twenty years and he did not know what the problem was.

Mr. Wooten stated that initially Nash County Board of Commissioners presented three options: 1. County line merger, 2. Remove the City of Rocky Mount as the gap funding source, 3. Leave everything the same as is. Mr. Wooten asked if Edgecombe County agreed to the removal of Rocky Mount from the funding formula would they consider having the delegates not sponsor a bill in the General Assembly to have the county line merger.

Mr. Boswell expressed his concern regarding another division in the City of Rocky Mount. He stated that he hoped the two Boards can come back to the table to further discuss the issue and look at the facts of the dollars and the cents.

Mr. Belfield stated that action was needed quickly because the General Assembly meets in mid-April.

After further discussion from both Boards it was agreed that another joint meeting will be held after both Boards had an opportunity to discuss Mr. Belfield's proposal separately.

Mr. Boswell moved to hold a joint meeting with the Nash County Board of Commissioners on Tuesday, April 5th at 10:00 a.m. at the Carolinas Gateway Partnership in Rocky Mount. Mr. Wooten seconded the motion, which carried by unanimous vote.

Mr. Wooten moved to adjourn the meeting. Mrs. Powell seconded the motion, which carried by unanimous vote.

Approved May 2, 2016.

Frangie Mungo

Frangie Mungo, Clerk to the Board