OFFICE OF THE SUPERINTENDENT

Post Office Box 206 Edenton, North Carolina 27932 Telephone: (252) 482-4436 Fax: (252) 482-7309 www.ecps.k12.nc.us

May 27, 2011

Allan T. Smith, Superintendent

To the Members of the Chowan County Commission:

We once again find our two Boards at a crossroads. It remains the desire of the Edenton-Chowan Board of Education to resolve each of the issues in a mutually agreeable fashion and if not at least channel our disagreements in a constructive manner. There appears to be at least three points where a lack of clarity exists or disagreement persists. These points include: (1) the status of the relocation of the school system's administrative offices; (2) the intent of the Memorandum of Understanding between the Board of Commissioners and the College of the Albemarle (COA) as it relates to the status of the school system's use (if necessary) of the space currently being used by the IT department beyond June 30, 2013; and (3) most obvious, the prospective allocation for 2011-2012. This letter is in request for clarification of each of these issues.

First, the Board of Education is seeking confirmation of our understanding of the County Commission's financial commitment in regards to the relocation of the administrative offices. There have been considerable conversations between Mr. Parker and Dr. Smith as well as between representatives of both boards on this issue. Based on these discussions it is our understanding that the County Commission intends to financially support the relocation of the offices through additional current expense funds. According to Dr. Smith and members of the Board's Central Office Relocation Committee (Jean Bunch, Gene Jordan, and Kay Wright) this was discussed with Mr. Parker, Mr. Goodwin, and Mr. Nixon on February 15, 2011 at the Public Safety Building and the following points were reached:

- The Commission stated the site seemed appropriate and left the final decision to the Board.
- The Commission requested the Board consider entering into the lease agreement with Bill Chesson rather than the County in an attempt to simplify the process and to minimize negative connotations of the County acquiring and/or leasing a building. The Commission would fund the lease through additional current expense funding. The Board expressed no opposition but suggested both parties check to make certain there would be no audit related issues or exceptions.

- The Commission indicated they would also support the 1-time cost associated with the relocation. Of particular concern for the Board were the costs associated with moving of the technology.
- The Board confirmed they would be responsible for all utility costs at the new location.
- As the meeting concluded, the Commission requested the Board review the possibility of relocating to the COA campus before a final commitment is made with Bill Chesson. The Board did inspect the COA facilities and determined shared space with COA may be a feasible and even a desirable long-term solution. However, before the possibility of the site can be entertained there must first be a defined use plan agreed upon by the Commission, COA, and the Board as well as adequate and permanent renovations completed prior to occupancy. It was further concluded this could not occur before the fall 2011 timeline for the Board to vacate the County Office building.

The second issue is surrounding the intent of the proposed lease agreement between the Commission and COA. The school system is concerned that by June 30, 2013 they will have to vacate the facilities occupied by the IT department regardless of whether there is a suitable site to relocate by that time. During the May 16, 2011 County Commission meeting, assurances were made by both the Commission and COA that if an alternate and adequate space was not available then it is the intent for COA to develop an MOU to extend the timeline. It is the desire of the Board that language within the lease be amended to clearly state that intent so that there cannot be any misunderstandings by future Boards, Commissions, and/or COA administrations.

Finally, the issue of the 2011-2012 local current expense appropriation should be readdressed and hopefully a resolution can be reached. As stated in the 2011-2012 budget request and reiterated by Dr. Smith at the May 16, 2011 County Commission meeting, "Any assistance in narrowing the funding gap is greatly appreciated. It is the desire of the Board of Education that all measures are taken to ensure the County Commission and the Board maintain a continued supportive relationship - one where quality education is a priority." In that spirit, we would like to suggest a modest increase in the current expense appropriation of \$250,000 which would be inclusive of the Commission's support of the relocation of the administrative offices.

Your prompt reply to each of the three points delineated above is greatly appreciated. The Board of Education requires clarification on each of the points as we move forward in establishing a lease agreement with Bill Chesson, future plans for the IT facility, and finalizing personnel reductions by the June 6, 2011 Board of Education meeting.

Respectfully,

Ricky Browder

Chairman

Edenton-Chowan Board of Education

Allan T. Smith, Ed.D.

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Superintendent