



FLOYD COUNTY BOARD OF EDUCATION
Anna Whitaker Shepherd, Interim Superintendent
442 KY RT 550
Eastern, KY 41622
Telephone (606) 886-2354 Fax (606) 886-4550
www.floyd.kyschools.us

Linda C. Gearheart, Board Chair - District 1
William Newsome, Jr., Vice-Chair - District 3
Dr. Chandra Varia, Member - District 2
Keith Smallwood, Member - District 4
Steve Stone, Member - District 5

Consent Agenda Item (Action Item): Consider/Approve disposal of property (Old Central Office) located at 106 North Front Avenue, Prestonsburg, Kentucky 41653.

Applicable State or Regulations: 702 KAR 4:090. Property Disposal

Fiscal/Budgetary Impact: An auctioneer by the name of Sanford Holbrook stated he would do the auction for free, but we would have to do all the advertising and the board lawyer would have to do any paperwork that is needed. If the board chooses to advertise for sealed bids, there would be a cost for the advertisement in the local paper with the most circulation in the County.

History/Background:

November 6, 2019

- Board declared the property surplus.

November 29, 2019

- Dixon Nunnery Appraisal Service gave an appraisal of the property and gave a fair market value of the subject property.

December 12, 2019

- Correspondence was forwarded to KDE with the appraisal to get permission to advertise for sealed bids,

July 8, 2021

- Phone call was made to Greg Dunbar (KDE) requesting he look at the correspondence and provide us with a decision. He verbally stated that we could go ahead and dispose of the property.

Recommended Action: For the board to choose if they wish to dispose of the property by public auction, by accepting sealed bids; or by setting a minimum acceptable price, which is at least the fair market value of the property.

Contact Person(s): Linda Hackworth/606-874-9569

N/A
Principal

Linda Hackworth
Chief of Facilities

Anna W. Shepherd
Superintendent

Date: July 22, 2021

702 KAR 4:090. Property disposal.

RELATES TO: KRS 156.160

STATUTORY AUTHORITY: KRS 156.070, 156.160

NECESSITY, FUNCTION, AND CONFORMITY: KRS 156.160 requires the State Board for Elementary and Secondary Education to promulgate administrative regulations dealing with the disposal of real and personal property owned by local boards of education. This administrative regulation is necessary to provide for real property disposal, leases, and easements in accordance with an approved educational program. KRS 156.070 provides that the Kentucky Board of Education shall have the management and control of the common schools.

Section 1. Disposition of Real Property. (1) School property proposed for disposal shall be surplus to the educational program need of the district as determined by the effective district facility plan. Surplus property includes real property designated as a "Transitional Center" or not listed on the effective district facility plan. Request for approval to dispose of real property shall be submitted in writing to the Kentucky Department of Education. The request shall identify the property by its address and last reported name and include a plan for resolving mortgage liens or other encumbrances. Upon receipt of written contingent approval from the department, the district may start the disposal process using one (1) of the following methods that secures the fair market value for the property and ensures that the district retains no residual interest as owner or lender:

- (a) By public auction;
- (b) By accepting sealed bids; or
- (c) By setting a minimum acceptable price, which is at least the fair market value of the property.

(2) For property disposal by public auction or sealed bids, the proposed sale shall be advertised in accordance with KRS 424.130(1)(b), and the legal notice shall include the following statement: "The board of education reserves the right to reject any and all bids and final approval by the Kentucky Department of Education is required." Following the conclusion of the auction or receipt of bids, the local board of education shall submit the following to the department for review and final approval:

- (a) The appraisal;
- (b) An affidavit attesting to the publication of legal notice;
- (c) Results of the public auction or sealed bids;
- (d) The proposed sale agreement reviewed and approved by the board's attorney; and
- (e) The local board order approving the sale contingent on approval by the department.

(3) For property disposal by setting a minimum acceptable price, the minimum acceptable price shall be the fair market value, which shall be determined by an appraisal from a certified general real property appraiser commissioned by the school district and obtained in connection with the disposal of the property. Following receipt of an acceptable offer to purchase, the local board of education shall submit the following documentation to the department for review and final approval:

- (a) The appraisal;
- (b) The proposed sale agreement reviewed and approved by the board's attorney; and
- (c) The local board order approving the sale contingent on approval by the department.

(4) Upon receipt of written final approval from the department, the local school district may execute the sale agreement. The district shall provide the department with a copy of the executed agreement within thirty (30) days from the date of execution.

Section 2. Disposition by Easement. (1) Prior to the execution of a proposed easement upon school property, the agreement shall be reviewed by the local district's board attorney. The reviewed agreement and an appraisal from a certified general real property appraiser commissioned by the school district and obtained in connection with the easement shall be submitted to the local board of education for its consideration. Upon approval, the local school district's written board order shall be forwarded to the department for review and approval. The local board of education shall include assurance that disposal will not affect the integrity or usefulness of property crucial to the educational needs of the district.

(2) Proposed easement agreements, including utility and access easement agreements, shall include:

- (a) The parties to the agreement;
- (b) A legal description of the easement;
- (c) Documentation regarding receipt of fair market value as determined by an appraisal from a certified general real property appraiser commissioned by the school district and obtained in connection with the disposal of the property or equivalent valuable consideration;
- (d) A reversionary clause that reverts the property back to the exclusive unrestricted control of the local board of education when the need for the easement no longer exists; and
- (e) A plat by a licensed surveyor indicating the easement boundaries, acreage, and its relationship to the larger property.

(3) Upon receipt of written final approval from the department, the local school district may execute the agreement. The district shall provide the department with a copy of the executed agreement within thirty (30) days from the date of execution.

(4) Temporary and construction easements shall not require department approval but shall include provisions related to the amount of time in effect, and a requirement that any disturbed areas shall be returned to original condition.

Section 3. Disposition by Lease (District as Lessor/Landlord). (1) Prior to the execution of a proposed lease agreement for school property, the proposed lease agreement shall be reviewed by the local district's board attorney and the board's insurance carrier. The proposed lease agreement shall be submitted to the local board of education for its consideration and a written board order forwarded to the department for review and approval. The local board of education shall provide assurance that the disposal will not affect the integrity or the usefulness of the property subject to the educational need of the district.

(2) The proposed lease agreement shall include the following provisions:

- (a) The parties to the agreement;
- (b) The proposed use and occupation;
- (c) A description of the leased space including square footage and description of common areas if applicable;
- (d) Use of site and parking;
- (e) Term of lease including beginning and ending dates. The term shall include annual renewal and cancellation provisions;
- (f) Determination of fair market value and how payments are to be made;
- (g) Insurance requirements of the parties;
- (h) Identification of the parties' responsibilities for payment of utilities, performance of maintenance, and related supplies;
- (i) Notice provisions;
- (j) Provisions for security;
- (k) Requirements for compliance with established board policies if tenants will be in contact with students; and

(l) Any other applicable terms or conditions.

(3) Upon receipt of written final approval from the department, the local school district may execute the lease agreement. The district shall provide the department with a copy of the executed agreement within thirty (30) days from the date of execution.

Section 4. Conflict of Interest. (1) If a local school board uses a third party to dispose of or lease property, the third party shall not have any financial interest in the transaction or adjacent property beyond a standard commission approved by the school board. If the third party has any financial interest in the transaction or adjacent property beyond a standard commission, the third party shall publicly disclose his or her conflict of interest to the local school board and the conflict shall be spread on the local school board's meeting minutes. The local school board shall provide minutes of any such meeting to the department when requesting approval under any section of this administrative regulation. (SBE 22.070; 1 Ky.R. 1049; eff. 6-11-1975; 8 Ky.R. 329; eff. 12-2-1981; 17 Ky.R. 2029; eff. 2-7-1991; Crt eff. 11-16-2018; 47 Ky.R. 545, 1409, 1557; eff. 5-4-2021.)

Special Called Meeting
November 06, 2019 6:30 PM
Floyd County Board Central Office
Eastern, KY

Attendance Taken at 6:30 PM:

Present Board Members:

Ms. Linda Gearheart
Ms. Rhonda Meade
Mr. William "Jr." Newsome
Ms. Sherry Sue Robinson
Dr. Chandra Varia

Mr. Danny Adkins, Secretary and Board Attorney was also in attendance.

1. Call to Order - Roll Call

2. Consider/Approve Letter of Intent to inform KDE that Floyd County Schools intent is to implement a Guaranteed Energy Savings Contract (GESc)

Order #19561 - Motion Passed: Approval of Letter of Intent to inform KDE that Floyd County Schools intent is to implement a Guaranteed Energy Savings Contract (GESc) passed with a motion by Ms. Linda Gearheart and a second by Ms. Rhonda Meade.

5 Yeas - 0 Nays.

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|---------------------------|-----|
| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |
| Mr. William "Jr." Newsome | Yes |
| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

3. Consider/Approve declaring the Central Office Building(s) located at 106 North Front Avenue Prestonsburg, Kentucky as surplus property and forward the request to the Kentucky Department of Education for their approval

Order #19562 - Motion Passed: Approval of declaring the Central Office Building(s) located at 106 North Front Avenue Prestonsburg, Kentucky as surplus property and forward the request to the Kentucky Department of Education for their approval passed with a motion by Mr. William "Jr." Newsome and a second by Dr. Chandra Varia.

5 Yeas - 0 Nays.

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| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |
| Mr. William "Jr." Newsome | Yes |
| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

4. Consider/Approve Food Service Agreement between Floyd County Board of Education and Happy House Adult Day Services

Order #19563 - Motion Passed: Approval of Food Service Agreement between Floyd County Board of Education and Happy House Adult Day Services passed with a motion by Dr. Chandra Varia and a second by Mr. William "Jr." Newsome.

5 Yeas - 0 Nays.

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| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |
| Mr. William "Jr." Newsome | Yes |
| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

5. Consider/Approve Common Carrier (Miller Brothers Transportation) use to transport Prestonsburg High School students during the Kentucky Youth Assembly on Nov. 21, 2019-Nov. 23, 2019

Order #19564 - Motion Passed: Approval of Common Carrier (Miller Brothers Transportation) use to transport Prestonsburg High School students during the Kentucky Youth Assembly on Nov. 21, 2019-Nov. 23, 2019 passed with a motion by Ms. Linda Gearheart and a second by Dr. Chandra Varia.

5 Yeas - 0 Nays.

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| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |
| Mr. William "Jr." Newsome | Yes |

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| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

6. Consider/Approve creating 3 full time ESS tutors for Betsy Layne Elementary for the 2019-2020 school year

Order #19565 - Motion Passed: Approval of creating 3 full time ESS tutors for Betsy Layne Elementary for the 2019-2020 school year passed with a motion by Ms. Linda Gearheart and a second by Mr. William "Jr." Newsome.

5 Yeas - 0 Nays.

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| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |
| Mr. William "Jr." Newsome | Yes |
| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

7. Consider/Approve Receiving FY 2019 Financial Audit Report, FY 2019 Annual Financial Report and Final FY 2019 Balance Sheet.

Order #19566 - Motion Passed: Approval of FY 2019 Financial Audit Report, FY 2019 Annual Financial Report and Final FY 2019 Balance Sheet. passed with a motion by Mr. William "Jr." Newsome and a second by Ms. Linda Gearheart.

5 Yeas - 0 Nays.

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| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |
| Mr. William "Jr." Newsome | Yes |
| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

8. Adjournment

Order #19567 - Motion Passed: Approval to adjourn the meeting passed with a motion by Ms. Rhonda Meade and a second by Mr. William "Jr." Newsome.

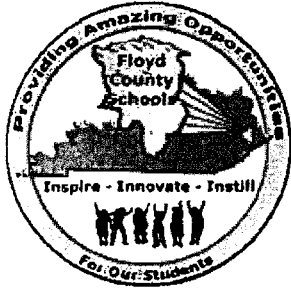
5 Yeas - 0 Nays.

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| Ms. Linda Gearheart | Yes |
| Ms. Rhonda Meade | Yes |

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| Mr. William "Jr." Newsome | Yes |
| Ms. Sherry Sue Robinson | Yes |
| Dr. Chandra Varia | Yes |

CHAIR

SECRETARY



FLOYD COUNTY BOARD OF EDUCATION
Danny Adkins, Superintendent
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Sherry Robinson- Chair - District 5
Dr. Chandra Varin, Vice-Chair - District 2
Linda C. Gearheart, Member - District 1
William Newsome, Jr., Member - District 3
Rhonda Meade, Member - District 4

December 12, 2019

Mr. Greg Dunbar
Office of Finance and Operations
Division of District Support
300 Sower Blvd., 4th Floor
Frankfort, Kentucky 40601

Dear Mr. Dunbar;

The Floyd County Board of Education has declared the property located at 106 North Front Avenue, Prestonsburg, KY 41653 (Old Central Office) as surplus property. We have moved our offices to 442 KY. Route 550, Eastern, Kentucky 41623. This property shall be surplus to the educational program of the school district and is no longer needed.

We are requesting approval to dispose of this property by manner of sealed bids.

Enclosed is the board order declaring the property surplus (Order # 19562), the certified appraisal, from Dixon Nunnery Appraisal Service.

If any further information is needed, do not hesitate to contact me at (606) 874-9569.

Sincerely,

Gregory Adams
Facilities Director
Floyd County Schools

GDA/Lh

cc: Danny Adkins, Supt., FCPS