RUSSELL COLEMAN ATTORNEY GENERAL 1024 CAPITAL CENTER DRIVE SUITE 200 FRANKFORT, KY 40601 (502) 696-5300

25-OMD-125

May 15, 2025

In re: Ricky Ladd/Graves County Board of Education

Summary: The Graves County Board of Education ("Board") did not violate the Open Meetings Act ("the Act") when it discussed the potential purchase of real estate in closed sessions under KRS 61.810(1)(b).

Open Meetings Decision

Ricky Ladd ("the Appellant") submitted a complaint to the presiding officer of the Board, alleging it had violated the Act by making decisions regarding the purchase of real property outside of its regular monthly meetings. In a timely response, the Board denied taking any action outside of its regular meetings, stated that any discussion regarding the purchase of property occurred in closed session under KRS 61.810(1)(b) and that the Act does not require the Board to provide public comment periods. This appeal followed.

Under KRS 61.810(1), "[a]ll meetings of a quorum of the members of any public agency at which any public business is discussed or at which any action is taken by the agency, shall be public meetings, open to the public at all times," subject to certain exceptions. Among these exceptions is KRS 61.810(1)(g), which exempts "[d]eliberations on the future acquisition or sale of real property by a public agency, but only when publicity would be likely to affect the value of a specific piece of property to be acquired for public use or sold by a public agency."

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On appeal, the Appellant also complains that the Board violated the Act by not providing a public comment period regarding the property purchase. However, the Appellant did not raise that issue to the Board in his complaint. Because the Appellant has raised this issue for the first time on appeal, the Office lacks jurisdiction to consider it. See KRS 61.846(1) (requiring an appellant to submit a written complaint describing the alleged violation before seeking enforcement under KRS 61.846(2)).

In Board of Commissioners of City of Danville v. Advocate Communications, Inc., 527 S.W.3d 803, 806-07 (Ky. 2017), the Supreme Court analyzed this exemption in connection with the acquisition of property at auction. At issue were two closed sessions conducted by the City regarding the auction. At the first closed session, the City discussed its intent to bid on the property and the maximum bid it would authorize its agent to make for the property. The Court held that the City's discussion about its intent to bid should not have been discussed in closed session because that information would not affect the ultimate price of the property at an auction. Id. at 807. But the City's discussion about the maximum bid it would make, and its bidding strategy, was properly conducted in closed session under KRS 61.810(1)(b) because such information would affect its bidding strategy at the auction and disclose to the public the highest price the City would be willing to pay. Id. When the City conducted its second closed session to discuss formal approval of the execution of the closing contract, it could not rely on KRS 61.810(1)(b) because the price of the property had already been fixed and no further discussion would alter the purchase price. Id.

Here, the City explains that it discussed the purchase of the property at in closed session on July 18, November 14, and December 17, 2024. Those discussions concerned the Board's "maximum purchase price" and the Board's "negotiation strategies." The Board further explains that due to in-process construction and an already existing service road that encroached on the property in question, that property could not be replaced by purchasing other properties if the sale was not completed. Thus, according to the Board, disclosure of the matters discussed in those closed sessions would have affected the value of the piece of property it sought to acquire. The Office has previously found agencies do not violate the Act when discussing its negotiation strategies or a maximum purchase price under KRS 61.810(1)(b). See, e.g., 21-OMD-086 (finding the board of education lawfully discussed a real estate transaction and noting that, if the board's intent to purchase the property was made public, "another purchaser could have made an offer before the [bloard and locked it out of negotiations"); 19-OMD-038 (finding a city council lawfully discussed in closed session "what price range would be a fair offer" on a piece of property); 02-OMD-166 (finding a city council lawfully discussed in closed session whether to accept, reject, or modify the terms of an offer of sale "already on the table" at a specific price). Therefore, the Board did not violate the Act on July 18, November 14, or December 17, 2024, when it deliberated on the purchase of the property.

A party aggrieved by this decision may appeal it by initiating an action in the appropriate circuit court pursuant to KRS 61.846(4)(a). The Attorney General shall be notified of any action in circuit court, but shall not be named as a party in that

action or in any subsequent proceedings. The Attorney General will accept notice of the complaint emailed to OAGAppeals@ky.gov.

Russell Coleman Attorney General

<u>/s/ Zachary M. Zimmerer</u> Zachary M. Zimmerer Assistant Attorney General

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Distributed to:

Ricky Ladd Jennifer Thomas, Chairperson, Graves County Board of Education Matthew Madding, Superintendent, Graves County Schools