

**Transcript of Oral Statement  
Made By:  
Board Attorney Pat Smathers**

**Haywood County Schools Board Meeting  
May 9, 2016**

On this past Friday, May 6, 2016, the Board of Education was served with a lawsuit filed by one individual on his behalf and behalf of his minor child in regards to the closing of Central Elementary School. As Board attorney, I will be responding to the legalities of the lawsuit within the time designated by the Court system for a response. However, for the integrity of the Board collectively, individual Board Members and Board employees, it is necessary at this time to publically refute certain allegations which have been made publically in the press as well as other sources and for the purpose of clarifying and placing in context some of the statements and facts attributed to the School Board and its employees. Specifically, to refute the idea that the closing of Central Elementary School was done for the purpose of moving the Central Office, administrative offices of the School Board to the Central Elementary. That simply is not true.

In 1980, the Haywood County Consolidated School System administrative office was located in a building directly behind the historic Haywood County Courthouse. The administrative office was moved to its current location in the old hospital to facilitate improvements to the Haywood County Courthouse at that time.

To facilitate that move, the County Government as well as the School Board entered into a lease agreement. The lease agreement provides that in the event the School System is asked to vacate its premises at the old hospital, that the County would provide comparable office space to the School Board. Specifically, this lease provides as follows: *“It is therefore agreed by and between the parties that if for any reason the Haywood County Commissioners should, at a later date, terminate this Contract, or cannot for any reason furnish and provide that portion of the Hospital Building herein after referred to as an office for Lessee, then and in that event, Lessor will promptly furnish and provide Lessee with comparable quarters within the Town of Waynesville (or elsewhere as agreed upon by both parties) with due regard to the requirements of Lessee as to square footage, type of construction, and design suitable to meet the needs and requirements of Lessee; in other words, “equal” office space.”*

Since 1980, there has been a good, working relationship between County Government and the School Board in regard to its current location at the hospital. While it is an old building requiring regular maintenance and repairs, the School Board has never asked to be relocated from the old hospital site.

In 2010, the School System was advised of a potential plan by the County Commissioners to sell the old hospital building for the purpose of a housing development to meet the needs of citizens of Haywood County.

Upon being advised of the potential sale, Tracy Hargrove, then Director of Maintenance with Haywood County Schools, was asked to begin looking at potential sites for relocation of the Central Office. This included working with the Board's Building and Grounds Committee and interaction with County personnel, as well as in some circumstances, private property owners. County interaction was necessary due to a lease provision that the cost for comparable office space would be borne by the County.

A total of 28 sites were examined. Possible sites included property owned by the School Board, County owned property, commercial sites, and undeveloped land. The sites considered were located in Canton, Bethel, Clyde, Waynesville, Lake Junaluska, and Hazelwood. All activity in regard to the sites was very preliminary at all times as there was no formal Board action ever taken due to the housing development plans falling through and not coming to fruition. Some sites were quickly dismissed due to acquisition costs, construction expenses, or otherwise were unsuitable for school purposes.

During the site location process, consideration was given that if Central Office had to be moved, it would be advantageous to combine Central Office with a site that could also be used for the schools Food Services currently located in the old Crabtree School, as well as the bus and maintenance garage currently located on the landfill on Francis Farm Road.

At one point, Central Elementary School was one of the sites considered due to it being one of four schools the Administration in the early part of 2015 did consider that due to the declining enrollment and based upon long range demographic projections may have to be closed in the future. The schools in addition to Central Elementary School were initially North Canton Elementary, Meadowbrook Elementary, and Bethel Middle School.

In April, 2015, Tracy Hargrove was advised that the sum of \$750,000.00, the estimated cost for a move to Central Elementary would not be made available by the County. At that date, Central Elementary was removed as a potential site for Central Office administration, although it was never a high contender to be a site. While it has been reported that the plans to convert what is now Central Office to housing units by the County has been revived, the School Board has not been notified informally, or officially of any deadline to vacate the premises. If and when the Board is advised to vacate its current facility, the Board will again review all potential sites previously identified preliminarily as well as any other possible sites, including Central Elementary if still owned by the School System. The ultimate decision will be determined by the Board of Commissioners pursuant to the lease agreement. Depending upon funding availability, any possible move may be done with the idea of co-locating the Food Service and/or maintenance and bus garage. Currently, there are no plans for Central Elementary School building following its closure except to declare it surplus property offered to the County at a negotiated price as per statute and if no agreement, offered to the general public at fair market value. At present, there have been two inquires of private entities seeking the purchase of Central Elementary School.

On October 26, 2015, School Administrators were informed of the State's annual allotment for budgetary concerns. Based upon the decrease in student enrollment, the allotment was less than it had been in the past years. That, with other funding sources declining, there was a 2.4 million

dollar decrease in funding that had to be met by the Haywood County School System. This led to the school system seeking alternatives to meet the budget needs. Based upon prior indications and long range planning, this included making the recommendation as to one of the schools previously considered for closing to be made at that time if necessary.

Based upon information, the School Administration determined that of the possible schools subject to closure, Central Elementary should be chosen due to its school capacity and the ability to be absorbed by Junaluska and Hazelwood Elementary Schools.

The issue of closing a school due to budget reductions was addressed at a January 2015, work session and the issue was referred to the Finance Committee in January, 2016.

Due to the decrease funding, the School Board began the process of a formal study to determine the closure of Central Elementary School if appropriate as required by law.

It is unfortunate that the site relocation issue for Central Office which may or may not occur at any time in the future is being arguably conjoined with the separate decreased enrollment issue and funding for the purposes of alleging a secret agenda for the School Board. It is simply not true.

The sole impetus for initiating the closing of Central Elementary School is the 2.4 million dollar decrease in funding of which the School Board was advised and became necessary in late October, 2015, and not a possible move of Central Office which may or may not occur at some unknown time.

With this statement, the School Board is releasing documents beginning in 2010 to the present regarding the site relocation and any reference to the closing of Central Elementary as a part of funding issues as early as late 2014-2015. They include School Board minutes, Building and Grounds Committee minutes, letters, evaluations, power point presentations, and any other miscellaneous documents which shed light upon the process that was used to determine the potential site locations and the time limits in which any discussion of Central Elementary closure occurred. We think this is all we have at the present time. We will continue to look for any other documents. It is important that the integrity of the Board be maintained and refute the allegations that there was any secret agenda involving these lines. Anyone wanting this information packet with the power point presentations showing all the sites that were looked at may be acquired by any person simply requesting from the School Board after tonight's meeting.