

AA

Fran Seltenrich

From: "Rksuper" <rksuper@aol.com>
To: "Ellen Kallman" <ekallman@verizon.net>; "Becky Gayton" <rjgayton@comcast.net>; "Fran Seltenrich (E-mail)" <fseltenr@ipswichschools.org>; "Jay Tsoutsouras (E-mail)" <tsoutcpa@tiac.net>; "Jen Bauman" <jsbauman@comcast.net>; "Joanne Cuff" <jcuff@ipswichschools.org>; "John Wigglesworth" <jcwiggs@verizon.net>; "Kathy Spinale" <kspinale@northshore.edu>; "Kathy Spinale" <kandtspin@hotmail.com>; "Marie McDermet" <memcdermet@comcast.net>; "Marlene Doyle" <mmdoyle100@aol.com>; "Rich Kallman" <rich@kallmanlaw.com>; "Sheila McAdams" <ssmcadams@comcast.net>; "Steve Filosa (E-mail)" <sfilosa@pingree.org>; "Susan Brengle" <SBrengle@EatonVance.com>; "Susan Monahan" <susantmonahan@comcast.net>
Sent: Wednesday, December 10, 2008 8:42 AM
Subject: Re: Feoffees News

All,
 While it is good news that we are on the way to a very nice endowment fund. Please know that at a minimum, we will not have access to the interest it will generate until FY 2011 at best. The trust must be finalized, trustee's established, proceeds received and invested via a prudent strategy, and time for the principal to earn the interest that could be accessed. We must never touch the principal and my recommendation will be that we only utilize 80% of the interest earned and the rest go back into principal to forever build that amount.

Also please know that we are in a "World of Hurt" for next year FY10. In fact, Town revenue is down for this year and we will have to make cuts from this years budget to match that lost revenue. On top of that, the House Majority leader has told us to brace for more state cuts in January, which will increase the amount we will have to cut by second semester. We are working to fix the exact amount of our share of cuts for this year, but suffice it to say, it will be significant. Next year will be worse as we expect no increases in local or state aid and must be prepared for massive cuts. Happy Holidays. Rick

EXHIBIT

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