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To THE FEOFFEEES OF THE GRAMMAR SCHOOL OF IPSWICH, Dr.
LITTLE NECK

Ipswich, Massachusetts

November 19, 1998

Taxes	\$904.56
Rent	<u>\$400.00</u>
Total	<u>\$1,304.56</u>

Town of Ipswich Assessed Value: \$126,600

Tax Rate: \$14.29 per thousand

Received payment,

Treas.

Make checks payable to

Address Correspondence to

FEOFFEEES GRAMMAR SCHOOL

Payment due and interest added after December 16, 1998 for period July through December, 1998.

It is understood that the land which is the subject of rental is for the benefit of the public schools in Ipswich and the income is for a public trust and, therefore, if the charges are not paid when due, the tenant, in addition to interest charges, shall pay in addition a reasonable attorney's fee (15% of the unpaid balance if permitted by law).

The Feoffees reserve the right to publish a list of all accounts more than six months in arrears in a newspaper published in the Town of Ipswich. Such publication shall be made at least fourteen (14) days prior to the institution of any collection proceedings.

Any person selling his house must notify the Feoffees of his intention to sell and give the name and address of the purchaser, and obtain the consent of the Feoffees to such sale before the sale is consummated.

Every land holder is requested to have the grass on his lot cut to prevent loss by fire.
Enclose a self addressed stamped envelope for your receipt.

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To: ipswich@cnc.com
Subject: Feoffees

To the editor:

The Chronicle gave good coverage to the questions some of us asked at the Feoffees' annual meeting last week, but I wish it had asked some questions of its own. Many readers may have wondered who are these Feoffees anyway. What do they owe the schools?

The Feoffees are the trustees of a gift to the town by a Mr. Robert Paine in the late 1600s, who bequeathed his land at Little Neck for the "free scoole of Ipswich ... to bee and remaine for the benefitt of the said scoole of Ipswich forever". Their mission is plain and simple. It is a mistake to think that the Feoffees are required to give only a "portion" of their income from Little Neck to the schools (as the Chronicle reported); legally, the schools are their sole beneficiary.

In the 1700s there were troubles over the rents and the town went to the authorities in Boston to get a statute written confirming the Feoffees' responsibilities. It was re-enacted ten years later and in 1786, after Independence, its provisions were made "perpetual".

Copies of the Feoffees' minutes in the Ipswich Public library (they are in a small file and I don't know where the originals are) show that in the 1700s the Feoffees endeavored to lease their lands to the highest bidder, for maximum benefit to the schools. At that time they were renting to farmers. In the next century, when they started to lease to people wanting to build summer homes, they seem to have forgotten that they should be maximizing their return. They leased the house lots "at moderate rates", as Waters tells us. And that has been their practice ever since. As Ed Traverso pointed out at the meeting, the Little Neck tenants have been their prime beneficiary, not the Ipswich schools.

A decade ago many years would pass with the Feoffees giving the schools nothing. In the ten years 1983 to 1992 they gave a total of \$2,500. Since then a few of us have reminded the Feoffees of their responsibility and in 1998 they decided to raise the rents up to fair market value (as determined by an appraiser), raising them in steps over five years. Currently they are still only 50 percent of the appraiser's valuation. Even when they get there they will not represent what the lots could earn in rent. Realtors tell us, "Location, location, location", but the Feoffees charge the same rent whether a lot has an open view of the ocean or is jammed in among other lots. They appear not to have thought of looking for the highest rent a lot will command.

This year the Feoffees have given the schools a check for \$50,000. Meanwhile the assessors who assessed all the rest of us in town have assessed the land at Little Neck at \$15 million. We must believe it's a fair appraisal. The check to the schools is only 0.33 % of that value. Imagine a private landlord being satisfied with so little profit after expenses. Imagine a school or university being satisfied with such a

paltry income from its endowment. A college endowment typically pays 5% annually. Five percent of \$15 million is a tidy \$750,000. It could have an enormous leavening effect in Ipswich classrooms.

Robert Paine bequeathed his land at Little Neck as an endowment for the Ipswich schools, just as he bequeathed 20 pounds sterling to Harvard "to remain as a stock to the College forever". The School Committee, and parents of children in the schools, should actively concern themselves that the Feoffees attend to their responsibility as trustees. There is reason for concern because the Feoffees have been exploring the possibility of selling out to the tenants. As we learned at last week's meeting, the tenants have offered \$7 million. The Feoffees should not be allowed to sell below full market value, just as they have for so long rented below value. Robert Paine would turn in his grave at the thought. He expressly stipulated that the land he bequeathed "not be sould or wasted".

Robert K. Weatherall
66 Labor-in-Vain Road

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Folder: Inbox

From: "Kerry Mackin" <rokm@mediaone.net> [Save Address](#) - [Block Sender](#)
To: "Dave Standley" <stanips@mediaone.net>, "Carolyn Britt" <cjbritt@hotmail.com>, "Wayne Castonguay" <neecology@ttor.org> [Save Address](#)
Subject: Fw: some questions
Date: Sun, 28 Jan 2001 18:10:02 -0500

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and here is some stuff from Don Greenough on the Feoffees...
 kerry

----- Original Message -----

From: "Don Greenough" <greenough@greenet.net>
To: "Kerry Mackin" <rokm@mediaone.net>
Sent: Friday, December 15, 2000 10:45 AM
Subject: Re: some questions

> Funny you should ask ... David Standley and Ed Traverso had asked me to
 > send
 > them some historical background on Little Neck. As I pointed out to them,
 > the bequest of Little Neck in 1660 under the Last Will of William Paine
 > specifically stated that the property was not to be sold. I think it is
 > extremely doubtful that the property will be sold by the Feoffees.
 >
 > The Feoffees owe a "fiduciary duty" to the school department, which is the
 > sole beneficiary. If someone makes an offer to purchase, the Feoffees
 must
 > listen to it, and determine whether it is more beneficial for the schools.
 > If deemed beneficial, the Feoffees would need an act of the Massachusetts
 > legislature to sell the land. This was done in 1906 when the Feoffees
 sold
 > the last of their holdings in Essex.
 >
 > When the rents get to \$3,200 (seasonal) and \$3,600 (year round) in 2002,
 the
 > net income to the schools should be at least \$500,000. This year's
 \$50,000
 > is the result of the dock, funding the reserve for next year's road work,
 > and the fees of Larry Graham and Chip Nylen for the DEP. After 2002 the
 > rents will be adjusted every year based upon the CPI-index and local real
 > estate market conditions.
 >
 > The town assesses the land for \$15 million, but the appraisals are
 > significantly less than that. The Town has consistently "over-assessed"
 the
 > land while the rents were low. Through 1994, the total cost of ownership
 > (rent plus tax for seasonal use) was about the market rate. This
 > arrangement suited the tenants and the Town. For the owners, real estate
 > taxes are deductible and rents are not. From Town Hall's point of view,
 the
 > tax revenue benefits the municipal side as well as the schools. The

schools

> were the losers. In 1995, George Jewell, a member of the school committee,
> quietly brought his concerns to the Feoffees. It was agreed to have the
> property appraised and bring the rents up to market value over five years.
>
> In 1997, the Feoffees agreed to increase the rents 15% each year to get to
> market rates. It was expected that the Town would then need to lower its
> assessment of the land based upon seasonal usage. For FY2001, the Town
did
> not do it.
>
> The rent increase sparked the tenants' interest in purchasing the property
> as a cooperative. The tenants' offer is not even half of the appraised
> value. I understand that there is barely 50% support among the tenants to
> go forward with a purchase, even at a bargain price. This has been an
> interesting exercise for the tenants, but I do not believe that any change
> in the ownership will result from it.
>
> As far as more public use of the property, that's a subject which is
> probably non-negotiable. There is a misconception that the Town gave the
> land to the Feoffees. That is not true, as it was privately owned by
> William Paine. The land which was given by the Town to the Feoffees was
the
> coastal areas of what is now Essex. That land was then leased by the
> Feoffees to Cogswell and others for 1,000 years. The Town of Essex bought
> out the lease in 1906. I expect that the Feoffees will continue to
enforce
> their policy of limited access.
>
> The roads are the next issue that the Feoffees have to address. They have
a
> reserve fund established for the work as they expect to start it in 2001.
> The entire project will be subject to an Order of Conditions from the
> ConComm.
>
> The support for the schools would have increased dramatically since 1997,
> but for the DEP costs. Next year's projected return of \$300,000 to the
> school system may appear low based upon the assessed value, but is
probably
> close to 5% on the fair market value. The school committee should not
have
> a problem with a return of 5% on an asset which is also appreciating.
>
> Any other questions -- send them along.

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> ----- Original Message -----
> From: "Kerry Mackin" <rok@mediaone.net>
> To: "Don Greenough" <greenough@greenet.net>
> Sent: Friday, December 15, 2000 7:44 AM
> Subject: some questions
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> > Hi Don,

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> > I was glad to get to a Feoffee meeting the other night. The Little
> > Neck situation is one which I feel very mixed about, and would like to
> > bounce some ideas off you.
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> > My big issue is that Little Neck is as sensitive a location
> > environmentally as you'll find in the entire watershed, but it's so
> > inappropriately developed. The density is ridiculous, the roadway
> > system is a disaster in terms of stormwater issues, the property not
> > only is private but aggressively excludes public access to the coast;
> > and the public benefit envisioned from the trust originally, support of

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WARRANT FOR 2001 ANNUAL TOWN MEETING

ESSEX, ss

To the Constable of the Town of Ipswich in said County,

GREETINGS:

In the name of the Commonwealth of Massachusetts, you are hereby directed to notify the inhabitants of the Town of Ipswich, qualified to vote in Town affairs, to meet in the performing arts center of the IPSWICH MIDDLE SCHOOL/IPSWICH HIGH SCHOOL, 134 High Street in said Ipswich, on MONDAY, THE SECOND OF APRIL, 2001, at 7:30 O'clock in the evening, then and there to act on the following articles, viz:

ARTICLE 1

To see if the Town will vote: (1) to fix the salary and compensation of all elected Town Officers; (2) to choose the following Officers, viz: Constable for one [1] year; Moderator for one [1] year; two [2] Selectmen for three [3] years; one [1] member of the Housing Authority for five [5] years; two [2] members of the School Committee for three [3] years; the above Officers, to be voted on one ballot at the YMCA Hall, County Road, on Tuesday, April 10, 2001; the polls shall open at 10:00 a.m. and shall close at 8:00 p.m.; (3) to act on the transfer of any surplus funds in the Electric Division, Department of Utilities; and (4) to close out the remaining balances in the wastewater treatment capital project appropriations authorized under Article 15 of the April 03, 1995, Annual Town Meeting and under Article 10 of the April 07, 1997, Annual Town Meeting, and to utilize the remaining proceeds for reduction of sewer debt; or to take any other action relative thereto. (Requested by: Board of Selectmen)

ARTICLE 2

To see if the Town will vote to choose one member of the Finance Committee for three [3] years. (Requested by: Board of Selectmen)

ARTICLE 3

To see if the Town will vote: (1) to amend its action taken under Article 8 of the April 3, 2000, Annual Town Meeting (the FY01 Municipal Operating Budget), as amended by Article 1 of the October 16, 2000 Special Town Meeting, by transferring sums of money from the following accounts, and/or by

ARTICLE 15

To see if the Town will vote:

- 1) to appropriate a sum of money (a) for the development, design, purchase and installation of computer hardware, other data processing equipment and computer assisted integrated financial management and accounting systems; (b) for the development, design, and purchase of computer software incident to the purchase, installation and operation of computer hardware and other data processing equipment and computer assisted integrated financial management and accounting systems; and (c) to obtain any material and/or services incidental thereto;
- 2) to authorize the Town to enter one or more contracts for the lease of computer hardware, other data processing equipment and computer assisted integrated financial management and accounting systems for the development, design, and the purchase of computer software incident to the purchase, installation and operation of computer hardware and other data processing equipment and computer assisted integrated financial management and accounting systems; and

ARTICLE 8

To hear and act upon the report of the Finance Committee relative to the municipal budget, and to raise, appropriate, transfer money from available funds, and change the purpose of the unexpended balances of prior appropriations, all to be used for the ensuing year's operations, including the compensation of elected Town Officers; or to take any other action relative thereto. (Requested by: Board of Selectmen)

ARTICLE 2

To see if the Town will vote: (1) to appropriate a sum of money for debt service payments and other costs related to the construction and furnishing of the new middle school and high school including, without limitation, moving expenses and expenses necessary to secure the former Whipple Middle School; and (2) to determine whether said appropriation shall be raised by taxes, by transfer from available funds, or otherwise; or to take any other action relative thereto. (Requested by: School Committee)

ARTICLE 10

To hear and act upon the reports of the Finance Committee and of the School Committee relative to the School Department budget and to raise, appropriate, transfer money from available funds, and change the purpose of the unexpended balances of prior appropriations, all to be used for the ensuing year's operations; to act upon a request to authorize the school department to enter one or more contracts for the purchase of goods and/or services for a duration in excess of three years; to act upon a request to establish one or more new revolving

action relative thereto. (Requested by: Armand Michaud, DPW Director)

ARTICLE 20

To see if the Town will vote: (1) to appropriate a sum of money to engage engineers and/or architects to prepare plans and specifications for remodeling, reconstructing, and/or making extraordinary repairs to the Paul F. Doyon Elementary School and the Winthrop Elementary School, including original equipment and landscaping, paving and other site improvements incidental or directly related to such remodeling, reconstruction or repair, and to obtain any material and services incidental thereto; (2) to raise this appropriation by authorizing the Treasurer, with the approval of the Board of Selectmen, to issue bonds; and (3) to authorize the School Committee to apply for, accept, and expend any federal, state, and/or private grants in conjunction with said project; or to take any other action relative thereto. (Requested by: School Committee)

ARTICLE 21

To see if the Town will vote: (1) to appropriate a sum of money to engage architects, engineers, and/or other consultants to prepare a public safety feasibility study, and to obtain any material and/or services incidental thereto; the scope of this study shall include, but not necessarily be limited to: rehabilitation of and/or additions to the Central Fire Station and/or Police Headquarters; construction of a new fire station in the downtown; rehabilitation of the Linebrook Station; establishing any new substations elsewhere in Ipswich or its environs; public safety staffing and deployment issues; amending and updating the capital equipment acquisition and replacement plan; and evaluating the nature of public safety responses from the Central Fire Station, Linebrook Station, and/or any other Fire substation as well as the nature of our emergency medical response system; (2) to determine that said funds shall be raised by borrowing; or to take any other action relative thereto. (Requested by: Board of Selectmen; Fire Station Study Committee)

ARTICLE 22

To see if the Town will vote: (1) to ratify and confirm the proposed acquisition of interests in one or more parcels of land, each at an

eminent domain, or otherwise; (3) to determine if said appropriate said be raised by taxes, by transfer from available funds, or by borrowing; or to take any other action relative thereto. (Requested by: Board of Water Commissioners)

ARTICLE 25

To see if the Town will vote to amend the General Bylaws of the Town of Ipswich, "CHAPTER IV, Section 3. Annual Town Report", by deleting from the first sentence thereof the words "...at least one week prior to the date of the Annual Town Meeting,"; and by substituting in lieu thereof the words: "...no later than one hundred twenty days following the close of the fiscal year"; so that said first sentence, as amended, shall read: "The Annual Town Report, as prepared and published by the Town Manager, shall be issued no later than one hundred twenty days following the close of the fiscal year,"; or to take any other action relative thereto. (Requested by: Town Manager)

ARTICLE 26

To see if the town will vote: (1) To establish an Education Savings Plan under which all parents of school-age children residing in Ipswich may join. (2) Parents choosing to participate will receive a Parents Choice Certificate of \$2500 or less to assist financing their child in a non-public school. (3) The Plan will phase in over five years. Three hundred Certificates of \$500 each will be available the first year. (4) In the second year, 350 at \$1000; third year, 400 Certificates at \$1500; fourth year, 450 at \$2000; and in the fifth year and beyond, 500 Certificates at \$2500 each. After that, Certificates will increase at same rate as public schools' per-student cost. If parent applications exceed the above totals, allocations of Certificates will be made by lottery. (5) The Plan will be administered by the School Department and funded from its budget. (6) The present annual per-student cost to educate students in the Ipswich public schools is \$5200. The School Department will save \$2700 or more, depending on the year, by reducing its enrollment by one student under the Plan. (7) A Parents Choice Certificate will be issued only to the parents of a school-age child in Ipswich, not to a non-public school directly. The initial certificates will be available for the 2001-2002 school year. Deadline for applications will be July 15, 2001 and par-

funds, pursuant to state law; or to take any other action relative thereto. (Requested by: School Committee)

ARTICLE 11

To see if the Town will vote to raise and appropriate a sum of money to cover the Town's share of the ensuing year's annual operating and debt service expenses of the Whittier Regional Vocational Technical High School District; or to take any other action relative thereto. (Requested by: Whittier RVTHS Representative Raymond Morley)

ARTICLE 12

To see if the Town will vote: (1) to raise and appropriate a sum of money for the ensuing year's expenses of the Water Division, Department of Utilities, said sum to be offset by revenues of the Water Division during FY02; and (2) to raise and appropriate a sum of money for the ensuing year's expenses of the Sewer Division, Department of Utilities, said sum to be offset by revenues of the Sewer Division during FY2001; or to take any other action relative thereto. (Requested by: Board of Water/Sewer Commissioners)

ARTICLE 13

To see if the Town will vote: (1) to appropriate a sum of money to survey, design, and undertake repairs to roads and bridges under the provisions of Chapter 90 of the General Laws, and to obtain any materiel and/or services incidental thereto; (2) to authorize the Board of Selectmen to acquire easements in conjunction therewith by purchase, gift, lease, eminent domain, or otherwise; (3) in furtherance of the project(s), to authorize the Board of Selectmen to apply for, accept, and expend any federal, state and/or private grants without further appropriation thereof; (4) to determine whether said appropriation shall be raised by taxes, by transfer from available funds, or by borrowing; or to take any other action relative thereto. (Requested by: Board of Selectmen)

ARTICLE 14

To hear and act on the reports of the committees and to continue such Committees if the Town may vote to continue; or to take any other action relative thereto. (Requested by: Board of Selectmen)

funds, or by borrowing; or to take any other action relative thereto. (Requested by: Board of Sewer Commissioners)

ARTICLE 17

To see if the Town will vote: (1) to appropriate a sum of money to and to survey, design, construct and/or reconstruct sidewalks; (2) to authorize the Board of Selectmen to acquire any necessary easements by gift, purchase, or eminent domain; and (3) to determine if this appropriation shall be raised by taxes, transfer from available funds, or by borrowing; or to take any other action relative thereto. (Requested by: Armand Michaud, DPW Director)

ARTICLE 18

To see if the Town will vote: (1) to appropriate a sum of money to and to survey, design, construct and/or reconstruct Hammatt Street, including but not limited to pavement, sidewalks, storm drainage, street trees, and other appurtenances, and to obtain any materiel and/or service incidental thereto; (2) to authorize the Board of Selectmen to acquire necessary easements by gift, purchase, or eminent domain; (3) to authorize the Board of Selectmen to apply for and to expend without further appropriation any grants in conjunction therewith; and (4) to determine if this appropriation shall be raised by taxes, transfer from available funds, or by borrowing; or to take any other action relative thereto. (Requested by: Armand Michaud, DPW Director)

ARTICLE 19

To see if the Town will vote: (1) to appropriate a sum of money to (and to) survey and design improvements to North Main Street and the North Meetinghouse Green, including but not limited to pavement, sidewalks, storm drainage, street trees, and other appurtenances, and to obtain any materiel and/or service incidental thereto; (2) to authorize the Board of Selectmen to acquire necessary easements by gift, purchase, or eminent domain; (3) to authorize the Board of Selectmen to apply for and to expend without further appropriation any grants in conjunction therewith; and (4) to determine if this appropriation shall be raised by taxes, transfer from available funds, or by borrowing; or to take any other

intended purchase price in excess of \$1,500,000, in accordance with the conditions of the bonds authorized to be issued under Article 18 of the Warrant for the April 03, 2000 Annual Town Meeting; to amend its action taken under Article 10 of the Warrant for the October 16, 2000, Special Town Meeting by inserting after the words "acquisition for general municipal purposes of the fee interest" the words "or for conservation purposes of a lesser interest"; and after the words "acquisition of this property" the words "or lesser interest therein"; and (3) to add parcels to, or delete parcels from, the list (as referenced in said Article 18) on file in the office of the Planning Board and in the Office of the Town Clerk, said changes to be placed on file in the office of the Planning Board and in the Office of the Town Clerk by March 09, 2001; or to take any other action relative thereto. (Requested by: Open Space Committee)

ARTICLE 23

To see if the Town will vote, under the provisions of Chapter 43B of the General Laws of Massachusetts, to adopt an order under Section 10(a) thereof proposing the following amendment to the Town Charter, subject to the approval of the Attorney General pursuant to Section 10(c) thereof, to be submitted to the voters in accordance with Section 11 thereof at that part of the next Annual Town Meeting devoted to balloting in 2002:

To see if the Town will vote to amend the Town Charter (Chapter 620 of the Acts of 1966), SECTION 5. "Other Elective Boards and Offices.", after the words "...prior to the acceptance of this act..." by inserting the following clause:
" , provided, however, the term of office of constable shall be three years."; or to take any other action relative thereto. (Requested by: Board of Selectmen)

ARTICLE 24

To see if the Town will vote (1) to appropriate a sum of money to acquire interests in certain parcels for watershed protection, in the areas of: (a) High Street and Mitchell Rd (land now or formerly of Robert Statho - Assessors Map 30A, Lot 25); and (b) Dow Brook (land now or formerly of Hubert A. Gaspar, Jr. and Dennis Gaspar - Assessors Map 20C, Lot 3); (2) to authorize the Board of Selectmen to acquire said interests by purchase, gift, lease,

ents notified by August 1, 2001. (By Petition of Ian F. Forman and others)

ARTICLE 27

To see if the Town will vote to establish a committee to inquire into the operations and financial records of the Feoffees of the Grammar School and report its findings to the Annual Town Meeting in April Of 2002, and to instruct the Moderator to appoint one member each of the Board of Selectmen, the School Committee, and the Finance Committee, and four otherwise unaffiliated registered voters of the Town; or to take any other action relative thereto. (By Petition: Robert K. Weatherall and others)

ARTICLE 28

To see if the Town will vote to reconsider any or all previous articles raising and/or appropriating money which have a direct impact on the levy for the next ensuing fiscal year, as contained in this warrant, for the purpose of completing a budget which is balanced and in compliance with the levy limit provisions of Proposition 2 1/2, so called; or to take any other action relative thereto. (Requested by: Board of Selectmen)

And you are directed to serve this Warrant by posting attested copies thereof at the Post Office and at each of the meeting houses in the Town, by publication at least seven days prior to the time for holding said meeting in a newspaper published in, or having a general circulation in, the Town of Ipswich.

Given unto our hands this 5th day of March in the year of our Lord, Two Thousand and One.

TOWN OF IPSWICH
BOARD OF SELECTMEN

James R. Engel

Patrick S. McHally

Edward B. Fawcett

Edmund A. Halloran

James W. Foley

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Text of speech supporting motion on the Feoffees at Town Meeting, April 2, 2001

I should say to begin with that 75 people signed the petition to put this article on the warrant. We could easily have got more signatures. Very few people declined to sign. Indeed we collected several more signatures which we turned in late.

The Feoffees are one of the oldest institutions in town, but also the least known. They were established 350 years ago by a vote of town meeting to hold and manage land set aside by the town for the support of the grammar school, as it was called, and to manage any land given by private donors for the same purpose. In 1660 a wealthy property owner in town and entrepreneur, William Paine, bequeathed Little Neck to the town "to be and remain to the benefit of the said free school of Ipswich for ever". In keeping with the town meeting vote his bequest was given to the Feoffees to manage.

For the next century and a half they rented Little Neck each year to the farmer who put in the highest bid for it as pasture for his cattle. Meanwhile the town began supporting the schools with an annual appropriation and the rents collected by the Feoffees were a less and less important part of the school budget.

At the end of the 19th century Little Neck changed from being an open pasture to the summer colony we know it today. The Feoffees began renting plots to people who wanted to build summer cottages, renting the plots, as the historian Waters tells us, at moderate rates.

No one in town took much notice of these changes until the last ten years or so when there were cries over the tightness of the school budget and it was realized that the Feoffees of the Grammar School were managers of an exceedingly valuable piece of real estate. The question began to be asked, were they making a sufficient contribution to the schools? This past year the land at Little Neck (the only real estate they still possess from the old days) was assessed at \$15 million. Their contribution to the schools last year was \$50,000, which may sound a lot but is only a very small return on an endowment of \$15 million.

The School Committee have begun asking questions – may I say rather tentatively – but they are not the only town board interested in the Neck. The Selectmen, the Conservation Committee, the Planning Board, and the Open Space Committee are all concerned with the sewage problem there, about possible changes in the number of people living at Little Neck year round, and about changes in the character of Little Neck.

What they all need is more information about the Feoffees. Perhaps because no one has requested it of them, the Feoffees do not publish a written annual report like other town boards. The only written statement they give the Town is the two-page financial report which appears in the Annual Town Report, this year on pages 124 and 125.

This does not even give their names. It lists their expenditures, which are considerable, but doesn't explain them. It doesn't give the assessed value of the land they own separately from the value of the cottages – which the tenants own although the land under them belongs to the Feoffees. It doesn't tell you what rents

they charge, and how they set them. It tells you how much they contributed to the schools, but doesn't tell you how they decided on the amount.

Almost everything the public knows about the Feoffees comes from newspaper reports of their annual meetings, which do not always get every detail right – like how many cottages there actually are at Little Neck – and from what some of us have dug up and published in letters to the editor. And similarly we can make mistakes. There is no document you can ask for at Town Hall or at the Library which will give you what you want to know. It is not surprising that for most people the Feoffees are a mystery.

The town boards cannot make intelligent decisions about the Feoffees without better information on them. This is also true of us as voters. The purpose of this motion therefore is to establish a town-wide committee to gather information and publish it. The Feoffees were originally established by a vote of town meeting. To have town meeting establish this committee is entirely appropriate.

The information we believe the committee should be looking for falls into three categories.

The first is quite basic:

- How many Feoffees there are, who they are, and who appoints them;

- How do the Feoffees themselves describe their mission;

- What are the assets they manage; is it correct that Little Neck is the only land they own;

- How many tenants are there; is it correct that they own the cottages while the Feoffees own the land under them;

- How many of the cottages are occupied only for the summer, how many are occupied year-round;

- Do the tenants have leases; if not, what sort of tenure do they have;

- What is the current assessed value of the land at Little Neck;

- What rents are the Feoffees currently charging;

- What sort of a market is there for the cottages; what do they sell for; what do the tenant-owners charge for the week or month when they rent to summer visitors;

- What problems do the Feoffees have in managing the property; what expenditures do these problems entail;

- What contributions have the Feoffees made to the Ipswich schools over the last several years;

- Are the Feoffees required to file a report each year with the Attorney-General's office as a public charity;

- And so on.

The second category is historical:

- Is it correct that the Feoffees hold Little Neck by virtue of William Paine's will; what does the will say;

- It appears that the General Court has passed several statutes over the centuries relating to the Feoffees; what do these statutes say;

- For example, could the Feoffees sell Little Neck if they wanted to;

- Have there been court cases pertaining to the Feoffees which the Town should know about.

The third category looks to the future:

What are the details of the Feoffees' announced plan to raise the rents to fair market value; what is the current fair market value in their judgment; if different from the Town assessors' valuation, why the difference;

Do the Feoffees plan to keep raising the rents as the market value rises;

What are the details of their reported offer to sell to the tenants; where does the offer stand;

What relationship would the Feoffees like to have with the School Committee.

Of course the committee appointed by the Moderator may have its own questions. With members from the Board of Selectmen, the Finance Committee, and the School Committee, not to mention four other independent-minded people, we should expect it.

With the information the committee will gather, Town boards will have the information they need – and we all need – to make good decisions about the Feoffees. It will bring the Feoffees finally into the light of day. A short word for this is "transparency".

We urge you to support this article.

RKW

28

DONALD M. GREENOUGH, ATTORNEY

Phone (978) 356-1040 Fax (978) 356-1042

FAX MESSAGE

Ipswich Co-operative Bank Building
P.O. Box 790 2 Depot Square
Ipswich, MA 01938-0790

Date: July 25, 2001

To: Robert J. Bonsignore, Esq.

Fax # 1-781-391-9496

CC:

Fax #

Pages: 2 (after this cover sheet)

File # 1606A

Re: Feoffees of the Grammar School
in the Town of Ipswich

Comments:

Bob:

Attached is my letter regarding this morning's telephone call. I hope that you were in a better frame of mind at the end of the call than at the beginning.

I will deliver the LandVest appraisals and the 1939-1996 minutes book this evening. As my letter states, the delivery of the appraisals is upon the condition that they will not be photocopied and remain confidential. I did not state a time period in the letter, but I hope that you will be able to return the originals to my office within a week. If you need them at any further time for further review they will be made available to the Committee.

I would echo your comment: the Feoffees also hope that the inquiry is not more of the same Essex County BS -- people making accusations about the Feoffees' without substantiation. They do believe that your inquiry should clear many misconceptions about Little Neck, but understand that it will raise questions regarding the past practices between the School Committee and the Feoffees. I assure you that you will have access to all records that exist.

Robert J. Bonsignore, Esquire
Medford, MA 02155-3820
July 25th, 2001
Page -2-

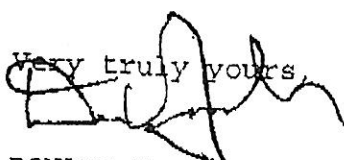
rental structure due to interest from the homeowners in purchasing the land. The offer from the homeowners was received in December, 1999, but was so far below the appraised value that the Feoffees believed that it was not necessary to discuss it with the School Committee. A revised offer was received in August, 2000, but again was too low to bring to the School Committee.

Late last year, LandVest was asked to update its appraisal to provide the Feoffees with a more current value to prepare for another offer from the homeowners. An offer was received earlier this month, which if supported by a significant deposit, will be brought to the School Committee for discussion. No offer will be accepted by the Feoffees without the consent of the School Committee.

Though not requested in your letter of July 12th, as discussed on the phone, I am also delivering the most recent "minutes" book I could acquire on short notice for tonight's meeting, which is for 1939 through 1996. I have contacted the Feoffees for the minutes of the following years, which will be similar in format.

As to the requested financial material, all records (bank statements, checks, 1099's, etc.) for 1997-2000 are at Dan Clasby's office, and will be made available to you for inspection by one or more members of the Committee. The material for the prior six years are held by Don Whiston and are similarly available for review. As stated in my prior letter, there are no compiled "financial statements" in the typical business sense beyond the summary provided at the annual meeting and included in the annual Town Report.

Very truly yours,


DONALD M. GREENOUGH

LAL
Encs.
File:1606A
cc: Client
(via) Fax and Hand Delivery

29

LandVest

D. PLANNING OPTION D - CONVERSION TO LONG-TERM LEASE

1. Continued Land Rental - Market Rate Analysis

One final planning option would involve the conversion of the current tenancy-at-will to a long-term lease with a 15- to 30-year term. Under this option, the currently delineated tax parcels will be evaluated based on estimated market level rental rates.

There are several accurate and technically appropriate means of calculating market land rent for seasonal and year round leasehold property. The first method employed in the subject analysis involves a calculation of market rent attributable to the rental cottages and residual income attributable to the underlying land. This method relies on a reasonably accurate estimate of total net rental income (i.e. land and building) and essentially separates income attributable to the land. Due to the relatively broad range of achievable (land) rental values and variable quality of improvements, this analysis will, as a matter of necessity, utilize *averaged* rental income estimates and assume a cottage of average size and quality.

As previously discussed, annual potential gross income for various cottages may range between \$8,500 and \$12,000. The approximate midpoint of this range is \$10,250. Using this assumed rental income level, market rate (net of real estate taxes) land rent is calculated as follows:

<u>POTENTIAL GROSS INCOME:</u>	\$10,250.00
Less vacancy allowance/ collection loss @ 5%:	512.50
Less real estate taxes:	<u>1,825.00</u>
<u>NET RENTAL INCOME:</u>	\$8,425.00
<u>Income Allocation:</u>	
Estimated Building Value (1,200± SF @ \$36.50*)	\$43,800.00
	x .11
Estimated Market Rent - Building:	\$4,818.00

* depreciated replacement cost

30

LOC30/LN/062600

Effective July 1st, 2000

LITTLE NECK RULES AND REGULATIONS

For the safety, welfare and peaceful enjoyment of the residents of Little Neck, the Feoffees of The Grammar School in the Town of Ipswich have issued the following rules and regulations and other pertinent information.

All cottage owners are responsible for the knowledge of the following material, both for themselves and for their guests and tenants. It is strongly recommended that a copy be posted inside each cottage.

1. **SEASONAL OCCUPANCY.** Only twenty four (24) cottages may be used as year-round residences. All other cottages are for occupancy between April 1st and November 30th of each year. This rule reaffirms the required acknowledgment signed at the time of the transfer of a cottage as to whether a cottage is year-round or seasonal. Due to the significant health, safety and liability risks which would arise in the event of the illegitimate winter occupancy of a seasonal cottage, the Feoffees impose additional rent of \$1,000.00 for each week between December 1st and the following March 31st that a seasonal cottage is occupied for residential purposes, whether by the owner or by a tenant. Such additional rent shall be due within seven (7) days of the owner's receipt of written notice from the Feoffees of such violation.

2. **ADDITIONS TO COTTAGES.** No addition to a cottage may be made until the owner provides the Feoffees with information as to the size and location of the proposed addition. No work may be started without the written consent of the Feoffees and a building permit from the Building Inspector of the Town of Ipswich. Failure to follow the foregoing procedure may result in legal action and require the demolition of any unauthorized construction. All costs of the Feoffees' action, including attorney's fees, shall be paid by an owner who breached this regulation.

3. **SEPTIC SYSTEM.** The Feoffees anticipate that they will enter into a Consent Order with the Massachusetts Department of Environmental Protection ("DEP") in accordance with the Clean Waters Act and Title 5 concerning the on-site septic systems servicing cottages. The Feoffees are legally obligated to assure compliance by all cottage owners with the repairs, upgrades, replacements, monitoring, maintenance and servicing of systems that will be required by the anticipated Consent Order. **Failure by a cottage owner to schedule or to timely complete the repair, upgrade or replacement of a system or to maintain, service, pump, manage and use a system as instructed by the Feoffees, including compliance with all orders of the DEP, Ipswich Conservation Commission and the Ipswich Board of Health, will result in legal action by the Feoffees to terminate the cottage owner's tenancy.**

4. **MOTOR VEHICLES.**

- 4.1. The motor vehicle speed limit is 15 miles per hour. An offender will be given one written warning by the Feoffees. A second offense will result in the banning of such driver's motor vehicle from Little Neck for thirty (30) days.
- 4.2. Unregistered motor vehicles are prohibited.
- 4.3. Areas posted as "No Parking" will be strictly monitored and vehicles in violation of parking restrictions will be towed.

5. **TREES.** No trees may be planted that will grow above the height of any ordinary shrub. Any complaint that the Feoffees receive about tall trees obscuring another owner's view will be investigated and the owner of the cottage on the lot on which the tree is located will be notified to promptly trim or remove the obstruction.

6. ANIMALS. Dog owners must properly control their animals so that their neighbors are not annoyed. Dog owners must clean up for their dogs and properly dispose of the waste. Please remember that Ipswich has a "Leash Law" and the Town's Animal Officer enforces the law.

7. NOISY PARTIES. As complaints have been received regarding noisy parties, owners are advised unless parties are properly supervised by parents or by other persons involved, the Ipswich Police Department will be called, especially after 10:00 p.m.

8. CONDITION OF COTTAGES. Each owner shall keep its cottage and yard in a good state of preservation and cleanliness. Boats shall not be stored within ten feet of the edge of the road pavement.

9. PEACEFUL ENJOYMENT.

- 9.1. No person shall make or permit any offensive activity or disturbing noises in a cottage or permit anything to be done therein which will interfere with the rights, comfort or convenience of other owners.
- 9.2. No person shall use a radio, television or other such device in a cottage between the hours of 11 p.m. and the following 9 a.m., if it would disturb or annoy other persons.
- 9.3. Outside fires are permitted only with the written consent of the Feoffees and the appropriate permit from the Ipswich Fire Department.
- 9.4. Alcoholic beverages are not allowed on any community facilities, including the beach, dock, ballfield, playground and roads.
- 9.5. An owner wishing to use the community house for a private party must schedule the event with the Feoffees at least ten (10) days in advance and provide information as to the nature of the event, the expected number of guests, and evidence of acceptable liability insurance and police protection.

10. WATER AND ELECTRIC. The water and electric services are supplied by the Town. The Feoffees have no jurisdiction except that the digging of a trench requires the prior written approval of the Feoffees. Approval is also required prior to the installation of underground telephone and cable television lines.

11. TRASH COLLECTION. Questions or complaints regarding trash collection should be forwarded to the proper Town authorities.

12. INSURANCE. Each owner shall maintain, at the owner's expense, comprehensive liability insurance in companies qualified to do business in Massachusetts, which shall insure the owner as well as the Feoffees, against all claims for injuries to persons (including death) occurring in or about the owner's leasehold, in the amount of at least \$100,000.00 in the event of injury or death of one person, in the amount of at least \$300,000.00 for any one accident, and against all claims for damage to or loss of property occurring in or about the leasehold in the amount of at least Fifty thousand (\$50,000.00) Dollars. Prior to the transfer of a cottage, the proposed new owner must furnish the Feoffees with a certificate of such insurance as a condition of the Feoffees' approval of the transfer of the leasehold. Each such policy shall be non-cancelable with respect to the Feoffees' interest without at least ten (10) days' prior written notice to the Feoffees.

13. INTEREST ON LATE PAYMENTS. Payment is due 30 days after the date a bill is mailed. If payment is not made by its due date, interest at the annual rate of 16% will be charged on the amount that is unpaid and overdue. Interest is computed on an overdue payment from the date a bill is mailed. An owner will also be required to pay all costs of collection, including attorney's fees. To obtain a receipted bill, enclose a self-addressed stamped envelope with payment.

31



Massachusetts Office of the Attorney General

Division of Public Charities

Form PC

To be filed annually by all non-profit charitable organizations conducting business in the Commonwealth

Please TYPE or CLEARLY PRINT all entries in black ink

ORGANIZATION DATA		MAILING ADDRESS (if different)	
Name:	PEOFFEES OF THE GRAMMAR SCHOOL	Name:	
Name (cont.):	IN THE TOWN OF IPSWICH	Name (cont.):	
Address:	P.O. Box 709	Address:	
Addr (cont.):	2 Depot Square	Addr (cont.):	
City:	Ipswich	City:	
State:	MA	State:	
Zip Code:	01938	Zip Code:	
Phone:	(978) 356-1040	Phone:	()
Fax:	(978) 356-1042	Fax:	()
E-Mail:	N/A	E-mail:	
Web Site (URL):	N/A		

Attorney General's account number:		Please enter dates below (example: 12/23/1982)	
Federal ID number:	04-6001191	Date of organization:	11 / 14 / 1650
IRS exemption under 501(c) ()		Date of incorporation:	N/A / /
Check box if no IRS exemption ----->	X	Fiscal year-end date:	06 / 30 /

In the section below, please enter the appropriate codes from the corresponding tables found on the instruction sheets:

CATEGORY	CODE	Enter up to 4 codes from Table 3 for your organization's main purpose(s)	CODE
County (Table 1) ----->	5	Organization purpose code 1 ----->	8
Type of organization (Table 2) ----->	2	Organization purpose code 2 ----->	
		Organization purpose code 3 ----->	
		Organization purpose code 4 ----->	

Please place an "X" in the box to the right if this is a final report:

☐

DO NOT WRITE IN THIS BLOCK

Payment received:

Form PC

All questions must be completed in their entirety whether or not similar questions are answered in an attached federal form. See instructions and definition section for guidance.

I. Summary of Financial Data		
A.	Contributions, gifts, grants, and similar amounts received	\$ 0
B.	Gross support & revenue	\$ 625,139.87
C.	Program services & grants or similar amounts paid out	\$ 50,000.00
D.	Fundraising expense	\$ 0
E.	Management and general expenses (*990 filers only)	\$ 502,129.41
F.	Payments to affiliates (*990 filers only)	\$ 0
G.	Total expenses	\$ 502,129.41
H.	Net assets or fund balances at end of year	\$ 162,440.78

2. On what date was the organization created?	Where was the organization created?
(ex: 11/17/1981) 11/14/1650	Ipswich, MA

3. In the box to the right, please enter the code corresponding to the form of your organization			
1	Corporation	4	Testamentary Trust
2	Unincorporated Association	5	Inter Vivos Trust
3	Other (please describe): Vote of Town Meeting on 11/14/1650		

4. If the organization has ever been judicially or administratively enjoined or prohibited from operating or from soliciting contributions, please place an "X" in the box to the right:
--

If you marked the box to the right of Question 4 above, please attach a detailed explanation.

5. List the name, amount of compensation paid, and the nature of services rendered by each of the organization's FIVE highest paid consultants providing professional services (e.g., attorneys, architects, accountants, management companies, investment advisors, professional solicitors, professional fundraising counsel.)			
	NAME	AMOUNT OF COMPENSATION	TYPE OF SERVICE(S)
1	Donald M. Greenough	1,448.00	Legal
2	Lynch, DeSimone & Nylan	3,141.50	Legal
3	H.L. Graham	60,812.00	Engineering
4	LandVest	4,000.00	R.E. Appraisal
5			

Form PC

<i>During the year, has your organization:</i>	YES	NO
(A) Sold or transferred assets to or purchased assets from or exchanged assets with a related party?		X
(B) Leased assets to or leased assets from a related party?	X	
(C) Been indebted to a related party?		X
(D) Allowed a related party to be indebted to it?		X
(E) Made or held an investment in a related party?		X
(F) Furnished goods, services, or facilities to a related party?		X
(G) Acquired goods, services, or facilities from a related party who received compensation or other value in return?		X
(H) Paid or became obligated to pay wages, salary or other compensation to a related party?		X
(I) Transferred income or assets to or for use by a related party?		X

10. If your organization was related to any other organization(s) during the reporting year (see definition of "Related Organization"), please place an "X" in the box to the right:

☐

If you marked the box to the right of Question 10 above, please complete Attorney General Schedule RO on pages 10 and 11 of this form.

11. If any restrictions have been removed during the year from donor-restricted funds, please place an "X" in the box to the right:

☐

If you marked the box to the right of Question 11 above, please attach an explanation of the procedures followed.

12. If donor-restricted funds have been loaned to unrestricted funds, please place an "X" in the box to the right:

☐

If you marked the box to the right of Question 12 above, please attach an explanation.

13. During the fiscal year reported here, if your organization solicited contributions or had funds solicited on its behalf, please place an "X" in the box to the right:

☐

14. At any time during the fiscal year following the year reported here, if your organization, or others acting on its behalf, will have solicited contributions, please place an "X" in the box to the right:

☐

If You Marked The Boxes in Response to Question 13 or Question 14, You Must Complete Schedules A-1 And/or A-2 Unless You Are Exempt from the Solicitation Certificate Requirement

Form PC



If you are claiming an exemption from the solicitation certificate requirement, please indicate by placing the corresponding code in the box to the right to identify which exemption applies to your organization:

1	a religious organization
2	an organization which (A) does not raise more than \$5,000 during a calendar year OR does not receive contributions from more than ten persons during a calendar year; AND (B) carries out all of its activities, including fundraising, through unpaid volunteers. The conditions at both (A) and (B) must be met for your organization to qualify for this exemption.

2

15. Please indicate which form (whether or not filed with the IRS) is attached by placing an "X" in the appropriate box.

IRS Form 990	
IRS Form 990 EZ	
IRS Form 990 PF	

IRS Form 1120	
IRS Form 1041	
A.G. Schedule B	
Probate Account	

Under penalty of perjury, I declare that the information furnished in this report, including all attachments, is true and correct to the best of my knowledge.

Donald M. Greenough
Signature of president or other authorized officer or trustee

Feoffee

Title

4 / 25 / 01
Date

Donald M. Greenough, Attorney
Name of preparer

P.O. Box 790, Ipswich, MA 01938

Address

(978) 356-1040

Phone number

SCHEDULE 9(B)

One of the 167 lots of land at Little Neck, Ipswich, is rented to the Foley Family Trust, of which James Foley, a Feoffee, is a beneficial owner. The annual rent for the lot is the same as all 143 lots which are limited to seasonal occupancy.

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FEOFFEES COORDINATING COMMITTEE

C/O Richard F. Doherty

3 Garden Lane

Wakefield, MA 01880

September 13, 2001

Little Neck Property Owner
Ipswich, MA 01938

Re: Little Neck purchase

Dear Little Neck Property Owner:

Well, finally some good news! The Feoffees have responded to our July 3, 2001 offer to purchase Little Neck. This is a major step since it is the first time that all four Feoffees have signed a document expressing their interest in a potential sale.

Our offer of \$10,200,000 has not been accepted as a final selling price, but as a price of sufficient magnitude to begin the process to sell the land to the homeowners. We have enclosed copies of the Feoffees letter, dated August 28, 2001, and our July offer for your review. Subsequent discussions with the Feoffees have indicated that the final selling price will probably be somewhere between our offer and the current new town assessed value.

In order for the Feoffees to approach the School Committee to initiate negotiations concerning the sale, they are asking for a refundable deposit to show our seriousness and good faith. They are asking for a deposit of \$167,000, representing \$1,000 per cottage.

Our Committee thinks that the Feoffees are trying to accomplish two goals by this process: First, they are attempting to determine our seriousness in proceeding with the sale. The Feoffees have received conflicting information on whether there are sufficient homeowners willing to proceed and actually come up with a deposit. Second, the Feoffees will be able to approach the School Committee with a bonafide serious offer to determine if the School Committee, the beneficiary of the Trust, is interested in pursuing the sale.

Your Committee is asking for a deposit of \$1,700 per cottage. This will cover the deposit, the cost of covering those owners who may not choose to participate, and initial

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2000 OCT 30 P 4:49
 RECEIVED
 TOWN CLERK
 IPSWICH, MASS.

KNOW ALL MEN BY THESE PRESENTS

That, I, CARMEN HEBBEL, of Ipswich, Essex County, Massachusetts 01938, in consideration of \$345,000.00 and other valuable consideration paid by THOMAS J. CLARKE and MARYELLEN CLARKE, with a mailing address of 632 Andover Street, Lowell, Massachusetts 01852, the receipt whereof is hereby acknowledged, do hereby grant, sell, transfer and deliver unto THOMAS J. CLARKE and MARYELLEN CLARKE, as joint tenants, the following goods and chattels:

Personal property consisting of a cottage and other improvements, and the furniture and furnishings therein, located upon Lot 11-A, as shown upon a plan entitled "Plan of Lots at Little Neck, at Ipswich, made by John W. Nourse for the Feoffees, September, 1902, enlarged by Charles E. Goodhue, Jr., and copies by Mr. Chas. Arthur July 1931". By rules adopted by the Feoffees of the Grammar School in Ipswich the owner of the cottage is granted a tenancy at will arrangement to use and occupy the land. The land is owned by the Feoffees of the Grammar School in Ipswich.

Property Address: 41 River Road, Ipswich, MA 01938
 Ipswich Assessors' Map 24C, Parcel 15

To have and to hold all and singular the said goods and chattels to THOMAS J. CLARKE and MARYELLEN CLARKE, their executors, administrators, and assigns, to their own use and behoof forever.

And CARMEN HEBBEL hereby covenants with THOMAS J. CLARKE and MARYELLEN CLARKE that I am the lawful owner of the said goods and chattels; that they are free from all encumbrances, that I have good right to sell the same as aforesaid; and that I will warrant and defend the same against the lawful claims and demands of all persons.

Assessment 2001

Land 102,600

Blag. 123,500

226,100

34

KNOW ALL MEN BY THESE PRESENTS

That, We, ROBERT L. TETREAUULT and SUSAN B. TETREAUULT, of 44 Gallison Avenue, Marblehead, Essex County, Massachusetts, in consideration of Three Hundred Thirty One Thousand Four Hundred (\$331,400.00) Dollars and other valuable consideration paid by DOROTHY GORHAM, with a mailing address of 40 Milk Street, North Andover, Massachusetts 01845, the receipt whereof is hereby acknowledged, do hereby grant, sell, transfer and deliver unto DOROTHY GORHAM the following goods and chattels:

Personal property consisting of a cottage and other improvements, and the furniture and furnishings therein, located upon Lot 21, as shown upon a plan entitled "Plan of Lots at Little Neck, at Ipswich, made by John W. Nourse for the Feoffees, September, 1902, enlarged by Charles E. Goodhue, Jr., and copies by Mr. Chas. Arthur July 1931". By rules adopted by the Feoffees of the Grammar School in Ipswich the owner of the cottage is granted a tenancy at will arrangement to use and occupy the land. The land is owned by the Feoffees of the Grammar School in Ipswich.

Property Address: 25 River Road, Ipswich, MA 01938
Ipswich Assessors' Map 24C, Parcel 23

To have and to hold all and singular the said goods and chattels to DOROTHY GORHAM, her executors, administrators, and assigns, to her own use and behoof forever.

And we hereby covenant with DOROTHY GORHAM that we are the lawful owners of the said goods and chattels; that they are free from all encumbrances, that we have good right to sell the same as aforesaid; and that we will warrant and defend the same against the lawful claims and demands of all persons.

25 RIVER RD ..

Assessment 2001

LAND	102,800
SLDG	77,700
YARD	500
	<hr/>
	181,000

2001 JAN 15 A 11:57

35

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS
DEPARTMENT OF ENVIRONMENTAL PROTECTION
Metropolitan Boston – Northeast Regional Office

JANE SWIFT
Governor

BOB DURAND
Secretary
LAUREN A. LISS
Commissioner

May 1, 2001

Richard A. Nylan, Jr.
Lynch, DeSimone, & Nylan, LLP
12 Post Office Square
Boston, MA 02109

Re: Administrative Consent Order. In the Matter of the Feoffees of the Grammer School, ACO-NE-99-1017

Dear Mr. Nylan:

On behalf of the Department of Environmental Protection (the "Department" or "DEP"), I am writing to respond to your letter dated April 19, 2001. In that letter, you request that the Department suspend the obligations of the Feoffees of the Grammer School (the "Feoffees") under Administrative Consent Order ACO-NE-1017 (the "Consent Order"). As grounds for this request, you state that the Town of Ipswich (the "Town") has appropriated \$300,000 for environmental review of the issue of whether the sewer system shall be extended to Little Neck. You stated that a consultant will be hired during this fiscal year to conduct the environmental review. You further state that the environmental review will take one year and that you expect that the Town will make a decision on the sewer extension by October 31, 2002.

In response to this request, the Department states that it is the present intention of DEP to exercise its enforcement discretion and refrain from taking any action for the Feoffees' failure to perform the work required by Paragraphs 19 through 33 of the Consent Order provided that the Feoffees (a) keep the Department informed of the Town's progress in completing the environmental review including without limitation the name and qualifications of the consultant performing the review and the date that he is hired, the scope of work of the environmental review, the recommendations of the draft report, and the recommendations of the final report, and the Town's decision; (b) proceed with the work required by Paragraphs 19 through 33 on a schedule eighteen months later than the dates provided therein unless the Town has decided on or before October 31, 2002 to extend the municipal sewer system to Little Neck; (c) within 90 days of a decision by the Town, the Feoffees execute an Amended Consent Order that is consistent with that decision, the Consent Order and this letter; (d) all septic systems serving the residences on the property are inspected prior to transfer and (e) interim measures including without limitation frequent pumping and the installation of tight tanks, are promptly implemented to address any imminent threats to the public health and the environment such as break out or backup whether such threats are discovered as a result of inspections or otherwise. If the conditions set forth above are not met, the Department reserves its right to take whatever action it deems appropriate to bring the Feoffees into compliance including the assessment of stipulated penalties.

The Department trusts that this letter adequately responds to your April 19, 2001 letter. Please do not hesitate to contact me, if you have any questions about the matters discussed in this letter. I can be reached at 978-661-7759.


Very truly yours,



Madelyn Morris
Deputy Regional Director
Bureau of Resource Protection

This information is available in alternate format by calling our ADA Coordinator at (617) 574-6872.

205A Lowell St. Wilmington, MA 01897 • Phone (978) 661-7800 • Fax (978) 661-7815 • TTD# (978) 661-7879

 Printed on Recycled Paper

COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF ENVIRONMENTAL AFFAIRS
DEPARTMENT OF ENVIRONMENTAL PROTECTION

COPY

_____)	ADMINISTRATIVE CONSENT ORDER
In the Matter of:)	AND NOTICE OF NONCOMPLIANCE
The Feoffees of the Grammar School)	
_____)	ACO-NE-99-1017
)	

I. The Parties

1. The Department of Environmental Protection ("the Department") is a duly constituted agency of the Commonwealth of Massachusetts. The Department maintains offices at One Winter Street, Boston, Massachusetts 02108 and maintains a regional office at 205A Lowell Street, Wilmington, Massachusetts 01887.
2. The Feoffees of the Grammar School (the "Respondents") own the property located at Little Neck in Ipswich (the "Site") and shown on the plan prepared by H. L. Graham Associates in Preliminary Report No. P-1, prepared by H. L. Graham Associates, Inc. dated June 23, 1999 (the "Preliminary Report"). Respondents are the Trustees of a Massachusetts Trust and are comprised of Donald Whiston, Chairman Peter A. Foote, James W. Foley and Alexander C. Mulholland. Respondents have a mailing address at 2 Jeffrey's Neck Road, Ipswich, MA 01938.

II. Statement of Facts and Law

3. Pursuant to the Clean Waters Act, G.L. c. 21, §§ 26-53, and the Groundwater Discharge Regulations, 314 CMR 5.00 et. seq., the Department has the authority to regulate subsurface sewage disposal systems that manage greater than 15,000 gallons per day ("gpd").
4. There are 167 dwellings on the Site. 24 of the dwellings are used year round, and the remaining 143 are seasonal. These dwellings contain approximately 462 bedrooms. The sewage disposal systems on the Site include direct discharges, conventional Title 5 systems, and cesspools. Using Title 5 flows, the sewage disposal systems serving the dwellings on the Site discharge greater than 50,000 gpd of effluent to the groundwater. To date, the Respondents have not applied for or obtained a groundwater discharge permit for the sewage disposal systems on the Site.

5. The Clean Waters Act, at §43(2) provides:

No person shall discharge pollutants into waters of the commonwealth, nor construct, install, modify, operate or maintain an outlet for discharge of any treatment works without a currently valid permit issued by the director. No person shall engage in any activity that may reasonably be expected to result directly or indirectly in discharge of pollutants into waters of the commonwealth, nor construct, effect, maintain, modify or use any sewer extension or connection without a currently valid permit issued by the director, unless exempted by regulation of the director.

6. Groundwaters are waters of the Commonwealth as defined by the Clean Waters Act, G.L. c. 21, § 26(2).

7. The effluent from the sewage disposal systems on the Site are pollutants as defined by the Clean Waters Act, G.L. c. 21, § 26(2).

8. By allowing the discharge to the groundwater of the effluent from the sewage disposal systems on the Site, systems with a total design flow of greater than 50,000 gpd, without a permit, the Department alleges that the Respondents have violated and are continuing to violate the Clean Waters Act, G.L. c. 21, § 43(2).

9. Pursuant to the Clean Waters Act, G.L. c. 21, § 43, the Department has promulgated the Groundwater Discharge Permit Regulations, 314 CMR 5.00.

10. The Groundwater Discharge Permit Regulations, 314 CMR 5.03(1), provide in part:

No person shall discharge pollutants to groundwaters of the Commonwealth without a currently valid permit from the Director, pursuant to M.G.L. c. 21, § 43 and 314 CMR 5.00. No person shall construct, install, modify, operate or maintain an outlet for such discharge or any treatment works required to treat such discharge without having first obtained a discharge permit on accordance with 314 CMR 5.03(1) and written approval from the Director for such activity.

11. The Groundwater Discharge Permit Regulations, 314 CMR 5.04(1), provide in part:

No person shall engage in any activity other than those described in 314 CMR 5.03, which may reasonably result, directly or indirectly in the discharge of pollutants into groundwaters of the Commonwealth, without a currently valid permit from the Department pursuant to 314 CMR 5.00 and 2.00, unless exempted in 314 CMR 5.00.

12. The Groundwater Discharge Permit Regulations, 314 CMR 5.05, exempt from the requirement to obtain a groundwater discharge permit certain subsurface sewage

disposal systems that discharge less than 10,000 gpd.

13. According to the design flows established by Title 5, the 462 bedrooms will generate in excess of 50,000 gpd, which the Department alleges is in violation of the Groundwater Discharge Permit Regulations, 314 CMR 5.03 and 314 CMR 5.04.

14. The Clean Waters Act, G.L. c. 21, § 44, provides in part as follows:

Whenever it appears to the director that there are discharges of pollutants without a required permit or that such discharges are in violation of a permit issued under this chapter, or in contravention of any regulation, standard, or plan adopted by the division, the director may order the discharger to apply forthwith for a permit or take other appropriate action under rules and regulations adopted by the director.

III. Disposition and Order

15. For the reasons set forth above, and pursuant to the authority granted to the Department under G.L. c. 21, § 26-53, G.L. c. 21A, § 16, and the regulations promulgated thereunder, the Department hereby issues and enters this Administrative Consent Order. The Respondents hereby consent to the issuance of this Administrative Consent Order. Respondents understand and hereby waive their right to an administrative hearing, a tentative decision, rehearing, re-argument, reconsideration and judicial review of this Administrative Consent Order and to notice of any such rights of review. The parties hereto agree that the Department has the authority to enter into this Administrative Consent Order.

16. The Respondents have informed the Department that they have identified and removed four pipes that allowed the direct discharge of pollutants to waters of the Commonwealth. The Respondents stated these discharge pipes were in areas occupied by seasonal residents at 2 River Road and 2 Cliff Road, 30 Bay Crest and 4 Plum Sound. The direct discharges at 2 River Road and 2 Cliff Road were identified on Page 11 of the Preliminary Report. On or about October 10, 1999, the Respondents removed the direct discharge pipe located at the seasonal residence found at 15 River Road. From the effective date of this Administrative Consent Order and thereafter, the Respondents shall eliminate all direct discharges discovered on the Site and shall notify the Department in writing of the work they have done to eliminate the direct discharge within thirty days of Respondents' discovery of the discharge.

17. On or about September 30, 1999, the Respondents completed the evaluation of the system identified as RAC 2 in the Preliminary Report and submitted to the Department for its review and approval a report (the Phase II Report) documenting this evaluation.

18. On October 29, 1999, the Respondents completed the evaluation of the remaining sewage disposal systems on the Site and submitted to the Department for its review and approval a report (the Phase III Report) documenting this evaluation.

19. After completing the evaluation of the sewage disposal system on the Site, the Respondents determined that systems using drip irrigation ("SDI systems") may provide a potential solution for at least some of the failing sewage disposal systems on the Site. To determine whether such systems can provide a solution that meets the requirements of the Groundwater Discharge Permitting Program, the Respondents have agreed to install two such systems on a trial basis, as follows. On August 4, 2000, the Respondents submitted to the Department plans and specifications for two SDI systems and a scope of work for an evaluation of these systems. These systems shall serve at least two year round dwellings. On or before November 30, 2001, the Respondent shall complete the installation of the SDI systems in accordance with the plans and specifications approved by the Department and shall notify the Department in writing that the installation is complete. On or before May 31, 2003, the Respondents shall submit to the Department for its review and approval as-built plans and request certificates of compliance for the SDI systems. On or before May 31, 2003, the Respondents shall submit to the Department for its review and approval a report evaluating the operation of the SDI systems in accordance with the scope of work approved by the Department (the "SDI Report") and recommending whether additional SDI systems should be installed on the Site and the reasons for this recommendation. In the event that the SDI Report recommends the installation of additional SDI systems, the SDI Report shall include a plan and schedule for their installation on or before November 30, 2004. The schedule shall provide for some of the SDI systems to be installed, at a minimum, on or before November 30, 2003.

20. After completing the evaluation of the disposal systems on the Site, the Respondents determined that it is not feasible to install a SDI system to serve every dwelling on the Site. To serve dwellings that may not feasibly be served by a SDI system, the Respondents have agreed to install tight tanks as follows. On or before August 4, 2000, the Respondents shall submit to the Department plans and specification for tight tanks to serve 20 dwellings that have systems classified as RAC IB and some dwellings with systems classified as RAC 2. On or before November 30, 2001, the Respondents shall complete the installation of 50 tight tanks in accordance with the plan and specifications approved by the Department and shall notify the Department in writing that the installations are complete. On or before May 31, 2002, the Respondents shall submit to the Department for its review and approval as-built plans and request certificates of compliance for these tight tanks. On or before January 31, 2003, the Respondents shall submit to the Department for its review and approval a list of the remaining dwellings that because of location cannot be feasibly served by SDI systems and a schedule for their installation by November 30, 2003 (The "tight tank plan and schedule"). The tight tank plan and schedule shall provide for approximately half of the remaining tight tanks to be installed on or before November 30, 2003.

21. On or before September 1, 2000, the Respondents shall provide the Department with a list of the residential structures that are in use at any time during the calendar year. The Respondents shall at the same time identify any residential structures that are abandoned. Notwithstanding anything to the contrary in this Administrative Consent Order, the Respondents shall not be required to inspect or upgrade any systems serving dwellings that have been abandoned. Prior to any future occupation of an abandoned structure, the Respondents shall inspect the sewage disposal system serving that dwelling and upgrade the system, if it is failing, in accordance with this Administrative Consent Order and the Groundwater Discharge Permit within two years of the inspection. Notwithstanding the foregoing, the Department may require the Respondents to upgrade a system within ninety (90) days of it is determined by the Department that the system poses an imminent threat to public health or the environment.

22. On or before August 1, 2002, the Respondents shall submit to the Department for its review and approval plans and specifications for the tight tanks that were scheduled in the tight tank plan and schedule as approved by the Department for installation on or before November 30, 2002 (the "2002 tight tanks").

23. On or before November 30, 2002, the Respondents shall complete the installation of the 2002 tight tanks and shall notify the Department in writing that the installation is complete.

24. On or before May 31, 2004, the Respondents shall submit to the Department for its review and approval an application for a groundwater discharge permit. Thereafter, the Respondents shall operate the SDI systems and tight tanks on the Site in accordance with the groundwater discharge permit and the plan approvals issued by the Department.

25. On or before May 31, 2003, the Respondents shall submit to the Department for its review and approval a report (the "SDI Report") evaluating the SDI systems installed on the Site in accordance with the scope of work approved by the Department and determining whether additional SDI systems should be installed on the Site and the reasons for this recommendation. In the event that the SDI Report recommends the installation of additional SDI systems and/or tight tanks, the SDI Report shall include a plan and schedule for their installation on or before November 30, 2004. The schedule shall provide for some of the SDI systems to be installed on or before November 30, 2003.

26. On or before August 1, 2003, the Respondents shall submit to the Department for its review and approval plans and specifications for the SDI systems recommended in the SDI Report as approved by the Department for installation by November 30, 2003 (the "2003 systems").

27. On or before August 1, 2003, the Respondents shall submit to the Department for its review and approval plans and specifications for the remaining tight tanks recommended in the tight tank plan and schedule or SDI Report as approved by the Department for installation by November 30, 2003 (the "2003 tight tanks").
28. On or before November 30, 2003, the Respondents shall complete the installation of the 2003 SDI systems and shall notify the Department in writing that the installation is complete.
29. On or before May 31, 2004, the Respondents shall submit to the Department for its review and approval as-built plans and request certificates of compliance for the 2003 SDI systems and the 2003 tight tanks.
30. On or before August 1, 2004, the Respondents shall submit to the Department for its review and approval plans and specifications for the SDI systems recommended in the SDI Report as approved by the Department for installation by November 30, 2004 (the "2004 SDI systems").
31. On or before August 1, 2004, the Respondent shall submit to the Department for its review and approval plans and specifications for any remaining tight tanks recommended in the SDI Report or for tanks which for any reason were not designed or installed in accordance with the schedule set forth in paragraphs 19-30 above as approved by the Department for installation by November 30, 2004 (the "2004 tight tanks").
32. On or before November 30, 2004, the Respondents shall complete the installation of the 2004 SDI systems and the 2004 tight tanks in accordance with the plans and specifications approved by the Department and shall notify the Department in writing that the installation is complete.
33. On or before December 31, 2004, the Respondents shall submit to the Department for its review and approval as-built plans and request certificates of compliance for the 2004 SDI systems and the 2004 tight tanks.
34. As of the effective date of this Administrative Consent Order, the parties acknowledge that the Town of Ipswich is considering a feasibility study to extend the municipal sewer system to the Great Neck section of the Town. Such a study may result in an extension of the municipal sewer system that would make connection to the municipal system a feasible remedy for the failing sewage disposal systems on the Site. In light of this study, the parties agree that if the Town of Ipswich appropriates the funds for an extension of the sewer system that makes it feasible to connect the dwellings on the Site to the municipal system, the Respondents can request to be excused from the obligation to design and install SDI systems and tight tanks on the Site provided the Respondents enter into an enforceable commitment acceptable to the Department to connect all failing systems to the municipal sewer system within five years and to

perform interim measures to mitigate the threat to public health and the environment posed by these systems until all the failing systems are connected to the municipal sewer system. The Department shall not unreasonably deny such a request provided it is accompanied by an acceptable, enforceable commitment as outlined herein.

35. This Administrative Consent Order does not constitute a permit. This Administrative Consent Order does not relieve the Respondents of their obligation to obtain all necessary permits and to comply with all relevant federal, state, and local statutes, ordinances, by-laws or regulations.

36. Each submission required by this Administrative Consent Order shall be submitted to:

David Ferris
Division of Wastewater Management
Department of Environmental Protection
Northeast Regional Office
205A Lowell Street
Wilmington, Massachusetts 01887

37. On January 2, April 1, July 1, and October 1 of each year, October 1, 2000, the Respondents shall submit to the Department a quarterly report detailing the actions it has taken to comply with this Administrative Consent Order during the previous three months and the actions it intends to take within the next three months.

38. The Respondents shall pay to the Commonwealth stipulated penalties for each day of each violation of a provision of this Administrative Consent Order, as follows: 1st day through 30th day of violation, \$250.00 per day for each violation; 31st day through 60th day of violation, \$500.00 per day for each violation; and 61st day and each day thereafter, \$1,000.00 per day for each violation. Stipulated penalties shall begin to accrue on the day a violation occurs and shall continue to accrue, until the Respondents correct the violation or complete performance, whichever is applicable. Even if violations are simultaneous, separate penalties shall accrue for each violation of each provision of the Administrative Consent Order. The payment of stipulated penalties shall not alter in any way the obligation of the Respondents to complete performance as required by the Administrative Consent Order.

39. All stipulated penalties shall be paid upon written demand within ten (10) days of the demand. The stipulated penalties set forth herein shall not preclude the Department from electing to pursue alternative remedies or alternative civil or criminal penalties which may be available by reason of the Respondents' failure to comply with the requirements of this Administrative Consent Order. In the event that the Department collects alternative penalties, the Respondents shall not be required to pay stipulated penalties pursuant to this Administrative Consent Order.

40. Payment of all penalties due under this Administrative Consent Order is necessary for the Respondents to come into compliance. In the event that the Respondents fail to pay in full any penalty on or before the date due under the Administrative Consent Order, the Respondents shall pay to the Commonwealth three times the amount of the penalty with costs plus interest in the balance due from the date of nonpayment. The rate of interest shall be the rate set forth in G.L. c. 231, § 6C. If a court judgment is necessary to execute a claim for penalties under this Administrative Consent Order, the Respondents shall consent to the entry of such judgment.

41. The Respondents shall pay all penalties due under this Administrative Consent Order by certified check, cashier's check, or money order payable to the Commonwealth. The Respondents shall print "ACO-NE-99-1017" on the face of the payment and mail to:

Commonwealth of Massachusetts
Department of Environmental Protection
Commonwealth Master Lockbox
P.O. Box 3584
Boston, MA 02241-3584

And shall deliver a copy of the payment to:

Madelyn Morris, Deputy Regional Director
Bureau of Resource Protection
Department of Environmental Protection
205A Lowell Street
Wilmington, MA 01887

42. In addition to being an Administrative Consent Order, this is also a Notice of Noncompliance pursuant to G.L. c. 21A, § 16 and 310 CMR 5.00. The Department and the Respondents agree that the deadlines set forth herein are reasonable. In the event that the Respondents fail to comply with any provision of this Administrative Consent Order, the Department shall have the right to seek further relief pursuant to G.L. c. 21, § 26-53, G.L. c. 21A, § 16 and 310 CMR 5.00 and 314 CMR 5.00.

43. Nothing in this Administrative Consent Order shall be construed or operate as barring, diminishing, or in any way affecting any legal or equitable right of the Department to issue any further order with respect to the subject matter covered by this Administrative Consent Order or in any way affecting any other claim, action, suit, cause of action or that the Department may have with respect thereto. Nothing in this Administrative Consent Order shall affect any legal or equitable right of the Department to take action in response to events of noncompliance not enumerated in this Administrative Consent Order.

44. This Administrative Consent Order shall apply to and be binding upon the Respondents, their employees, agents, consultants, contractors, successors, and assigns. The Respondents shall not violate this Administrative Consent Order and shall not allow their employees, agents, consultants, contractors, successors, or assigns to violate this Administrative Consent Order. A violation of this Administrative Consent Order by any of the foregoing shall constitute a violation of this Administrative Consent Order by the Respondents.

45. Failure on the part of the Department to complain of an action or inaction on the part of the Respondents shall not constitute a waiver by the Department of any provision of this Administrative Consent Order, nor shall a waiver by the Department of any provision of this Administrative Consent Order be construed as a waiver of any other provision. This Administrative Consent Order may be modified only by the written agreement of the parties. The Respondents may not assign their obligations under this Administrative Consent Order.

46. If, at any time, there is break out or backup from the existing sewage disposal systems on the Site, the Respondents shall notify the Department and the Ipswich Board of Health within 24 hours of such break out or backup by telephone or facsimile. Such notice shall be followed by formal written notice by mail within seven days of said breakout or backup.

47. If, at any time, the Department determines that the existing sewage disposal systems on the Site are operating in a manner which threatens the public health, safety, or the environment or threatens to cause damage to property, or creates a nuisance, the Department may require the Respondents to repair the affected system(s). The Respondents shall repair the affected system(s) as required by the Department pursuant to this paragraph.

48. The Respondents shall allow Department personnel to enter and inspect the Site at reasonable times without notice for the purpose of assessing compliance with this Administrative Consent Order and all applicable laws and regulations.

49. If any term or provision of this Administrative Consent Order or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Administrative Consent Order shall not be affected thereby, and each remaining term and provision shall be valid and enforceable to the fullest extent permitted by law, provided, however, that the Department may, in its sole discretion, elect to void the entire Administrative Consent Order in the event of such invalidity or unenforceability.

50. If any event occurs which causes or contributes or has the potential to cause or contribute to a delay in achieving compliance with a requirement of this Administrative Consent Order, the Respondents shall immediately notify the Department by contacting

David Ferris at the Northeast Regional Office by telephone and following such oral notice, by written notice, no later than seven days after learning of such event. Notice of such an event shall include the anticipated length and cause of the delay, the measures taken or to be taken to minimize the delay and the timetable for implementing the required measures. The Respondents shall adopt all reasonable measures to avoid and minimize any noncompliance. Failure of the Respondents to comply with the notice requirements of this paragraph shall render paragraph 51 void and of no effect as to the particular incident involved and shall constitute a waiver of the Respondents' right to request an extension of time for their obligations based on the incident.

51. If the Department determines that a delay has been caused by an event beyond the reasonable control of the Respondents, the Department may extend the performance date in question for a period of time equal to the delay caused or contributed to by the event. Events for which the Department may extend performance deadlines include (i) acts of God; (ii) acts of war; (iii) unanticipated delays due to accidents, strikes, freight embargoes, or other work stoppages; (iv) flood, fire, extreme weather conditions, or other natural disasters; and (v) delay in the obtaining permits and/or approvals from state, local, or federal authorities required to comply with the terms and conditions of this Administrative Consent Order, provided, however, that Respondents demonstrate to the satisfaction of the Department that best efforts were used to obtain such permits. Actions of the Respondents' officers, employees, agents, consultants, or contractors shall not be acts beyond the control of the Respondents. Unanticipated or increased costs or expenses associated with the implementation of the actions required under this Administrative Consent Order or changed financial circumstances shall under no circumstances serve as the basis for changes in this Administrative Consent Order or extension of time for the performance of the actions required under this Administrative Consent Order, and shall not constitute force majeure events.

52. This Administrative Consent Order constitutes the entire agreement between the Department and the Respondents with regard to the subject matter of this Administrative Consent Order. This Administrative Consent Order shall be effective on the date it is signed by the Department.

53. Each undersigned representative hereby certifies that he/she is fully authorized to enter into the terms and conditions of and to execute and legally bind the parties to this Administrative Consent Order.

54. No inspection of an individual septic system shall be required prior to a conveyance of property pursuant to 310 CMR 15.301 while this Administrative Consent Order or the Groundwater Discharge Permit is in effect.

55. Systems identified as RAC 4 do not need to be upgraded.

Issued on behalf of the Department of Environmental Protection,

By Madelyn Morris

Title DRD

Date 9/7/00

Consented to on behalf of the Feoffees of the Grammar School

By David F. [unclear]

Title Chairman of Feoffees

Date 9/12/00

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FAX to: Ed Traverso

WHIPPLE & KING, P.C.

ATTORNEYS AT LAW

IPSWICH RIVER PLACE
4 SOUTH MAIN STREET, SUITE 11
IPSWICH, MASSACHUSETTS 01938
(978) 356-2933

FAX (978) 356-2663

SALEM OFFICE
32 FEDERAL STREET
SALEM, MA 01970
(978) 745-3363
FAX (978) 745-6289JOHN A. WHIPPLE
JOHN G. KING
CELESTIE R. MARCHIOS
CHARLENE FOY GIDNEY
RICHARD M. KALLMANM. DONNA MANDRIOTA
ELIZABETH W. DAILEY
STEPHEN G. TINN (of counsel)
SUSAN G. LUTJES (of counsel)
AN W. MOORES (of counsel)

March 26, 2001

Richard Korb
Ipswich School Superintendent
One Lord Square
Ipswich, MA 01938

RE: Feoffees of the Grammar School

Dear Rick:

After attending the School Committee meeting at which Don Whiston presented to the Committee, reading the responses to the citizens' petition in the newspaper and attending Selectmen's meetings, I have a few random thoughts regarding the Feoffee matter.

First, I believe that the Board of Selectmen and Finance Committee will support the citizens' petition. If the School Committee speaks against it at Town Meeting (and I think the School Committee should take some public position rather than remain silent) it should be careful not to appear out of step with the citizens' desire to maximize contributions to the school system. If the School Committee appears not to be fighting for every last dollar available, the political fallout could be costly in the long term process of dealing with the Feoffees.

Second, I have read materials provided to me by Ed Traverso concerning the Cobb Trust in Barnstable and there are many similarities. The School Committee should carefully consider seeking the involvement of the Division of Public Charities of the Massachusetts Attorney General. Its involvement could have the dual purpose of prompting more complete financial reporting from the Feoffees while at the same time causing the Feoffees to increase their contribution to the School, without pitting the School Committee against the Feoffees. Rather, the School Committee would be viewed as taking the initiative necessary to obtain more and better information.

Richard Korb
March 26, 2001
Page Two

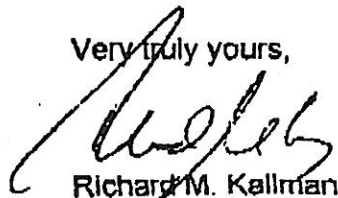
Third, I strongly suggest that the School Committee become actively involved in the on-going issues at Little Neck. I do believe that the Feoffees are heading down a path of selling the land to the tenants. The passage of the warrant article and the additional scrutiny they will be under from the public will further encourage the Feoffees to continue their efforts in that direction. It is most important from a political standpoint and a financial standpoint that the School Committee be actively involved in the negotiations between the Feoffees and tenants. Both groups must perceive that the School Committee is going to be actively involved in the final outcome to ensure the greatest economic return to the school system.

Fourth, I am not sure of the legal authority for the basis of the citizens' petition. The Feoffees remain private trustees serving for the benefit of the School Committee. I am not sure that the Town of Ipswich has the authority to oversee their financial affairs. I am sure that Don Greenough is advising the Feoffees as to what action to take if and when the citizens' petition is passed at Town Meeting, but it should not be assumed that the Feoffees will fully cooperate with an oversight committee. The Feoffees may challenge the article's validity with the Attorney General. On the other hand, the political fallout if the Feoffees were to refuse to cooperate might be more damaging to them than opening their books to the public for inspection.

Last, the budgetary constraints that the School Committee will face in the next couple of years are likely to ensure that the public will not let go of the Feoffee issue. The School Committee should be working on a long-range plan with the Feoffees rather than reacting to issues brought before them by the Feoffees or by the public.

In closing, I assume that most of these thoughts have already occurred to the School Committee, but I felt compelled to add my perspective for your consideration.

Very truly yours,



Richard M. Kallman

RMK/nps

cc: Jeff Loeb, Esquire

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66 Labor-in-Vain Road,
Ipswich, MA 01938

February 18, 2001

Jeffrey B. Loeb,
Chairman, Ipswich School Committee,
14 Bush Hill Road,
Ipswich, MA 01938

Dear Jeffrey:

I was heartened by Thursday's meeting. Don Whiston found himself facing a sceptical audience, which clearly wanted more information on the Feoffees than the Feoffees are used to providing. Your having him come and meet you in open session has lifted the debate to a new level. Hopefully this was just a beginning.

The style of his presentation to the School Committee was entirely in line with his style at the Feoffees' annual meetings. It was characteristic of him that he never mentioned why it is that the Feoffees' have charge of the land at Little Neck - that they hold it as trustees of a will which left it as an endowment for Ipswich's schools. As usual, his focus was almost entirely on the tenants and their concerns. Members of the Committee could be forgiven if they were left with the impression that the Feoffees's "gifts" to the schools were just that - voluntary donations for which the town and the School Committee could only be grateful.

It was also characteristic of him that he would have preferred to meet with you in executive session, without the public present. In the same vein he announced that only members of the Committee could see the recent appraisal by LandVest - and even then, only an abridged copy - and that you could only see it in Don Greenough's office. This in spite of the fact that it has been shared with the tenants, or so I believe. He did not think of sharing with us the letter he told us he had recently sent the tenants offering to sell them the lots under their houses for \$15 million.

He volunteered no reason why these and other proceedings should be kept so much under wraps and I think the School Committee should press him on this, for its own sake and the public's. Transparency should be the watchword here as in other spheres where the public's interests are at stake. Documents kept confidential may also perpetuate misconceptions which would be corrected in the light of day. A good example is the legal brief which Charlie Dalton prepared for the School Committee and the Selectmen in 1991 following correspondence I had had with Jeffrey Simon, your predecessor as School Committee chairman (copies enclosed). Dalton writes that "about 1660" (actually we know the date exactly) William Paine "made a bequest of Little Neck to the Feoffees, and the income derived from it was used for the support of the schools." The implication is that they could have used it for other purposes. In actuality Paine does not mention the Feoffees in his will; he says simply that he is giving Little Neck "unto the free scoole of Ipswitch" to be a benefit to the school "for ever". The town had previously established the Feoffees to manage other land which the town had set aside as an endowment for the grammar school and in light of this Paine's executors no doubt determined that the Feoffees should have the management of his bequest.

The Massachusetts statute of 1756 referred to by Dalton which confirmed the Feoffees as an institution opens with a sentence describing the lands held by them as "conveyed" to them "in trust ... for the use of school-learning in [Ipswich] forever". Characteristically, Dalton fails to quote this. He also fails to mention three later statutes which authorized the Feoffees to sell specified lands under their management (passed in 1835, 1892, and 1906) and which all direct that the proceeds be invested for the support of the grammar school. The 1835 statute adds the requirement "that they shall apply the income thereof exclusively to the uses appointed by the original donors". Again the implication is that the Feoffees are caretakers of a trust.

Dalton's failure to note these passages leaves him free to suggest that if the Feoffees are persuaded to sell the land at Little Neck the proceeds could be dedicated "exclusively to the School Budget, exclusively to the General Government Budget, or some combination of both". It is a statement which should scare the daylight out of anyone thinking of giving an endowment to the town for a specific purpose, for example a donor thinking of contributing to the School Committee's recently established endowment fund for the support of school projects.

Disturbed by the Feoffees' propensity to secrecy – and, I might add, the School Committee's inclination before now to hold its discussions of the Feoffees in executive session – a group of us have collected signatures to put an article on the April town meeting warrant. The article provides for the Moderator to appoint a committee to inquire into the operations and financial records of the Feoffees and report back to the town, the committee to consist of one member from the School Committee, one from the Board of Selectmen, one from the Finance Committee, and four unaffiliated members. I think the committee will serve a useful purpose. It was clear on Thursday night that there are members of the School Committee who still have a lot to learn about the Feoffees. The same undoubtedly goes for the members of other town boards.

Dalton's willingness to think of the town taking ownership of Little Neck is a useful reminder that there are many sides to the Feoffees debate. I think it vital that the School Committee fight its corner, and do so publicly. The Feoffees and the tenants can be trusted to fight their corner, and the Selectmen, the Planning Board, and the Conservation Commission, with their concerns about sewerage, land use, and population growth, can be trusted to fight theirs. The School Committee will not serve the interests of the schools, or hold the public's respect, if it is not heard arguing its case.

I agree with you wholeheartedly that increasing the income from the Paine trust – hopefully to the high six-figures - must not lead to diminished funding by the town. This can be done if the trust remains with an independent board of trustees to whom the schools apply for grants. Then the Finance Committee cannot count on any specific school activity getting funds from outside.

I apologize for going on at such length. As you know, this is a cause I am committed to.

Sincerely,

Robert K. Weatherall

Enclosures

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MINUTES MEETING OF 06/27/01

The meeting was opened. Discussion focused on the legislative history of the Feoffees from the 1600's through 1905. Some discussion revolved around the more recent members of the Feoffee Committee and the potential involvement of the school board and the board of selectmen. Further questions were raised about the role and authority of the Feoffees. Discussion was also focused on the following:

1. The \$100,000 expenditure on maintaining/improving a dock in that such an expenditure would generally be considered a betterment.
2. The listing of a cottage on Little Neck for sale at \$319,000.
3. That rents on Little Neck are not apportioned by fair market value or by the location of the cottages (with good views or less good views).
4. The Feoffee's engagement of a firm to place a fair market value on the property and the difference between the town's figure of \$15,000,000 and the Feoffee's figure of \$9,000,000.
5. That over the years a number of the Feoffees have themselves been (or their families have been) Little Neck tenants, raising the questions of a conflict of interest.

Further consensus was reached on the following:

1. That contacts should be made with the Feoffees and that request should be made for financial data.
2. That the committee should continue to gather facts to report.
3. That nothing less than full disclosure by the Feoffees is acceptable.
4. That a draft of the request for information to the Feoffee's should be circulated and sent in final form within seven days to allow maximum time for the receipt of information prior to our next meeting.
5. That subcommittee's who will work on individual tasks will be utilized on an as needed basis.
6. That a checklist of potential information the committee would like to review will be circulated and hopefully finalized before the next meeting along with individual files for the committee members.

The open meeting was attended by a member of the Salem News. The minutes of the prior meeting were approved. Until the e-mail issues are resolved, draft minutes will be circulated in advance in hard copy.

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Minutes from the Committee selected by the Town of Ipswich to look into
the Feoffees
Wednesday, July 25, 2001, 7:00 p.m., Ipswich Town Hall

All in attendance with the exception of Harvey Schwartz

Robert reported he called Donald Whiston to let him know a request letter was in the mail. The response to that letter came from the feoffees council, Don Greenough. Don Greenough then responded by phone stating that there would be full cooperation.

Don Greenough arrived at the meeting restating that the feoffees look forward to fully cooperating and clearing the air about the issues brought out in the public forum and are interested in providing suggestions on future handling of the money provided to the schools. He also provided land valuation reports, minutes starting from the 1930's and the name of the accountant who has the financial records from the last three years, Dan Clasby.

Motion approved: The Committee agreed to acknowledge and thank the Feoffees for stating their full cooperation via legal council, Don Greenough.

Ed Traverso provided a copy of the Report of Counter Listing Detail from the town records, which shows the Litte Neck residents as "land-owners".

The committee agreed that communication is key - the feoffees need to communicate with the school committee and the school committee needs to communicate with the feoffees.

Information to be gained from reviewing the financial records would include providing a complete cashflow, not just for the operating account and to provide more detail on certain expenses (ie: Insurance, police, future liabilities, etc.) The review will start with the last three years, if the data is incomplete then consider going back further.

Ed Traverso, resident of Ipswich, stated that he was angry with the situation of the feoffees, he feels they are depriving the Ipswich students of enrichment programs and he wants the committee to focus on the history and be concerned with the future.

The list of questions provided by Bob W. at the annual meeting were reviewed and the following assignments were made to start documenting the responses:

How many feoffees, who they are, who appoints them - Bob W.

How feoffees describe their mission - Robert or Bob W., I only wrote Bob, so not sure which

What are assets they manage - Heather

How many tenants and ownership of land - Robert

Number of cottages occupied year round v. summer - Robert

Lease or other arrangements - Robert

Current assessed value of land - Harry

What rents currently charged - Robert

What market for cottages, sale prices, rentals, et cet - Barry

Problem feoffees have in managing property and expenses incurred - Mary

What contributions made to schools - Mary from minutes; Heather from financial records; Barry from school records

Any court cases pertaining to the feoffees in recent years - Mary

Details of raising rents, current fair market value according to feoffees - Robert

Next meeting scheduled for August 29, 2001, 7:00 - 8:30 pm, Ipswich Town Hall

Meeting adjourned.

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TOWN COMMITTEE ON THE FEOFFEEES

Minutes of meeting on Wednesday, August 29, 2001,
at the Town Hall

All members present except Heather Ellerkamp and Harry Lampropoulos.

Robert Bonsignore circulated copies of a letter from Ed Traverso in which he questioned the wording of the invoices used by the Feoffees to collect the rents and taxes owned by the tenants at Little Neck. One issue was under what heading the Feoffees included the taxes they owed the Town for the community building, the wharf, and the open spaces at Little Neck. Were they incorporated in the rental charge or in the tax bill? Another issue was whether the wording of the invoices allowed tenants to claim an income tax deduction on the taxes due on the land under their houses as well as on their houses. Ed Traverso, who was present, said he needed to correct one error in his arithmetic; on the thirteenth line of his letter the figure of one-tenth of one percent should be changed to one percent. It was agreed that the letter should be filed with the minutes.

It was reported that Heather Ellerkamp had talked with Mr. Clasby but he was unable to give her the financial data she had hoped for. It appeared that he had only recently been appointed by the Feoffees to put their accounts in order and he had not mastered them yet.

Barry Hopping said that the office of the Superintendent of Schools had not been able to give him a record of the Feoffees' contributions to the schools to set against the record obtained from the Feoffees' financial statements in the annual Town Report. He said that he had looked at correspondence between the previous superintendent, Dick Thompson, and Don Whiston, and he had been surprised to find that that Mr. Thompson had requested funds for specific school purposes and that Don Whiston had sometimes made a contribution as requested but had also felt free to turn down a request (e.g. for classroom computer s) because he did not think it fitted with the Feoffees' mandate. Members of the committee wondered whether the Feoffees had a right to screen what the School Committee did with the Feoffees' contributions.

Barry Hopping added that he had also been surprised to find that Mr. Thompson had sent purchase orders to the Feoffees, for payment by the Feoffees, by-passing the School Department's accounting system. None of this was apparent from the proceedings at the Feoffees' annual meetings. There the Superintendent was invited to step forward to receive the Feoffees' contribution for the year and the amount of the contribution was announced as if it was as much news for the Superintendent as it was for others in the audience.

This led to a discussion of the Feoffees' status as a self-perpetuating board and whether the Town should look to changing it: would it require intervention by

the Attorney General; in light of the 18th century statutes governing the Feoffees would it not require a statute?

Mary Harrington said that she had gone through the Feoffees' official minute book for the period 1969 to 1996. There were no minutes in it for the years 1976 to 1984, only a note saying "To be done". She thought the Feoffees probably had notes on the meetings but they had not been written up. She said the minutes were quite spare in what they reported. They reported the spending of money on such things as road surfacing and erosion prevention but did not record how such expenditures were decided, or by whom. She circulated a paper listing the Feoffees' contributions to the schools as reported in the minutes, saying that it was difficult to match the numbers with the numbers in the Feoffees' financial statements in the Town Report. It was suggested that one reason might be that by the time of the Feoffees' annual meeting, when they handed over their check to the Superintendent, they were already in a new financial year. Some of the money they were giving might not show up in their published figures until next year's financial statement.

In the ensuing discussion it was noted that the minutes of the annual meeting would be particularly uninformative about the Feoffees' manner of operation because it was not a meeting at which the Feoffees made any decisions; they only reported on actions they had taken previously. The question was raised how the Feoffees voted on matters which might concern one or more of them as tenants; for example, did a Feoffee who was tenant recuse himself when the matter of raising the rents was on the table?

Robert Bonsignore said that Don Greenough had agreed that all the members of the committee should have a copy of the most recent appraisal by LandVest but that they should keep it confidential. Robert said he would provide copies to the committee. He added that the appraisal was very professional but that one could question the assumptions on which the resulting valuation was based. For example, he thought it understated the weekly rents that tenants could charge if they sub-rented during the summer. It also assumed that the "best use" of the Little Neck property was as condos. In the ensuing discussion it was suggested that LandVest was assuming that the present tenants would be the buyers. An outside purchaser buying out the Feoffees but otherwise maintaining the present restrictions on year-round occupancy might outbid the tenants' organization.

Bob Weatherall circulated copies of a two-page document answering the questions who are the Feoffees, how many are there, who appoints them.

It was agreed that the next meeting should be on September 26 and that the Feoffees should be invited to meet with the committee on October 24. The agenda for the September meeting should include preparation for the October meeting, with discussion of the questions the committee wished to ask the Feoffees.

Robert K. Weatherall
Secretary pro tem

41

Minutes from the Committee selected by the Town of Ipswich to look into
the Feoffees

Wednesday, September 26, 2001, 7:00 p.m., Ipswich Town Hall

These minutes include the executive session notes

NOT FOR PUBLIC

All in attendance with the exception of Mary Harrington and Barry Hopping

Robert Bonsignore moved to accept the minutes from the last meeting, Bob Weatherall second that motion.

Discussion opened with the topic of the attorney general's ("AG") interest in meeting with this committee. The AG is asking to meet with us so it is not an open forum meeting. The members will be contacted as to the time of this meeting.

Don Greenough, council for the Feoffees, asked to speak. He stated that the Feoffees would like our input on the distribution process, communication process, structure of the Feoffees, management process (ie financial records), etc.

Motion to go into executive session.

Don Greenough stated that the Feoffees believe the beneficiary is the schools as represented by the school committee. He also said another valuation was prepared for the residents, paid for by the Feoffees, and the results have not been made available to the Feoffees, however, the residents have stopped complaining about the rents, etc. The cost of the report will be refunded as part of a purchase price, if the land is sold.

The history of offers, per Don, from the residents included an extremely low offer of \$3 million. This was not even considered. The second offer was \$7.5 million. This was not considered. Recently, an offer in excess of \$10 million was made. The Feoffees decided before they would proceed with evaluating the offer and contacting the School Committee they would need a deposit. The Feoffees asked for \$167,000.

A letter provided by Ed Traverso, which was not addressed to Ed, was read and discussed. The letter was from the Feoffees Coordinating Committee (made up of a group of residents) and discussed the request of \$1,700 per interested party to make up the total deposit of \$167,000 (rather than \$1,000 from all residents).

Motion to adjourn executive session.

Robert Bonsignore stated that the executive session was about a letter that was from the Feoffees Coordinating Committee to the residents.

Heather Ellerkamp stated that upon her initial review of records from the Feoffee's accounts that there is an account which contains excess

funds from the operating account that has accumulated. She also stated that the amount was currently at a balance which was significant enough for investments other than an interest bearing bank account.

Harvey Schwartz reviewed his memo regarding the AG. The AG represents the public in regards to charitable trusts. The AG is currently investigating the Feoffees. After the investigation is complete they decide whether or not to seek a judgement in the courts. Some of the actions could include: changing the manner in which they act and/or changing the form of management. Harvey stated that "cy pres" would not apply since there is still a beneficiary, the schools.

It was agreed that Heather Ellerkamp would consolidate the findings, (later this was passed to Bob Weatherall). It was agreed that Robert Bonsignore would consolidate the questions.

Meeting was opened to the public.

Ed Traverso summarized his contact with the AG as one in which he was trying to get more data about the Feoffees and the IRS as one in which he was trying to verify the Feoffees were in compliance.

Robert Bonsignore summarized his view that the AG and the IRS can be antagonistic to the school kids and would like Ed to summarize his findings and recommendations including a history and pass them on to Bob Weatherall.

Harvey Schwartz agreed to contact the school committee and find out their opinion as to how they want the money distributed (annually, periodic, or request by request).

Next meeting scheduled for Wednesday, October 24, 2001, 7:00 - 8:30 pm, Ipswich Town Hall

Meeting adjourned.

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**Minutes from the Committee selected by the Town of Ipswich to look into
the Feoffees**

Wednesday, October 24, 2001, 7:00 p.m., Ipswich Town Hall

All members were in attendance.

Each of the four Feoffees were in attendance, Don Whiston, Alexander Mulholland, Peter Foote, and James Foley.

Robert Bonsignore opened the meeting reading a letter from Don Greenough, counsel for the Feoffees, which stated that the Feoffees believe that the current form of management is considered no longer appropriate and they agree that change is required. They also stated that they want to make sure the funds are for special projects and not part of Bean Counting.

See attached copy of letter.

Harvey Schwartz said that this committee has many of the same concerns over the use of funds.

Robert Bonsignore said that he wants to continue the cooperative spirit between this committee and the Feoffees and their counsel.

Don Whiston was asked to summarize his duties and give his opinion on how a manager could do his job. He detailed his daily/weekly/monthly activities.

Harvey Schwartz said one option would be to make a new trust.

Robert Bonsignore asked Feoffees and the members of the audience from the general public to provide a wish list for the new trust/management arrangement.

Meeting adjourned.

43

**Minutes from the Committee selected by the Town of Ipswich to look into
the Feoffees
Wednesday, January 30, 2002, 7:00 p.m.**

All members except Mary Harrington were in attendance.

Robert Bonsignore started the meeting.

Don Greenough, attorney for the Feoffees, asked that original documents be returned if they are done being reviewed. He also stated that the Feoffees believe that our mission was only to review and report on the operating and financial aspects of the Feoffees and not to provide suggestions.

Several members of the committee voiced opinions that we should be allowed to make recommendations as part of our report to the town.

The Established Findings were reviewed as a group for the second time. The committee members will review the findings at home prior to the next meeting.

Several items from the review of the findings were identified as needing more research. Harvey Schwartz will look into the procedures used by the assessor's office for the valuation of the land/buildings on Little Neck. Heather Ellerkamp will look into the schedule of rents and determine the final year of schedule increases. Robert Bonsignore will look into other options for the structure of Little Neck. Bob Weatherall will add the nature of offers by the tenants to the Findings.

It was agreed that unanswered questions should be added to the findings, for example: Can you legally restrict year-round access if there is no longer a sewer restriction?

Minutes from the 11/28/01 meeting were reviewed and approved.

It was agreed that we should meet twice a month from now on until the Annual Meeting.

Meeting adjourned.

44

Minutes from the Committee selected by the Town of Ipswich to look into
the Feoffees
Wednesday, February 20, 2002, 7:00 p.m.

All members except Mary Harrington and Harry Lampropoulos were in attendance.

Robert Bonsignore started the meeting. He talked about the apparent but not legal conflict between being on the Feoffee committee and living on Little Neck. He also talked about pursuing possible alternatives to selling the land to the residents of Little Neck with someone who does this as a profession.

This committee discussed the procedures at town meeting, it was decided that Barry Hopping would talk to the Town Moderator in the morning about getting a warrant article for continuing this committees work thru the next year or possibly until our work is done.

This committee also discussed what our report would look like. Heather suggested a tabbed book with a statement from the committee, a copy of the speech, our findings/conclusions, and several of the more important documents that have been collected.

Harvey Schwartz suggested adding a poetic portion of the speech and agreed to draft a vision statement for the presentation that would include our thoughts on what the money from the land of Little Neck could mean for the kids and teachers of the Ipswich Schools.

The committee agreed to mention Charlie Cobb in our speech and mention all the effort he made toward this purpose.

Minutes from the 1/30/02 meeting were reviewed and approved.

The next meeting is scheduled for Wednesday, February 27, 2002.

Meeting adjourned.

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Town Committee on the Feoffees Findings

Supplied by Heather Ellerkamp

The Feoffees' management of Little Neck

Source	Finding
Discussion with Don Whiston	The reason for summer only on 143 of the 167 houses: Back in the 1960's the Board of Health declared that the annual septic activity on Little Neck was such that they could not be year-round. 24 of the 167 houses have some sort of alternative septic handling and are considered "OK" for year-round use.
Discussion with Don Whiston	The reason why rent was not increased in the early to mid 1990's: the Feoffees made a decision to not increase the rent portion of the bills going to the homeowners since the tax portion was going up so much.
Discussion with Don Whiston	In 1997 the decision was made to start increasing the rent portion to approach a 6% return on the then current estimated land value of \$9 million per Landvest. This was to be completed over a 5 year period.
Discussion with Don Whiston, memo from Don Greenough and my calculation	The full 100% rents would provide the following: 143 units x \$3,200 = 457,600 24 units x \$3,600 = 86,400 Totaling \$544,000 or 6% of \$9 million

Source	Finding
<p>My review of the detail billing sheet prepared by Don Whiston for Jul 00-Jun 01, and an actual invoice for 01-02 year and my calculations.</p> <p>(continued from above)</p>	<p>The rents charged and collected for 7/00-6/01: 143 units x \$1,760 = 251,680 24 units x \$1,980 = 47,520 Totaling \$299,200</p> <p>The rents increase each year by \$480 and \$540 for the 143 and 24 units, respectively.</p> <p>The rents being charged and collected for 7/01-6/02: 143 units x \$2,240 = 320,320 24 units x \$2,520 = 60,480 Totaling \$380,800</p> <p>The rents to be charged and collected for 7/02-6/03: 143 units x \$2,720 = 388,960 24 units x \$3,060 = 73,440 Totaling \$462,400</p> <p>The rents to be charged and collected for 7/03-6/04 will be equal to the target amounts shown above.</p>
<p>Discussion with Don Whiston, review of 7/00-6/01 tax bills from Town and detail billing sheet prepared by Don W.</p>	<p>The town prepares separate tax bills for each parcel. Don Whiston sorts the pile by parcel number, matches it up to his homeowner list and creates the invoice. The invoices are prepared semi-annually. The Feoffee's pay the sum taxes quarterly. There are two lines on the invoice: one line for the total tax (calculated based on town's valuation for the property times the tax rate) and one line for rent (seasonal or year round).</p>
<p>Discussion with Don Whiston</p>	<p>Starting in 7/00-6/01, the "tax" portion of the renters bill is only the tax on their property. Part of the rent portion is used to pay the tax on the common areas.</p>
<p>Discussion with Don Whiston</p>	<p>No 1099's are prepared by the Feoffees for the homeowners. Note: my understanding of 1099's is that the person paying the money prepares the 1099 for the recipient, however, homeowners do not provide 1099's for taxes paid.</p>

Source	Finding
Discussion with Don Whiston	During Dick Thomson's term as superintendent of the schools, it was mutually agreed that he would make a request when a need had arisen and would review it with the Feoffees. One of the Feoffees reasons for doing this was to complete their fiduciary duties by knowing what the funds were going to pay for. Not all school board members were at these meetings.
Discussion with Don Whiston	In the past, funds were provided to the schools to cover several projects or just one item, and sometimes directly to the vendor. It has since been changed to paid just once a year, on a request basis.
Discussion with Don Whiston	Excess rents not requested have been deposited into an interest bearing account.
Review of cancelled check	The \$50,000 paid to the schools on 12/12/00 was made out and endorsed to Ipswich School Gift Fund, account 260004261045000.
Discussion with Don Whiston	Regarding the Feoffees using the Town's tax ID: Twice, town council has been consulted to determine whether or not the Feoffees were part of the town or separate, both times they were advised that they were not separate and could use the same tax ID. The attorney generals office was made aware of these findings.
Review of operating account bank statements, cancelled checks and deposit slips for 7/99-6/00	Recalculated and confirmed bank reconciliation at 6/30/99 and 6/30/00. Agreed cancelled checks for all twelve months to summary of expense prepared by Don Whiston. Agreed summary of expenses to those reported in the Annual Report of Ipswich. Traced all deposits in bank statements for all twelve months to deposit slip detail.
Review of cancelled checks, deposit slips for 7/00-6/01	Items appear to be of similar nature to those reviewed in the prior year.

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From: "Don Greenough" <donald.greenough@verizon.net>
Reply-To: "Don Greenough" <donald.greenough@verizon.net>
To: <utrum@ipswich.org>
Date: Thu, Oct 25, 2001, 3:50 AM
Subject: Llittle Neck rent

As requested last evening, below are the rents for the tenancies at Little Neck as established at the Feoffees' annual meeting on May 19, 1998. The rent increase was effective on July 1, 1998, and will be completed on June 30, 2003. In 1998, the Feoffees indicated that after FY2003, the rents would be adjusted annually based upon current appraisal information.

<u>Fiscal Year</u>	<u>Seasonal</u>	<u>Year-round</u>	<u>Gross rental income</u>
1998	800	900	136,000
1999	1,280	1,440	217,600
2000	1,760	1,980	299,200
2001	2,240	2,520	380,800
2002	2,720	3,060	462,360
2003	3,200	3,600	544,000

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Subj: Fwd: Feoffees of the Grammar School PRINT THIS
Date: 10/23/01 3:11:22 PM Eastern Daylight Time
From: RBonsignore
To: Allessialaw, Sonjalaw23

 Forwarded Message:

Subj: Feoffees of the Grammar School
Date: 10/23/01 1:22:04 PM Eastern Daylight Time

From: donald.greenough@verizon.net (Don Greenough)
Reply-to: donald.greenough@verizon.net (Don Greenough)
To: rbonsignore@aol.com

I am confirming that the Feoffees will be attending your committee's meeting on Wednesday, October 24th.

My clients understand that the committee has been working for several months to understand the Feoffees' operations and finances. The Feoffees are looking forward to engage in a dialogue with the committee about current matters and their plans for the future, most importantly in respect to two areas of concern which I believe are of equal interest to the committee:

(1) The existing form of governance is no longer appropriate. A board of four "life members", with one Selectman sitting in at the annual meeting, does not appear to be sufficient for the management of the land or the investment management of the proceeds from the potential sale of the property. Reverting to the statutory scheme (four life members plus three Selectmen) is not a realistic option. Our discussion should include the number of trustees, term lengths, term limits and the appointment or election process (by Town Manager, School Committee, Town Moderator, public election, etc.).

(2) The Feoffees strongly believe that the income be used for special projects or needs of the schools above and beyond the normal operating expenses funded through the municipal budget process. I believe that the committee also desires to keep the Feoffees' distributions out of the "bean-counting". The Feoffees believe that the increasing income from the higher rents should not be used to lower the municipal tax rate, but should be dedicated for the exclusive benefit of the schools.

Given the time which I believe is necessary for the above two topics, I hope that you will be able to maintain focus on them on Wednesday evening. The Feoffees would welcome the opportunity to meet with the committee at additional times to discuss other issues or questions which have arisen during your research and investigation.

My clients and I look forward to meeting with the committee on Wednesday.

----- Headers -----

Return-Path: <donald.greenough@verizon.net>
 Received: from rly-yg02.mx.aol.com (rly-yg02.mail.aol.com [172.18.147.2]) by air-yg02.mail.aol.com (v82.14) with ESMTP id MAILINYG21-1023132204; Tue, 23 Oct 2001 13:22:04 -0400
 Received: from smtp004pub.verizon.net (smtp004pub.verizon.net [206.46.170.183]) by rly-yg02.mail.aol.com (v81.9) with ESMTP id MAILRELAYINYG26-1023132111; Tue, 23 Oct 2001 13:21:11 -0400
 Received: from dm9 (pool-141-154-20-169.bos.east.verizon.net [141.154.20.169]) by smtp004pub.verizon.net with SMTP for <rbonsignore@aol.com>; id f9NHL4r24037 Tue, 23 Oct 2001 12:21:05 -0500 (CDT)
 Message-ID: <000801c15be7\$0fc18bc0\$9ccdfea9@dm9>
 Reply-To: "Don Greenough" <donald.greenough@verizon.net>
 From: "Don Greenough" <donald.greenough@verizon.net>
 To: <rbonsignore@aol.com>
 Subject: Feoffees of the Grammar School