

**IPSWICH SCHOOL COMMITTEE MEETING
THURSDAY, JANUARY 15, 2009
PERFORMING ARTS CENTER**

OPEN SESSION

CALL TO ORDER

J. Arsenault, Chair, called the meeting to order at 7:05 p.m. with the following members present: N. Sheppard, H. O'Flynn, E. Traverso, D. Ross, and J. Loeb. Also present were R. Korb, Superintendent; Matthew Roberts, Student Representative; and Richard Allen, Attorney.

ANNOUNCEMENTS

Mrs. Arsenault read the following announcements:

There will be no Executive Session

Athletics Subcommittee will meet on January 21, 6:30 p.m., Room B229, Middle/High School

School Committee will meet on January 22, at 7 p.m., Middle/High School Ensemble Room

School Committee, Finance Committee, and Board/Selectmen will meet on January 27, Town Hall Meeting Room A.

School Committee/Administrators' Budget Workshop will be held on January 29, 7 p.m., Middle/High School Ensemble Room

CITIZENS' QUESTIONS

Mrs. Arsenault welcomed the audience of about 35 people and, in introducing Atty. Allen, asked him to offer a brief overview of the topic. Mr. Allen began with the School Committee's positions of upgrading rents and modernizing the Trust, the objections of many residents of Little Neck, and the resultant litigation which meant that little money has been given to the schools. The Feoffees' counsel had kept the School Committee informed as to the litigation. This past fall, exhaustive efforts to reach agreement on a rent and lease settlement reached an impasse, but the Feoffees and the tenants reached a tentative agreement to sell the property. The Feoffees recommended the sale to the School Committee. If the sale were to happen, approval of the Attorney General and Probate Court is still required. Late in November, having carefully studied the history of the Trust, the litigation, and the proposed sale, the School Committee voted 4-2-1 to authorize going forward with the sale. Negotiations are still underway with residents. The Probate Court will review and hopefully approve the sale and a new "Trust Administration Order."

Many audience members asked questions and made comments. Richard Howard, Fin Comm member, requested an open and transparent process, drafts of the Trust to be exchanged with Fin Comm, sale of the property to be included in public discussion to balance the litigation process in Executive Session, recommended that a new Feoffees board be transparent and publicly appointed, and asked for a commitment from the School Committee and Feoffees that nothing go before Probate Court until all of these issues are resolved.

To a question of whether a separate Trust and Feoffees will be needed after the sale, Mr. Loeb replied that it is the collective vision of the School Committee that they wish to keep the Feoffees, who will hire an investment advisor, who will help with the investing, and who will report back to the schools. Mr. Allen added that the Trustees, who will not receive remuneration, will be overseeing a very large endowment.

153
EXHIBIT

tabb's

TT 153

EXHIBIT

tabb's R. L. Korb
26 Bmps
10 / 20 / 11

The question of appraisal of the property was answered by Mr. Allen saying that the Feoffees had an independent professional evaluation done and a successful negotiation process on the price with which the School Committee and he felt comfortable. In response to a further question, Mr. Allen commented that the property's fair value and the Town's assessed value are, in fact, different. Mr. Loeb assured the audience that the School Committee did go through due diligence—the subcommittee working on the matter were originally opposed to the sale—about the appraisal and were satisfied that the price was good and fair.

II. SCHOOL COMMITTEE DISCUSSIONS

Mr. Allen began to review the content of the proposed revised Trust Administration Order.

(1) Name: Feoffees of the Grammar School in the Town of Ipswich Trust
Mr. Traverso moved, seconded by Mr. Sheppard, that the name be changed to “William Paine Trust in support of the Ipswich Public Schools”.

During discussion, Mr. Hopping joined the meeting at 7:45 p.m.

Mr. Allen felt that a change of that order would add to the burden of getting the Court to approve. Vote: IN FAVOR- Traverso, Sheppard, Ross; OPPOSED- Loeb, Arsenault, O'Flynn, Hopping. Motion failed.

(3) Trust Purpose
Mr. Traverso moved to strike “when feasible”, seconded by Dr. O'Flynn. Mr. Allen opined that the striking of the phrase would make the sentence more “mandatory”. Vote: IN FAVOR- Ross, O'Flynn, Traverso; OPPOSED – Loeb, Hopping, Arsenault, Sheppard. Motion failed.

Mr. Traverso moved, seconded by Mrs. Ross, to add at the end of (3): “Expenditures for the purposes other than enrichment and enhancement require a 2/3 vote of the School Committee.” Mr. Allen opined that this would change the dynamic of the previous sentence. Mr. Korb and other members could see problems with budgetary discretion in years to come. Vote: IN FAVOR- Ross, Arsenault, Traverso; OPPOSED- Hopping, Loeb, O'Flynn, Sheppard. Motion failed.

(6) Other Applicable requirements:
After a short discussion, Mr. Traverso moved, seconded by Mr. Hopping, to approve #6.
IN FAVOR- UNANIMOUS.

(5) Responsibilities and powers, in addition to those conferred upon trustees by law:
Members reviewed (a) – (u). Under (d), the Committee indicated that it wants School Committee approval of the Trust's Investment Policy. Under (f), the Committee wants investment performance reports made available to the School Committee. Under (k), the Committee wants gifts to go into permanent principal unless the donor explicitly provides otherwise. Under (q), on a question of “mandatory” accumulation to account for inflation, it was decided that Ross, Loeb, and Traverso will work with Atty. Allen for further discussion and possible action at the next meeting on January 22. In discussion of (r) and (s), the Committee spoke about fiscal year and budgetary time frames. Joanne Cuff, Financial Director, advised that the recording of interest should take place by July 1 and the reporting date by November 1. Under (r), Mr. Traverso suggested adding language that the School Committee report to the Feoffees how the School Committee used the distributions; this proposal did not pass.

151

The Committee mentioned once again that they would like to see a percentage of interest each year added to the principal for growth.

(4) Trust governance.

Under the first bullet of Part 4(a), the Committee approved a residency requirement for service as a Feoffee.

Members discussed adding the Board of Selectmen to the ineligibility in the second bullet under (a) Eligibility to serve as a Feoffee. The Committee voted 6 – 1 against the Board of Selectmen serving and, as a result, inserted the following underlined phrase: "No person may be a Feoffee while serving as a member of the School Committee, the Board of Selectmen or the Finance Committee or as Town Manager or Superintendent of Schools."

The Committee agreed that if the property is sold, Little Neck residents would no longer be ineligible to serve as a Feoffee.

4(b) Number and appointment of Feoffees

In a discussion as to the sense of the Committee, Mrs. Ross and Mr. Sheppard preferred 5 members for the Feoffees Board makeup and the rest wanted 7 members, most by appointment by the School Committee, Fin Comm, and Board/Selectmen. There was some interest in an appointment by Town Meeting, perhaps after recommendation of the Town Moderator. On the question of private Feoffees, Sheppard and Traverso wanted to have a fresh start and not have any current Feoffees while five accepted that 2 Feoffees could remain with 2-3 year terms for all Feoffees.

4(c) term of service.

The group mostly agreed with the draft. Mrs. Ross asked that if there was a Town Meeting appointment of a Feoffee, that the wording regarding suspension/removal be 2/3 vote of School Committee and 2/3 vote of Board/Selectmen.

4(d)to: serve without compensation, but reasonable and necessary trust-related expenses paid was added: and reported in detail.

Mr. Salah (from the audience) offered several other suggestions:

1. That priority be given to security of income and maximization of principal
2. That the investment be fully covered by depositor insurance
3. That the custody of the assets needs to be separate from the investment advisor
4. That the Feoffee organization needs to be spelled out in the selection process for Chair and Vice-Chair.

I. CONSENT AGENDA

Mr. Hopping moved, seconded by Mr. Sheppard, to approve the Consent Agenda as follows:

Acceptance of the Minutes of December 9, 2008, Open Session

Acceptance of the donation of \$7,500 from New England BioLabs to benefit the Birth to Three Center

Acceptance of the donation of \$750 from America's Growth Capital, LL (Birth to Three parent, John Guido) to benefit the Birth to Three Center

Acceptance of the donation of \$1,000 from the Forest Foundation, Loel and Arthur Poor, to benefit the Birth to Three Center

Acceptance of the donation of \$3,000 from the McCarthy Family Foundation to benefit the Birth to Three Center

Acceptance of the donation of \$2,000 from EBSCO Industries to benefit the Birth to Three Center

Acceptance of the donation of \$500 from George J. Markos to benefit the Music Department at Ipswich High School. UNANIMOUS.

III. ADJOURNMENT

Mr. Loeb moved, seconded by Mr. Sheppard, to adjourn at 9:50 p.m. UNANIMOUS.