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IPSWICH SCHOOL COMMITTEE MEETING
THURSDAY, MARCH 16, 2006 5:30 P.M.
MIDDLE/HIGH SCHOOL ENSEMBLE ROOM

NOT Released

EXECUTIVE SESSION

CALL TO ORDER

J. Arsenault, School Committee Chairperson, called the meeting to order at 5:45 p.m. with the following members present: D. Ross, N. Sheppard and E. Traverso. H. O'Flynn, B. Hopping and J. Loeb were absent. Also present were R. Korb, Superintendent of Schools; Attorney Richard Allen; Attorney Donald Greenough; and Mr. Slater Anderson.

A. MGL, Subsection of Law – Chapter 39, Section 23B
1. For the purpose of discussions regarding Little Neck
a. Feoffees Leases

Attorney Greenough stated that the Feoffees are looking for recommendations on rents for next the next 3 years. Due to turmoil regarding the wastewater issue, the Feoffees are looking for predictability. Attorney Greenough then introduced Mr. Slater Anderson, Project Manager of LandVest.

Mr. Anderson recapped the rental analysis of Little Neck property dated February 21, 2006 prepared by him at the request of the Feoffees. The suggested contract rents are $5,300 for seasonal and $6,400 for year-round. The underlying land values range from $80,000 to $255,000 and the market land rents ranges from $6,400 to $20,400 based on stratified value structure, different parcels at different values, therefore different rents. Contract rent, however, is not always same as market rent due to changes in markets, seasonal vs. year-round rentals, and factors such as changing costs due to property taxes, sewer use fees, etc.

H. O'Flynn arrived at 5:50 p.m.

Mr. Anderson stated that a dramatic change in land rents would be a risky move with respect to all other costs that have changed, and not enough market support in a 22-month update period to justify that values are continuing to grow or remain stable. He recommends broadening the gap between seasonal and year round, but not a dramatic increase in rents due to fluctuations. There is a potential for stratification of rents at some point, but probably not for this phase.

Attorney Greenough indicated that the Foeffees are reserving the rights regarding classifications of lots.

Discussions followed regarding whether it was in the best interests of the schools to go in to stratification as soon as possible, how many classes should be created, raising the rents using a percentage of the current valuation plus a set fee for the common lands, or whether to wait 3 years and give the owners notice of increases in order to avoid loss of rent payments, leading to legal actions by or against tenants and therefore loss of income to Feoffees to pay for current bank

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loans. The School Committee is looking for a commitment from the Feoffees regarding a timetable to raise rents to fair market value in no more than 3 years. The Feoffees are concerned about inducing the signing of contracts to ensure a steady income of rents, considering instability of market and betterment fees currently due, since the tenants are currently at-will tenant.

Attorney Greenough stated that the School Committee is an advisory committee to the Feoffees, and the recommendations of the School Committee will be brought to the attention of the Feoffees.

b. LandVest Rent Assessments

The common amenities, such as police detail at the common gate and the common land, have always been included in LandVest's appraisals, since the value of the common amenities is a benefit that goes with property ownership, as opposed to a separate valuation for common areas. H. O'Flynn stated that he would like to see the value of the amenities broken out in the value of the lot, since it is a fixed known value.

Attorney Greenough stated that the Feoffees did not need anything further from the School Committee.

J. Arsenault moved, seconded by N. Sheppard, to adjourn the meeting at 7:02 p.m. UNANIMOUS