

**SCHOOL COMMITTEE/FINANCE COMMITTEE/BOARD OF SELECTMEN
NOVEMBER 9, 2010
TOWN HALL MEETING ROOM A**

CALL TO ORDER

Dr. O’Flynn, Chair of the School Committee, called the meeting to order at 7:34 p.m. with the following members present:

School Committee: J. Loeb, E. Traverso, L. Dietz, H. O’Flynn, S. Gresh

Board/Selectmen: P. McNally, S. Berry, W. Craft, C. Surpitski

Finance Committee: R. White, J. Skelton, M. Swan, M. Feldman, M. Schaaf,
R. Howard, L. Seidler, T. Wilson

Richard Korb, Superintendent of Schools; Rita Negri, Town Accountant;
Town Manager Robert Markel; Attorney Richard Allen;
Town Counsel George Hall

CITIZENS’ QUERIES

ANNOUNCEMENT

Dr. O’Flynn announced that there will be an Executive Session to discuss strategies with regard to litigation and the appraised value of real property with respect to the Little Neck property because discussing these matters in Open Session may have a detrimental effect on the Committee’s litigating and negotiating positions and to obtain and discuss legal advice from its counsel.

ARTICLE 5/AMENDMENT

Dr. O’Flynn announced that the Open meeting would discuss Article 5 of Town Meeting (as it applies to the amendment) and the Working Group Statement to reach an understanding and agreement among the three Boards.

Mr. Seidler, speaking as the temporary Chair of the Finance Committee, asked for two items: (1) agreement on the requirement (of the amendment) of the full three Boards; and (2) the first step of the agreement which will be to call a meeting and, once called by the School Committee, to put together a strategy.

Mr. Korb expressed concern that bills have been presented to the Town Manager (\$99,000) which have occurred prior to the October Town Meeting, dating back to July 1, 2010. Board members discussed the issue of payment. Town Counsel offered the opinion that the amendment did not actually strike anything out of the original motion, and he doesn’t believe that it precludes the Working Group Statement. At some point there must be a recorded vote of the recommendation by each Board. It was made pretty clear that the appropriation article was to be from the beginning of FY11. The amendment should be treated prospectively he said.

Dr. O’Flynn moved, seconded by Mrs. Berry, to approve the bills amounting to \$99,000 which had been incurred prior to Town Meeting in October and which have been submitted to the Town Manager.

Mr. Surpitski expressed the Board of Selectmen's sentiment of comfort with the Working Group Statement and the payment of the prior bills from the \$300,000 appropriation. However, Mr. Craft took issue with the expense of 1/3 of the appropriation (which he had made). Mr. McNally commented that you can't go back and apply a policy which didn't exist in July. Mr. Surpitski agreed with Dr. Gresh's statement that the other Boards should have enough trust vested in the School Committee to just pay the bills. Finance Committee members want to view all bills to determine strategy while the School Committee wishes to have the bills paid and move on to strategy.

To specific Finance Committee questions regarding no movement on strategy, Dr. O'Flynn and Mr. Loeb gave an example where, after meetings with counsel, the School Committee immediately was able to stop the Feoffees from mortgaging the property.

Mr. Fay joined the meeting at 8:20 p.m.

On the strength of Finance Committee disapproval of action without agreement from the three Boards, Dr. O'Flynn withdrew his motion as did Mrs. Berry, her second. Mr. Loeb moved, seconded by Dr. O'Flynn, that if either the Board of Selectmen or School Committee feels the need to make a payment for a bill incurred after July, 2010, that payment is eligible for reimbursement and not precluded by any amendment. Mr. Korb stated that he would have to make cuts at the beginning of the second semester of the SY10-11 to mitigate the loss of revenue because of the \$100,000 worth of incurred legal bills without reimbursement.

Mr. Seidler moved, seconded by Mr. Fay, that paying any bills by the Town or School Committee does not preclude requests being made to reimburse. While this is a second motion on the same topic, the Finance Committee wanted its own motion. Vote in total: IN FAVOR - Finance Committee - 7; School Committee - 5 (UNANIMOUS); Board of Selectmen - 4 (UNANIMOUS); OPPOSED - Finance Committee - 2.

The three Boards worked out a plan for Working Group and Tri Board meetings to begin with the Tri-Board Working Group meeting first - L. Dietz and E. Traverso plan to meet on Tuesday, November 23.

FOSTER APPRAISAL

Dr. O'Flynn set ground rules: because of litigation in the future, Open Session will include only the thorough presentation of the appraisal by Mr. Foster. Mr. Allen further requested that no questions would be asked of Mr. Foster until Executive Session.

Mr. Foster began by saying that he had been contacted but was unable to accept the appraisal position at the time Collier Meredith Grew was hired by the Finance Committee and that the same report he now has made would have been done at that time.

He put forth the following salient points:

1. As a sheep pasture, the Little Neck property is a \$10 million property.
2. The retail value of each individual lot, assuming that it is a legal entity by itself, is a total of \$42.5 million.
3. In reality, this situation is a bulk purchase, where a buyer sells at retail, covers his costs, and makes a profit.
4. Taking out the “bad” of the Tenants (that is, the threat of litigation), a developer would look at it as a \$20.5 million value who would then subdivide the lots.
5. Putting in some of the “good” of the Tenants, this is a highly motivated group of buyers who are paying rent (market value here).

He said that the \$42.6 million isn't the right value — it is the value to 167 cottage owners. That is not to be confused with market value. It is specific value to a specific owner. There aren't 167 legal lots.

The Tenants did not agree to talk with Mr. Foster, but he did have discussion with the other three appraisers.

Dr. O'Flynn moved, seconded by Mr. Loeb, to go into Executive Session at 9:18 p.m., not to return to Open Session, for the purpose of litigation and the appraised value of real property with respect to the Little Neck property because discussing these matters in Open Session may have a detrimental effect on the Committee's litigating and negotiating positions and to obtain and discuss legal advice from its counsel. Roll call IN FAVOR - O'Flynn, Loeb, Dietz, Gresh, Traverso, McNally, Surpitski, Berry, Craft, Fay, Seidler, Howard, Schaaf, Wilson, Feldman, Swan, Skelton, White.