

Date: 1/6/2023

To: Select Board

From: Jeff Nutting, Interim Town Administrator

Subject: Update on Financial issues related to the RR issue

Please find responses to your questions in **BOLD**

Could you please assist in providing me the following items:

- I would like to see a total of our legal expenditures year to date to both KP Law and Special Counsel Anderson Krieger for anything to do with litigation vs. the GURR. Please include amounts that could be in pending invoices, not just what we have actually paid. Also, please confirm with me what we set our total legal budget at this year and how much in total the town has spent against that total budgeted amount.

**We have paid KP law awaiting info to date for RR issues. While AK has been paid over \$234,000 in calendar 2022 that bill has been paid by a private party, We did receive \$38,322.50 in donations for AK legal fees and paid out the same leaving 0 balance in the donation acct. Apparently, the other bills have been forward to the private party for payment.**

**The total FY 23 Legal budget as voted by the town is \$75,000 and as 12/31 there is \$47,043 left in the acct. These funds have been spent on a variety of issues.**

- Please provide me an update on the following, how much money do we have in our donation accounts for paying legal fees, and if there is any money YTD in an account that is supposed to be used to transact at closing the initial \$4.4 Million dollar purchase in the event the Town wins the legal decision. If there is no money in the legal fee account, can you please give me an update as to how much money has been donated and used to pay our firms thus far this year.

**Zero funds in any donation acct to pay RR legal fees (see above). We have \$76,348 in a donation account for the purchase of the land signed by Phyllis Steverson. If the town prevails there will be some legal costs to finalize the taking**

**I think a potential issue is an appeal from either side of the issue. Does the Town or the RR appeal depending on the outcome. The Board would need to understand the cost of an appeal, who is paying the legal fees and the potential outcome, and all options, etc.**

**Further if the Town prevails, I expect RR to appeal the valuation of the property a few years down the road (they have 3 years to appeal the valuation) The cost for the towns legal and expert witnesses for a challenge of the valuation will need to covered. Any award above the \$4.4 million would need to be paid Including any interest related to the settlement.**

**If the Town prevails and there is no appeal, we will need to borrow the funds prior to the close of the fiscal year. The town authorized a \$3.9 million borrowing. If the donations fill in the balance between the \$4.4 and \$3.9 million then the towns borrowing cost per year would be in excess of \$300,000 assuming a 20 year note.**

**I would suggest that a discussion about a debt exclusion to cover the cost be put on the table at that point.**

- **Please provide the latest commitment correspondence, if any, that we might have from 1. The Hopedale Foundation and 2. Jay Scheide, private anonymous donor. I would like to see any correspondence we have from them via letter, email, text or smoke signals that we have from either one of those parties. The last correspondence I have from them is dated back a ways. The Hopedale Foundation, unless I am mistaken, pledged a donation of \$50,000 per year for 15 years consecutive totaling \$750,000 towards the original 1.2 million purchase of the property. Jay Schiede, he pledged an amount of \$450,000 in either a lump sum or amount distributed over several years. I have attached the last correspondence that we received from the Hopedale Foundation on 5/4/2021 which seems to question the original commitment. I have also attached Mr. Scheide's letter from 10/29/2020.**

**We have a letter from John Scheide pledging \$450,000 and two letters from the Hopedale Foundation. The first letter dated October of 2020 pledging \$750,000 and one from May of 2021 placing the original pledge on hold until Town completes the purchase and then they will determine their course of action.**

## Jeff Nutting

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**From:** Brian Keyes  
**Sent:** Wednesday, December 28, 2022 2:20 PM  
**To:** Jeff Nutting  
**Cc:** Martha White; Lindsay Peterman  
**Subject:** Information requests for our next meeting  
**Attachments:** Hopedale Foundation letter 5-4.pdf; Jay Scheide Letter for Hopedale.pdf

Good Morning Jeff and Team,

I hope you are all well and in anticipation of an agenda item I requested last evening in our BOS meeting, re: discussion around the potential eminent domain taking of the West Street property from the Grafton Upton Railroad, I have the following data requests from you that I do not have access to that are important and relevant to the discussion. This is NOT urgent, but I would like to be able to see it a few days before our next BOS open meeting if possible. Thank you all in advance.

Could you please assist in providing me the following items:

- I would like to see a total of our legal expenditures year to date to both KP Law and Special Counsel Anderson Krieger for anything to do with litigation vs. the GURR. Please include amounts that could be in pending invoices, not just what we have actually paid. Also, please confirm with me what we set our total legal budget at this year and how much in total the town has spent against that total budgeted amount.
- Please provide me an update on the following, How much money do we have in our donation accounts for paying legal fees, and if there is any money Ytd in an account that is supposed to be used to transact at closing the initial 4.4 Million dollar purchase in the event the Town wins the legal decision. If there is no money in the legal fee account, can you please give me an update as to how much money has been donated and used to pay our firms thus far this year.
- Please provide the latest commitment correspondence, if any, that we might have from 1. The Hopedale Foundation and 2. Jay Scheide, private anonymous donor. I would like to see any correspondence we have from them via letter, email, text or smoke signals that we have from either one of those parties. The last correspondence I have from them is dated back a ways. The Hopedale Foundation, unless I am mistaken, pledged a donation of \$50,000 per year for 15 years consecutive totaling \$750,000 towards the original 1.2 million purchase of the property. Jay Schiede, he pledged an amount of \$450,000 in either a lump sum or amount distributed over several years. I have attached the last correspondence that we received from the Hopedale Foundation on 5/4/2021 which seems to question the original commitment. I have also attached Mr. Scheide's letter from 10/29/2020.

Thank you in advance and I will be back in touch if I think or in need of anything else regarding the topic or matter.

My Best,  
Brian

## Jeff Nutting

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**From:** David S. Mackey <dmackey@AndersonKreiger.com>  
**Sent:** Thursday, January 5, 2023 9:51 AM  
**To:** Jeff Nutting; Brian Keyes  
**Cc:** Martha White  
**Subject:** RE: Request by Brian Keyes Rgading RR legal fees

Hi Jeff:

*explains*  
The total amount billed by Anderson Kreiger to the Town of Hopedale in 2022 was \$234,313.41. The total amount paid was actually slightly in excess of that amount: \$242,810.91. (Apparently the bill for October time was inadvertently paid twice, leaving a credit balance in the amount of \$8,497.50. This can be either refunded to the Town or credited to future invoices, whichever the Town prefers.) The fees recorded for December, 2022 but not yet billed total \$3,000.00.

Let me know if you need anything further.

Dave

**ANDERSON  
KREIGER**

**David S. Mackey (he/him/his)**  
T. 617.621.6531  
[Anderson & Kreiger LLP](#) | 50 Milk Street | 21st Floor | Boston, MA 02109

This electronic message contains information from the law firm of Anderson & Kreiger LLP which may be privileged. The information is for the use of the intended recipient only. If you are not the intended recipient, note that any disclosure, copying, distribution or other use of the contents of this message is prohibited.

**From:** Jeff Nutting <jnutting@hopedale-ma.gov>  
**Sent:** Wednesday, December 28, 2022 3:02 PM  
**To:** Brian Keyes <bkeyes@hopedale-ma.gov>; David S. Mackey <dmackey@AndersonKreiger.com>  
**Cc:** Martha White <mwhite@hopedale-ma.gov>  
**Subject:** Request by Brian Keyes Rgading RR legal fees

Brian/David

Happy New Year

I would like to see a total of our legal expenditures year to date to both KP Law and Special Counsel Anderson Krieger for anything to do with litigation vs. the GURR.  
Please include amounts that could be in pending invoices, not just what we have actually paid.

Thanks

Jeff Nutting

Parameters: Fiscal Year: 2021 Start Date: 7/1/2020 end: 6/30/2021

# Ledger History - Detail - Revenue Ledger

Tran. Name	Comment	Payee	Summary:	Beginning	Debit	Credit	Ending
Account: 29-123-4830-1000	Land Purchase Donations			0.00	0.00	76,348.54	76,348.54
	Block/Batch: 1/13-A				0.00	76,348.54	76,348.54
	Tran. Type: Receivable				0.00	76,348.54	76,348.54

Posted: 01/22/2021  
By: ekinshef

*Land purchase donation*

1 Account(s) totaling: 0.00

76,348.54

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[Approval](#)

[Transactions](#)

[Batch Status](#)

[Reports](#)

[Payment Export](#)

[Maintenance](#)

[Users](#)

[Documentation](#)

## Processed Items

### Item Details

#### Town of Hopedale - General Fund

**Batch** 104557046, General Fund Jan 21 2021 11:21AM EST  
**Account** \*\*\*\*3050, General Fund  
**Scanned By** PSampson  
**Approved By** PSampson  
**Payment Status** Processed  
**Amount** 76,348.54

**BANK OF AMERICA**  
Bank of America, N.A. **19039219**

**Account Number** [REDACTED] **Account Name** IM DEF AGAINST THOUGHT CTRL FDN **Date** 01/08/21

**Seventy Six Thousand Three Hundred Forty Eight and 54/100 Dollars**

**Pay** **Amount**  
**\$\*\*\*\*76,348.54**

**In Payment Of:**  
**RE: FEES RELATED TO WEST STREET**

**To The Order Of** TOWN OF HOPEDALE  
ATTN STEPHANIE L ETALIEN  
PO BOX 7  
HOPEDALE MA 01747

*Phyllis Stevenson*

THIS DOCUMENT HAS A REFLECTIVE WATERMARK ON THE BACK. HOLD AT AN ANGLE TO VIEW WHEN CHECKING THE FRONT SIDE.

[Return to search results](#)

[View Back of Check](#)

*Donation to prob AK Legal*

Parameters: Fiscal Year: 2023 Start Date: 7/1/2022 end: 6/30/2023

### Ledger History - Detail - Revenue Ledger

Tran. Name	Comment	Payee	Beginning	Debit	Credit	Ending
Account: 29-122-4830-4872	Legal Fee Donations Revenue		0.00	0.00	38,222.50	38,222.50
	Block/Batch: 8/12-A				38,222.50	38,222.50
Tran. Type: Receivable				0.00	38,222.50	38,222.50
1 Account(s) totaling:			0.00	0.00	38,222.50	38,222.50

Posted: 08/12/2022  
By: ekinsherf

Parameters: Fiscal Year: 2023 Start Date: 7/1/2022 end: 6/30/2023

*paid*

# Ledger History - Detail - Expenditure Ledger

Tran. Name	Comment	Payee	Beginning	Debit	Credit	Ending
Account: 29-122-5872-5700-00-00-00	Legal Fee Donation Expenses		0.00	38,222.50	0.00	-38,222.50
Warrant: 23-04 AP	Block/Batch: 100/Admin			38,222.50	0.00	-38,222.50
Tran. Type: Payable		By: Kdexter				
		Anderson & Kreiger LLP		38,222.50	0.00	-38,222.50

Summary:

Posted: 08/25/2022

1 Account(s) totaling: 0.00

-38,222.50



*Fiscal Budget 470 12/31/22*

### Ledger History - Detail - Expenditure Ledger

Tran. Name	Comment	Payee	Beginning	Debit	Credit	Ending
Account: 01-151-5200-5300-00-00-00	Professional and Technical		0.00	27,956.52	75,000.00	47,043.48
	Block/Batch:			0.00	75,000.00	75,000.00
Tran. Type: Beginning Balance						
FY23-07/01	FY23 ATM 2022.05.24 ARTICLE 3 OPERATING	By: ekinsheir				
Warrant: 23-06 AP	Block/Batch: 100/Admin	Posted: 09/22/2022		0.00	75,000.00	75,000.00
Tran. Type: Payable		By: Kdexter		8,646.55	0.00	66,353.45
138193	Services through 7/31/2022	KP Law PC		8,646.55	0.00	66,353.45
Warrant: 23-10 AP	Block/Batch: 100/Admin	Posted: 11/17/2022		9,074.14	0.00	57,279.31
Tran. Type: Payable		By: Kdexter				
6471	October 2022	Blatman Bobrowski Haverly		787.50	0.00	65,566.95
138991	Services through 09/30/2022	KP Law PC		6,074.14	0.00	59,491.81
6397	September 2022	Blatman Bobrowski Haverly		2,212.50	0.00	57,279.31
Warrant: 23-12 AP	Block/Batch: 100/Admin	Posted: 12/15/2022		10,235.83	0.00	47,043.48
Tran. Type: Payable		By: Kdexter				
139450	Services through 10/31/2022	KP Law PC		10,235.83	0.00	47,043.48
1 Account(s) totaling:			0.00	27,956.52	75,000.00	47,043.48

**Bills Payable Detail - Posted**

Vendor: 3822

Subnumber: 0 Vendor Name: KP Law PC

Paid to: KP Law PC

Invoice: 138193 101 Arch Street - Floor 12; Boston, MA 02110

138193

Warrant: 23-06 AP

PostDate: 09/22/2022

1099:  1NEC: Nonemployee comp

Invoice Date: 08/26/2022

Block/Batch: 100/Admin

Bank: 2471001061

Payment Type: Check

Voucher:

Schedule:

Payment: 64227

Open

Single: Print: Ledger Account NumberAccount NameAmount

Exp 01-151-5200-5300-00-00-00

Professional and Technical

8,846.55

Last Edited by: Kdexter

On: 09/20/2022

Total for Invoice 138193:

8,846.55

Comments: Services through 7/31/2022

Paid to: KP Law PC

Invoice: 138991 101 Arch Street - Floor 12; Boston, MA 02110

138991

Warrant: 23-10 AP

PostDate: 11/17/2022

1099:  1NEC: Nonemployee comp

Invoice Date: 10/24/2022

Block/Batch: 100/Admin

Bank: 2471001061

Payment Type: Check

Voucher:

Schedule:

Payment: 64947

Open

Single: Print: Ledger Account NumberAccount NameAmount

Exp 01-151-5200-5300-00-00-00

Professional and Technical

8,074.14

Last Edited by: Kdexter

On: 11/15/2022

Total for Invoice 138991:

8,074.14

Comments: Services through 09/30/2022

Paid to: KP Law PC

Invoice: 139450 101 Arch Street - Floor 12; Boston, MA 02110

139450

Warrant: 23-12 AP

PostDate: 12/15/2022

1099:  1NEC: Nonemployee comp

Invoice Date: 11/23/2022

Block/Batch: 100/Admin

Bank: 2471001061

Payment Type: Check

Voucher:

Schedule:

Payment: 65305

Open

Single: Print: Ledger Account NumberAccount NameAmount

Exp 01-151-5200-5300-00-00-00

Professional and Technical

10,235.83

Last Edited by: Kdexter

On: 12/08/2022

Total for Invoice 139450:

10,235.83

Comments: Services through 10/31/2022

3 Invoice(s) for Subnumber 0 totaling: 24,956.52

3 Invoice(s) for 1 Subnumber(s) totaling: 24,956.52

## Debt Service Calculator

This calculator is provided by the Division of Local Services only as a guide to assist communities in projecting debt service. Refer to M.G.L. Ch. 44 s.7 (inside debt limit) and Ch. 44 s.8 (outside debt limit) to determine allowable borrowing terms for various financing purposes. Any premiums or costs of borrowing (i.e., legal or bond counsel fees) are not accounted for. We strongly advise municipalities to confirm borrowing conditions and calculations with the city or town treasurer and financial advisor.

1) Enter amount to be borrowed.

2) Enter borrowing conditions: Interest Rate (e.g., 3.5% as 3.5):   
 Term ( enter 5 or more)

3) Indicate ("x") payment type. Check both for comparisons.

Level Debt Service

Level Principal

### Projected annual payment

Level Debt Service

Level Principal (Year One)

### Projected total payments over term.

	Principal & Interest	Interest only
Level Debt Service	<input type="text" value="\$6,258,922"/>	<input type="text" value="\$2,358,922"/>
Level Principal	<input type="text"/>	<input type="text"/>

Year	Level debt service (\$)
1	312,946
2	312,946
3	312,946
4	312,946
5	312,946
6	312,946
7	312,946
8	312,946
9	312,946
10	312,946
11	312,946
12	312,946
13	312,946
14	312,946
15	312,946
16	312,946
17	312,946
18	312,946
19	312,946
20	312,946

*Estimated Annual Cost e  
5% Interest*

*Estimated Cost for Average  
Single Family Home  
\$1750/yr  
This includes redistribution of  
\$97k in taxes paid by RR*

Dear Select Board:

October 29, 2020

I, John R. Scheide, wish to assist the town of Hopedale, MA to reduce the financial burden as a result of the town exercising its option to purchase the 155.24 acres of land formerly of Charles F. Morneau, Trustee, as represented in the Notice of Intent to sell served on July 9, 2020. After the purchase of the land I hereby have agreed to send the sum of \$450,000, to be paid in increments of \$30,000 per year for a period of 15 years or in a lump sum at any time. And I agree to make whatever payments regarding lawyers' fees or other fees regarding this purchase.

John R. Scheide

A handwritten signature in cursive script that reads "John R. Scheide".

# THE HOPEDALE FOUNDATION

P.O. Box 123  
Hopedale, MA 01747-0123

October 17, 2020

Town of Hopedale  
Board of Selectmen  
78 Hopedale Street  
P.O. Box 7  
Hopedale, MA 01747

Gentlemen:

The Trustees of The Hopedale Foundation met today to discuss consideration of financial support to the Town of Hopedale in the purchase of certain property which will be discussed at the upcoming Special Town Meeting on October 24, 2020.

After careful consideration, the Trustees approved, with one recusal, the following vote.

The Trustees voted (with Atty. Christine H. Burke recusing herself) to assist the Town of Hopedale in reducing its financial burden as a result of the Town of Hopedale exercising its option to purchase the 155.24 acres of land of Charles F. Momeau, Trustee, as represented in the Notice of Intent to Sell served on July 9, 2020. The Trustees voted that after the purchase of the land The Hopedale Foundation would grant to the Town of Hopedale the amount of seven hundred and fifty thousand dollars (\$750,000) to be paid in increments of fifty thousand dollars (\$50,000) per year for a period of fifteen years.

Respectfully,



Michael A. Diorio  
Administrator

cc: Board of Water & Sewer Commissioners  
Hopedale Finance Committee

# **THE HOPEDALE FOUNDATION**

**P.O. Box 123  
Hopedale, MA 01747-0123**

**May 4, 2021**

**Town of Hopedale  
Board of Selectmen  
78 Hopedale Street  
P.O. Box 7  
Hopedale, MA 01747**

**Gentlemen:**

**The Trustees of The Hopedale Foundation met on April 29<sup>th</sup> to revisit a vote taken on October 17, 2020 committing financial support to the Town of Hopedale in its purchase of certain property discussed at the Special Town Meeting held on October 24, 2020.**

**The Trustees considered the information sent from your office by letter dated April 16<sup>th</sup> informing the Trustees that the circumstances have changed regarding exercising the Town's option to purchase the land and also considered the current litigation.**

**After discussion, the Trustees voted to put on hold the vote taken on October 17, 2020 and discuss this issue again when the litigation is completed, the Town completes the purchase of the land and the final financial information is known.**

**Respectfully,**



**Michael A. Diorio  
Administrator**

**cc: Board of Water & Sewer Commissioners  
Hopedale Finance Committee**