

2005 ANNUAL REPORT OF THE TOWN MANAGER

I am pleased to submit this 2005 Annual Report to the Board of Selectmen and the residents of the Town of Hull.

As always, the past year was busy and very challenging.

The financial year went as planned. The only exception was the unusually heavy snowfall that resulted in snow plowing costs of \$394,000. The fiscal year ended with a deficit of \$90,000 in this account. The deficit was immediately accounted for in the fiscal year beginning July 1, 2005.

The bonds for the Memorial School and the High School were sold on July 14, 2005. The bond for the Memorial School was in the amount of \$2.7 million and the Bond for the High School was \$5.2 million. Although the Town received \$12.8 million on July 15, 2005 from the Commonwealth under the School Building Assistance Program for these two schools, the Town is still owed \$11.2 million for the Commonwealth's 71% share of project cost. Full reimbursement is expected after completion of the post project audits. The Memorial School audit is scheduled for February 2006 and efforts are being made for the High School audit to be performed in April 2006.

The Town's first principal payment towards the Memorial School and the High School bonds will be made on July 15, 2006 and result in an annual debt service budget of almost \$1.6 million, an increase of \$540,000 over the previous fiscal year.

The Jacobs School Project is scheduled to begin in the spring of 2006 and the State will fund its 71% share of the project under the new "Pay As You Go" program. The State will reimburse the Town within fifteen (15) days for its share of the project costs, relieving the Town of the financial burden of borrowing the state's share and waiting until completion of the project before receiving reimbursement.

However, despite the State's funding of the new "Pay As You Go" program for the Jacobs School, I am concerned that unless the State restores the remaining annual \$1.2 million reduction in local aid/cherry sheet made back in 2002 (note: State aid in 2002 was \$7.7M compared to \$6.5 M in 2006.), the Town's revenues will not be sufficient to fund the debt service costs for the Jacobs School project (expected to be \$700,000/year in 2009) and also maintain the current level of municipal services.

I am also concerned about cash flow needs during the month of July each year, when principal and interest payments will be due on the school projects. A proposal to change from a semi-annual to a quarterly real estate and personal property tax billing schedule will be submitted to a Special Town Meeting on March 6, 2006. Under the current semi-annual tax billing schedule, October 1st is the earliest date the Town can legally send a property owner the first semi-annual real estate and property tax. Under a quarterly tax billing schedule, the first quarterly tax bill would be mailed July 1st with a due date of August 1st.

If quarterly tax bills are not authorized by Town Meeting, it is likely that the Town will need to issue Tax Anticipation Notes (short-term borrowing) to make the July 15th principal and interest payments for the school projects.

I appointed a Financial Management Software Committee to evaluate the strengths and weaknesses of our current financial management software. The Committee consists of the Treasurer/Collector, Town Accountant, Assistant Assessor, School Superintendent, School Business manager and MIS Director.

The current financial management system lack integration, report capabilities, and difficult to use creating unnecessary redundant processes. I am hoping to include a new financial management software program in next years Capital Outlay Budget.

In May, Marcia Bohinc was appointed as Town Accountant. Marcia served as Administrator for the Retirement Board for two years prior to her appointment. The position was restored to full time when Marcia was appointed.

The Engineering/Consulting firm, Vine Associates, Inc. was hired in July to update the Town's ten (10) year old seawall/revetment/shore protection structure inventory report. The project will prioritize sites depending on need for maintenance or further protective measures.

A portion of the Cadish Avenue Seawall between K and M Streets collapsed in February. Steps were immediately taken to secure the area and to perform a structural assessment of the entire section of the seawall. After determining that 400 feet of concrete seawall and deteriorated timber bulkhead were in need of replacements, it was decided to seek funding for permanent repairs instead of sectional temporary repairs. An application for funding was submitted to the Massachusetts Department of Conservation and Recreation's Division of Waterways. The application was approved and the Town received \$168,000 under the Rivers and Harbors Program towards the estimated \$340,000 project costs. Due to the numerous environmental permits involved in such a shoreline project, the actual construction work will not begin until March 2006.

The DCR's Nantasket Beach Seawall Repair and Beach Restoration Project crept along during the past year. The Phase I Project between Water Street and Phipps Street will begin in February/March 2006 and include replacement of the deteriorated concrete seawall with a stone revetment. The Phase II Project between Water Street and State Park Road will not be decided upon until the DCR completes a land use master plan for the entire Nantasket Beach Reservation District. It is expected that the land use master plan will take twelve months to complete.

The \$3.7 million Main Street/Spring Street Roadway and Drainage Improvement Project finally began in May and continued until December. The project completion date is June 2006. The project includes construction of a new parking lot in Pemberton and drainage improvements throughout the entire project area from the Wastewater Treatment Plant to Windmill Point.

The first roadway reclamation/paving project since 1998 was performed in November. The Hampton Hill and Strawberry Hill roadway-paving project cost \$325,000 and the finish coat will be applied in May 2006.

The next four roadway surfacing and drainage improvement projects in order of priority are as follows:

1. Harborview Road/Christine Road
2. Samoset Avenue
3. Manomet Avenue
4. Atlantic Avenue

The Nantasket Beach seasonal beach cleaning and dune protection continues to rank high on the list of priorities. The new mechanical beach rake was used for the first time this summer and worked well.

The twelve (12) sand dune openings at street ends were temporarily filled in with sand in November for flood control purposes. The Conservation Commission has agreed to address the numerous illegal openings in the sand dune and the Highway Department will provide the labor and equipment, if necessary, to close illegal dune openings.

Anne Herbst was hired in September as Conservation Administrator. Anne was employed as a Project Consultant for the Boston Harbor Association prior to her appointment as Conservation Administrator.

The \$4.3 million Wastewater Treatment Plant upgrade was substantially completed this past year.

The Department of Environmental Protection issued a Landfill Post Closure Re-Use Permit in September to locate Hull Wind II at the Logan Avenue landfill. The foundation work began in November and the wind turbine is scheduled to be operational in March 2006.

The West Corner Bridge Replacement project received a major boost in September when Congressman William Delahunt announced that \$700,000 in federal funds were obtained through the Federal Transport Bond Bill, TEA-Lu, for the project.

The project design is near completion and the Town awaits a decision from the Massachusetts Highway Department (MHD) whether or not the project will be considered a state or local project. A decision is expected in early 2006 and will dictate the number of permits required for the project. Fewer permits will be required if it is considered a MHD project and matching funds from the State will be assured.

The Hull and Cohasset Conservation Commission issued an Order of Conditions in June for the tidal flushing of Straits Pond. For the first time, the Pond will be flushed daily throughout the entire year. This is the second year that insecticides were not used to control the midge

infestation. Evidence suggests that daily flushing increases the ponds salinity and increased salinity is more effective at controlling the midge program than the use of chemicals.

Nantasket Pier continued to be the focus of much attention this year when a twenty-five (25) year lease was signed in February with Steamboat Wharf Marina to operate a 96- slip marina at the site.

Negotiations also continued with Jake's Restaurant for a twenty-five (25) year lease.

The Town received a grant in the amount of \$145,000 from the Seacoast Advisory Council in November for replacement of twenty-five (25) damaged pilings and to perform the surveys and testing for future maintenance dredging. The Town's match will be \$40,000 (25%).

After several months of negotiations, an agreement was signed with Green Mountain Wireless, Inc., Nashua NH to install a town wide optical fiber system network including a Distributed Antenna System (DAS). The fiber optic system will be connected to all town buildings and the DAS will involve the placement of small antennas on telephone/light poles throughout town for the purpose of improving cellular telephone reception. Green Mountain will contract individually with the cellular telephone carriers and this new technology will greatly improve cellular telephone service without the eyesore of a large cellular telephone tower. ***

Finally, I would like to take the opportunity thank all the employees in the Hull Highway Department.

For the most part of the year, I have served as the acting head of the Highway Department with Robert White serving as the Supervisor of Field Operations and Pat Petrilli handling the administrative work.

It was only through the cooperative effort of all the Highway employees that this temporary arrangement worked as well as it did.

I will present a personnel classification proposal to the May 2006 Annual Town Meeting to upgrade the long vacant position of Director of Public Works. The new upgraded position will replace the position of Superintendent of Streets.

I also intend to include a personnel classification article in the 2006 Annual Town Meeting that would create and classify a new position of Director of Facilities and Grounds. The position would be shared by the General Government and School Department and be responsible for the care and maintenance of all town-owned buildings.

I am grateful for the opportunity to serve as the Town Manager and I encourage residents to share their thoughts and concerns with me on any matter regarding the Town of Hull.

******The Distributed Antenna System contracts were transferred to National Grid on January 24, 2006. The system is scheduled to be operating by early next spring.***