BOARD OF SELECTMAN

"Do you remember the floods of '06?" This will be a nostalgic conversation starter in future generations much like the Blizzard of '78. Forces of nature were very prominent among the challenges faced by the Town of Hamilton in the past year.

Exemplary teamwork was displayed by employees of Public Works, Emergency Communication, Fire and Police departments during the torrential rains that began on Mothers Day and during the mop-up efforts, which are still continuing. They mobilized to protect citizens who were stranded by impassable roads, to pump water from countless basements, to remove debris and re-route traffic from bridges which had to be closed on Gardner, Highland and Winthrop Streets. The Massachusetts Highway Department took engineering and financial responsibility for reconstructing the historic bridge on Highland St./Mill Rd. which showed signs of collapsing into the Ipswich River.

In the aftermath of the flood, representatives of Hamilton, Wenham, Beverly and Ipswich came together to plan how to deal with the flooding problems caused by the Miles River. Agreement has been reached that the flow of the river must be enhanced in order to protect adjacent neighborhoods in which basements are being continuously pumped because of the high level of ground water and septic systems are in danger of being compromised. The Miles River Restoration Committee has been working in tandem with Rep. Brad Hill and Sen. Bruce Tarr to explore how funding can be secured to conduct a hydrologic study of the river, consider dredging by the U.S. Army Corps of Engineers, remove invasive plant species (purple loosetrife) from the channel, curtail the beavers, which have constructed some prodigious dams, and educate citizens that the use of lawn fertilizers are contributing to the vegetative problems.

The detection in Hamilton of a mosquito bearing the Eastern Equine Encephalitis virus posed a serious threat to public health. Fortunately, the Town Meeting of 2005 voted funds for Hamilton to rejoin the Northeast Mosquito Control and Wetlands Management District which laid the traps, analyzed the disease-bearing insect and provided guidance that the detection had occurred so late in the mosquito season that spraying of insecticides would be ineffective and unnecessary. There was also the discovery of a rabid skunk which bit a dog in the vicinity of the Regional High School.

Wind energy is being explored by the Selectmen and U.S. Air Force officers at the Sagamore Hill solar observatory. There is mutual interest in studying whether a wind turbine erected there could be used to transform the prevailing winds into electrical power. Such a project could help to satisfy the energy needs of the observatory, produce energy credits for Hamilton and promote environmental benefits of reducing the reliance on fossil fuels and developing renewable energy.

Changes in Hamilton's landscape have elicited a wide range of emotional responses from Town employees, neighbors and the general public.

- Construction of the new Public Safety Building is progressing rapidly toward completion. As the new home of Fire, Police and Emergency Communication personnel, it will serve to protect the future generation of Hamilton citizens.
- The installation and dedication of the World War II memorial in front of Town Hall culminated a three-year effort of the Honor Roll Committee from the A.P. Gardner American Legion Post to commemorate Hamilton's native sons and daughters who served in the armed forces between 1941 and 1945. Funds were donated by the Town, the state of Massachusetts, the Rotary Club, the children of the Hamilton Wenham Regional School District in addition to the American Legion. There was an outpouring of donated efforts from citizens, area civic groups, companies and Town employees to make this dream come true.

- The Carriage House Junction project being built at the intersection of Essex and Sagamore Streets under Chapter 40B of Massachusetts General Laws will provide six units of affordable housing. After lengthy and contentious public hearings, the Town has become united in the understanding that a comprehensive plan for future development of affordable housing is required to better control our destiny.
- The new Fellowship Hall and educational building of the First Congregational Church are rapidly progressing on Bay Road. A complex series of lawsuits were successfully resolved out of court by a negotiation process between church representatives, neighbors and Town boards, thus avoiding the threat of thousands of dollars of potential legal expenses.
- At the Selectmen's request, a Steering Committee is actively working on ways to convert the former Town landfill on Chebacco Road to become a future site for commercial development.
- Under the Selectmen's direction, the Economic Development Committee is researching possible solutions for parking and septic systems which are currently limiting the future growth of the downtown business district.
- A feasibility study is being prepared by the Selectmen to analyze the structural soundness of the former Hamilton Library to determine whether it can be used as a meeting place for senior citizens, teens and Town boards and committees.
- Together with the Wenham Selectmen, we have reached some important milestones in the advancement of shared resources between the two towns.
- A non-profit corporation was established to conduct the business of the community access television (CATV) network which came under local control after contract negotiations with Comcast and Verizon. Citizens will benefit from an expanded opportunity for locally generated television programming, a data network connecting most of the government and school buildings and a funding stream which will be used to improve the system over the next 10 to 15 years.
- Participation in a study will determine whether a Regional Communication Operation in Essex County might provide financial and service improvements for emergency dispatch activities.
- A Capital Management Committee has been formed to develop a plan for the repair and replacement of assets owned by the two towns and the Regional School District.
- A Recycling Committee is studying ways to optimize the amount of trash (metals, plastics, glass and paper) which can be diverted from solid waste disposal in order to save money and protect the environment. Recommendations are being investigated as to whether fees should be charged for trash removal (Pay As You Throw) to economically encourage citizens to increase their recycling efforts.
- The Budget Process and Long-Ranging Planning Committees are continuing to work on making the financial business of the towns and the Regional School District more cooperative and transparent.
- A Payment in Lieu of Taxes (PILOT) Committee was formed to help Hamilton and Wenham to develop a common approach for the towns to discuss how non-profit organizations in the respective towns should be paying a fairer share for the municipal services which are provided to their constituents.
- There were some lowlights during the year which served as stark reminders that Hamilton is subject to the gamut of social and political pressures associated with life in the 21st century.
- A homicide investigation was conducted after the tragic death of Ruby Blackhall in her School St. home.
- In response to a citizen's complaint, the Selectmen were investigated by the Essex County District Attorney's office for an alleged violation of the Open Meeting Law. No finding has been issued at this writing.
- The litigation involving Hamilton's Water Withdrawal Permit with the Department of Environmental Protection was joined by the Ipswich River Watershed Association which is trying to force communities to manage the pumping of water based upon changes in the flow of the Ipswich River.
- Hamilton has filed an appeal to a decision of an Administrative Magistrate representing the DEP which argues that the Town's well fields are hydrologically distinct from the Ipswich River and that

the water conservation measures contained in Hamilton's by-laws are more effective than the ones proposed by DEP and IRWA. Efforts to mediate the dispute are in progress.

• A quorum of 150 citizens was not reached in two tries to hold a Special Town Meeting in November. Your government cannot function without your participation.

The Selectmen devoted considerable effort to the contract negotiations with Town employee unions which resulted in a restructuring of the cost-sharing formula for health insurance, the first such change since 1993. These cost escalations have been one of the largest drains on municipal budgets throughout Massachusetts and the United States. The contract settlements will accomplish a 5% shift in the cost of health insurance premiums from the Town to employees so that the split for the majority of insured employees will change from 80% to 75% paid by the Town. A series of meetings were held with the employees Insurance Advisory Committee before individual negotiations commenced with four unions. A fifth union was recognized voluntarily for three full-time employees of the Fire Department, and contract negotiations will begin early in 2007. The Town successfully negotiated a 9% reduction from the 12.6% higher quote for FY '07 medical insurance coverage, saving about \$52,000.

The Board of Selectmen said farewell to outgoing Chairman Jim Bryant and Assistant Town Administrator Maureen Hickey and welcomed new Selectman Dick Low and Assistant Town Administrator Allison Jenkins. We also hired Deborah Nippes-Mena as the first full-time Finance Director of the Town.

The Town's social fabric was enhanced with the first annual Pumpkins in the Park celebration. Parents and children came to the Fire Station on a Saturday afternoon in October to carve jack-o'-lanterns which were illuminated and displayed around, and floated on, Weaver Pond at Patton Park. The volunteer efforts to coordinate this event were outstanding.

Hamilton's financial condition remains the most overriding (pun intended) concern for the future. The cumulative effects of Proposition 2½, the Town's dwindling financial reserves, reductions in the amounts of state aid, escalating costs for budget-breakers such as energy, fuel and health insurance, and the increasing need to rely upon local property taxes as the source of revenues have brought us to the brink of serious reductions in the levels of Town services. We narrowly averted the need for a financial override to fund the Town's operating budget last year, and the prospects are virtually certain that an override will be required for the FY '08 budget. If voters decide that they are not willing to support the additional expenses, it will be necessary to eliminate the jobs of Town employees and reduce programs which citizens have previously considered to be part of the quality of life in Hamilton. The only remedy to this budget crunch is to broaden the tax base by encouraging additional development, both commercial and residential. It is imperative that tools such as a Senior Housing by-law, Smart Growth and mixed-use development are brought forward as ways to alleviate the burden on current homeowners, many of whom are facing bleak choices about whether they can continue to afford to live here.

The strength of Hamilton is rooted in the caring and committed work of volunteers and employees who regularly serve the Town. The amounts of intelligence, energy and enthusiasm which are devoted to finding solutions to complex problems are simply outstanding. By harnessing these attributes and channeling them in cooperative efforts, we will be successful in overcoming adversities.

Respectfully,

Robert M. Bullivant, Chairman