

CITY OF SALEM

MASSACHUSETTS

FY 2009

Operating Budget



Mayor Kimberley L. Driscoll

Richard Viscay, Finance Director



City of Salem, Massachusetts

Fiscal Year 2009

Annual Operating Budget & Financial Analysis

General & Enterprise Funds
July 1, 2008 to June 30, 2009

Presented By:

Mayor Kimberley L. Driscoll

To City Council:

Michael Sosnowski, Council President

Thomas Furey

Joan Lovely

Robert McCarthy

Joseph O'Keefe, Sr.

Jean Pelletier

Steven Pinto

Paul Prevey

Jerry Ryan

Arthur Sargent

Matthew Veno

Prepared By:

Richard Viscay, Jr., Finance Director
Nina Bridgman, Assistant Finance Director

Reviewed By:

City Council – Administration & Finance Sub-Committee

Paul C. Prevey, Chairman
Thomas H. Furey
Robert McCarthy
Jerry Ryan
Matthew Veno

Voted and Approved by the City Council on June 26, 2008

A copy of this document can be found on our web site at:

http://www.salem.com/Pages/SalemMA_Finance/2009budget

On the Cover – Salem Common

In 1802, the Salem Common was named Washington Square. A wooden fence with four large, impressive gates was added to the Common in 1805 with one of the gates on the western side decorated with carvings by Samuel McIntire, the famous Salem architect and wood carver. Today the medallion portrait of George Washington and the gold painted eagle which adorned the original gate are preserved in the Peabody Essex Museum.

After Salem's great fire of 1914 which cut a destructive path through much of the city, the Salem Common was filled with tents to house the people who had lost their homes in the fire's devastation. Reminders of the city's past and evidence of our current lifestyle coexist in harmony on Salem Common today. A modern playground fills a large area of the park with the sounds of children playing while a handsome

TABLE OF CONTENTS

	Section-Page
SECTION 1 - General Overview	
Budget Message.....	1-1
Budget Overview Presentation to Council June 3, 2008.....	1-4
FY 2008 CAFR Transmittle Letter.....	1-18
SECTION 2 - City Overview	
City Overview.....	2-1
Map of Salem.....	2-7
Orgizational Chart.....	2-8
Orgizational Summary - Department Heads.....	2-9
Full-Time Equivalent Employee Comparisons.....	2-10
At-A-Glance Report for Salem.....	2-12
Salem's Top Employers.....	2-15
SECTION 3-Budget Overview	
Budget Calendar.....	3-1
Budget Overview.....	3-2
Property Tax "101" - A taxpayers guide to the tax bill.....	3-5
Revenue & Expenditure RECAP Sheet.....	3-9
Revenue Overview.....	3-10
Revenue Summary.....	3-11
Department of Revenue - State Local Aid Revenue Estimates.	3-16
General Fund Revenue Detail.....	3-17
Operating Budget Summary.....	3-31
Department of Revenue - State Local Aid Assessment Charges.....	3-48
Long Term Debt Service detail.....	3-49
Other Budgeted Items.....	3-50
Changes in Fund Balance by Fiscal Year.....	3-52
SECTION 4-Budget Overview-School	
School Budget Overview - Superintendent's Summary.....	4-1
School Financing Chapter 70 and Net School Spending.....	4-2
FY2008 Chapter 70 - Actual.....	4-4
FY2009 Chapter 70 - Preliminary.....	4-5
School Budget Graphs.....	4-6
SECTION 5-Budget Overview-Enterprise Funds	
Enterprise Fund Overview.....	5-1
Enterprise Fund Schedule A-2's.....	5-2
Enterprise Fund Revenue Summary & Graphs.....	5-5
Enterprise Fund Revenue Detail.....	5-9
Enterprise Fund Expense Summary & Graphs.....	5-12

TABLE OF CONTENTS

	Section-Page
Water & Sewer Five Year Financial Forecast Spreadsheet.....	5-16
Water & Sewer Rate Comparisons.....	5-17
Water & Sewer Capital Improvement Projects.....	5-18
 SECTION 6-Financial Plans & Policies	
Five Year Financial Forecast - Narrative.....	6-1
Five Year Financial Forecast - Spreadsheet.....	6-3
Retirement Stabilization Fund Policy.....	6-4
Financial Reserve Policies.....	6-5
Investment Policies.....	6-8
Debt Policies.....	6-13
Capital Improvement Budget Policy.....	6-14
 SECTION 7-Comprehensive Annual Finance Report (CAFR)	
FY 2007 Comprehensive Annual Finance Report.....	7-1
 SECTION 8-Budget Detail	
EXECUTIVE DIVISION	
Mayor.....	8-1
LEGISLATIVE DIVISION	
City Clerk City Council	8-6
Record Maintenance.....	8-10
Elections & Registrations.....	8-15
FINANCE DIVISION	
Assessors.....	8-20
Collector.....	8-25
Data Processing General Admin.....	8-30
Fixed Costs.....	8-34
GIS.....	8-36
Finance.....	8-40
Parking Department.....	8-45
Purchasing General Admin.....	8-50
Fixed Costs.....	8-55
Treasurer General Admin.....	8-57
Long Term Debt Service.....	8-64
Short Term Debt Service.....	8-66
NSRV Assessment.....	8-67
State Assessments (Cherry Sheet).....	8-68
Contributory Retirement.....	8-69
Non-Contributory Pensions.....	8-70
Medicare.....	8-71
Municipal Insurance.....	8-72

TABLE OF CONTENTS

	Section-Page
LEGAL DIVISION	
Solicitor.....	8-75
HUMAN RESOURCE DIVISION	
Human Resources General Admin.....	8-79
Workmens Comp.....	8-85
Unemployment Compensation.....	8-87
Group Insurance.....	8-89
FIRE DIVISION	
Fire	8-91
POLICE DIVISION	
Harbormaster.....	8-98
Police.....	8-103
INSPECTIONAL SERVICES DIVISION	
Health.....	8-110
Insp Services Zoning Board of Appeals.....	8-115
Public Building Maint.....	8-119
Fixed Costs.....	8-123
Building/Plumb/Gas Inspectors.....	8-126
Licensing.....	8-131
Electrical.....	8-136
PLANNING & COMMUNITY DEVELOPMENT DIVISION	
Planning Conservation Commission.....	8-141
Planning Board.....	8-145
General Administration.....	8-149
Market & Tourism.....	8-154
Historic Preservation.....	8-157
PUBLIC SERVICES DIVISION	
Public Services General Admin.....	8-161
Snow & Ice.....	8-171
ENGINEERING DIVISION	
Engineering.....	8-174
RECREATION & COMMUNITY SERVICES DIVISION	
Council On Aging.....	8-179
Library.....	8-185
Recreation General Admin.....	8-191
Golf Course.....	8-197
Witch House.....	8-203
Winter Island.....	8-207
Veterans.....	8-211

TABLE OF CONTENTS

	Section-Page
EDUCATION DIVISION	
School.....	8-215
SEWER ENTERPRISE	
Public Services.....	8-246
Engineering.....	8-251
Treasurer SESD Assessment.....	8-256
Insurance Deduction.....	8-258
WATER ENTERPRISE	
Public Services.....	8-260
Engineering.....	8-265
Treasurer Long Term Debt.....	8-271
Short Term Debt.....	8-273
SBWSB Assessment.....	8-274
Insurance Deduction.....	8-275
TRASH/SOLID WASTE ENTERPRISE	
Engineering.....	8-277
SECTION 9-Capital Improvement Program	
CIP Overview/Summary.....	9-1
FY09 CIP Request Memo - What is a Capital Asset?.....	9-2
Debt Policy.....	9-3
Capital Improvement Budget Policies.....	9-4
Five Year Capital Plan - General Fund.....	9-5
Five Year Capital Plan - Enterprise Funds.....	9-9
Finance Summary.....	9-10
FY 2009 CIP Executive Summary.....	9-12
SECTION 10-Glossary	
Glossary of Terms.....	10-1