

Budget Document Survey

Your opinion is important to us! Please take a few minutes to tell us what you think about our budget document. Your comments will be used to help improve this document.

1. Readability: Is the subject matter presented in an easy to read format and in terms that are understandable?

Please Circle One: Difficult Somewhat Difficult Adequate Good Very Easy

2. Using the following scale, please rate the following sections (1-Very Helpful, 2-Helpful, 3-Not Helpful):

Sec 1 – General Overview	_____	Sec 2 – City Overview	_____
Sec 3 – Budget Overview All Funds	_____	Sec 4 – Budget Overview School	_____
Sec 5 – Budget Overview Enterprise Funds	_____	Sec 6 – Financial Forecasts, Plans & Policies	_____
Sec 7 – Capital Improvement Program	_____	Sec 8 – Departmental Budgets	_____
Sec 9 – Appendix	_____	Sec10- Glossary	_____

3. Content: What would you like to see added, expanded, reduced or removed?

4. Overall Impressions: How would you rate the entire document?

Please Circle One: Start Over Minimal Help Answered Most Questions Good Very Helpful

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The Budget Process

The Budget and Appropriation Process

The budget document is the instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The legalistic view is that a budget is a plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them. In a much more general sense, budgets may be regarded as devised to aid management to operate an organization more effectively. In the general sense, budgets are the financial expression of plans prepared by managers for operating an organization during a time period and for changing its physical facilities and its capital structure.

The budget preparation process for all Cities is governed by Massachusetts General Law (MGL) Ch. 44. The General Laws require that the budget be supported by revenues earned during the year plus any savings from prior years. The General Laws also requires public involvement in the process, including the requirement for a public hearing on the proposed budget.

The Mayor provides leadership in the budget process by developing budgetary policy and working closely with department heads and the City Council to assure that the process identifies community needs and priorities and develops a farsighted and well crafted plan. The Mayor initiates the budget process that provides the policy context for identification of priorities and development of initiatives.

Within 170 days after the annual organization of the city government (which is ordinarily in early January), the Mayor is required to submit a budget of proposed expenditures for the fiscal year beginning on the next July 1. The City Council may make appropriations for the recommended purposes and may reduce or reject any item. Without a recommendation of the Mayor, the City Council may not increase any item or make an appropriation for a purpose not included in the proposed budget (except by a two-thirds vote in case of the failure of the Mayor to recommend an appropriation for such a purpose within 7 days after a request from the City Council). If the City Council fails to act on any item of the proposed budget within 45 days, that item takes effect.

If the Mayor does not make a timely budget submission, provision is made for preparation of a budget by the City Council. Provision is also made for supplementary appropriations upon recommendation of the Mayor. Enterprise Fund expenditures are required to be included in the budget adopted by the City Council. The school budget is limited to the amount appropriated by the City Council, but the school committee retains full power to allocate the funds appropriated.

Under certain circumstances and subject to certain limits and requirements, the city council of a city, upon the recommendation of the Mayor, may transfer amounts appropriated for the use of the department (except for a municipal light department or a school department) to another appropriation for the same department or for the use of any other department.

Commencing September 1, 1992, the City established enterprise funds in accordance with Chapter 44, Section 531F 1/2, of the General Laws for the City's water and sewer services. In FY 2007 the City established an enterprise fund for Trash Disposal.

The Finance Department prepares budget packages for each department in January. The Mayor holds a City wide budget meeting, attended by all department heads and finance personnel, concerning a general overview of the state of the economy, and to outline specific guidelines dictating the preparation of individual department budgets. In consultation with the Finance Department, each department then prepares an operating budgets and a mission statement outlining the projected goals for the future. These operating budgets are submitted to the Finance Department for review and entry into the computerized accounting system. The budgets are then prepared for the Mayor's review.

In March and April, each department head meets with the Mayor, Finance Director, and Assistant Finance Director to review their proposed budgets and program changes for the coming year. As the proposed budgets are reviewed by the Mayor, the budgets submitted may be adjusted based on the individual needs of each department. During the months of April and May, the Mayor finalizes the Annual Budget document for submission to the City Council. The proposed budget documentation is prepared by the Finance Department. The City Council accepts the budget and submits it to the subcommittee on Administration and Finance. The City Council Subcommittee on Administration and Finance then holds subcommittee meetings with the Mayor, Finance Director, Assistant Finance Director, and Department heads to review each departmental budget. The budget must be approved by a majority vote of the City Council within 45 days of receipt of the budget, but no later than June 30th of each year.

The school department budgets are prepared by the Superintendent of Schools and the School Business Manager. The school budget is reviewed and approved by the School Committee, and subsequently submitted to the City Finance Department for inclusion in the City Budget presented to the City Council for approval and appropriation.

WHAT IS A BALANCED BUDGET?

A budget is considered in balance when revenues are equal to, or exceed expenditures. This is a requirement of all Massachusetts communities.

THE BUDGET FORMAT

The budget summary contains summary totals from all operating segments. The revenue section details revenue sources with expected trends. Each departmental section contains a department mission statement and financial data relating to the entire department, including personnel detail. The enterprise section includes revenue and expenditure trends of the self-sustaining enterprise funds along with departmental goals. The CIP section details all expected capital program outlays in the current fiscal year, as well as a summary of the next following years.

OTHER BUDGET ITEMS

Budget Amendment Increases – Any increase to the budget must be submitted to the City Council by the Mayor for approval. Budget amendments usually occur from transfers from other special revenue funds (usually receipts reserved for appropriation funds), free cash appropriations in general fund,

or retained earnings appropriations within the Enterprise Funds. They can also be voted as an additional appropriation to the budget to be offset by property taxes, local revenue, state aid, and reserves prior to the tax rate being set in December of each year.

Budget Amendment Transfers– Budget transfers within the school department are submitted to the School Committee for their approval, and are processed by the Finance Department once approved. Budget transfers for City (non-school) budgets, either between personnel and non-personnel line items or between departments, must be submitted to City Council for their approval. This is due to the fact that the City Council votes the original budget as follows:

- City Budgets – The City Council votes each personnel and non-personnel line separately within each departmental unit.
- School Budgets - The City Council votes the TOTAL for the school budget, not separate departments and/or organizational units as they do for the City budgets.

BUDGET GOALS

Policy Driven Planning: The budget is developed based upon community values and key City strategic financial and program policies. The City's Five Year Financial Forecast provides the nexus between the long-term financial plan and budgetary development. The plan includes a comprehensive multi-year projection of the financial position and budget projections, including documentation of revenue and cost assumptions and projections.

Program of Services for the Community: The budget is designed to focus on financial information and missions and goals that have value added outcomes to the community through City services. The Mayor and the City Council will use the City's fundamental principles as a basis for allocation choices and policy discussions. It also provides a basis for measuring progress toward goals during the budget period.

Financial Plan of Allocation and Resource Management: The budget establishes the plan and legal appropriations to allow the City to operate during the fiscal year. The budget provides specific direction for departments and agencies for management of resources. It also provides broad goals related to the City's overall financial position and identifies business decisions required to keep the City financially viable and strong. It is developed using all available financial and planning reviews, including the Five Year Financial Forecast and the five-year rolling Capital Improvement Program.

Communication Tool: The budget is intended to communicate to a broad range of readers, both locally and around the region, as well as the larger governmental and financial community. The budget expresses priorities and goals, assignments and plans, targets and hopes. It is a key statement of City priorities, and is meant to provide confidence in, and confirmation of, the Ordinance mandated Mayor form of government.

SUMMARY OF BUDGETING AND ACCOUNTING PRACTICES

The *basic financial statements* of the City of Salem, Massachusetts are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

For budgetary financial reporting purposes, the Uniform Municipal Accounting System (UMAS) basis of accounting (established by the Commonwealth of Massachusetts) is followed, which differs from the GAAP basis of accounting are listed below. A reconciliation of budgetary-basis to GAAP-basis results for the general fund for the fiscal year ended June 30, 2010, can be found in the City's Comprehensive Annual Financial Statement (CAFR) at the following website: http://www.salem.com/Pages/SalemMA_Finance/Financials

BASIS OF BUDGETING

Budgetary basis departs from GAAP as follows:

1. Real and personal property taxes are recorded as revenue when levied (budgetary), as opposed to when susceptible to accrual (GAAP).
2. Encumbrances are recorded as the equivalent of expenditures (budgetary), as opposed to a reservation of fund balance (GAAP).
3. Certain activities and transactions are presented as components of the general fund (budgetary), rather than as separate funds (GAAP).
4. Prior years' deficits and available funds from prior year's surpluses are recorded as expenditure and revenue items (budgetary), but have no effect on GAAP expenditures and revenues.

BASIS OF ACCOUNTING

FUND ACCOUNTING

Fund accounting is an accounting system organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses as appropriate. Resources are allocated to and accounted for in individual funds based upon purposed for which they are to be spent and the means by which spending activities are controlled. Fund accounting is used by states and local governments and by not-for-profit organizations that need to account for resources the use of which is restricted by donors or grantors.

TYPES OF FUNDS

There are seven types of funds that can be used, as needed, by state and local governments, both general purpose and limited purpose. The types of funds are as follows:

Governmental Funds

1. ***The General Fund*** – The General Fund is the major operating fund of municipal governments, and it accounts for the vast majority of municipal operations. The General Fund is supported by revenues from real estate and personal property taxes, state and federal aid, excise taxes, investment income, fines and forfeitures, and fees and charges. Most of the municipal departments, including the schools, are supported in whole or in part by the General Fund.
2. ***Special Revenue Funds*** – to account for the proceeds of specific revenue sources (other than expendable trust or for major capital projects) that are legally restricted to expenditures for specific purposes. These funds are used mostly for donations, state, federal, and other intergovernmental revenue and expenditures.
3. ***Capital Projects Funds*** – to account for financial resources to be used for the acquisition or construction of major capital facilities – other than those financed by proprietary funds and trust funds.
4. ***Debt Service Funds*** – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Proprietary Funds

5. ***Enterprise Funds*** – to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.
6. ***Internal Service Funds*** – to account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units, on a cost-reimbursement basis.

Fiduciary Funds

7. ***Trust and Agency Funds*** – to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include (a) expendable trust funds, (b) nonexpendable trust funds, (c) pension trust funds, and (d) agency funds.

Accrual Basis in Governmental Accounting- The modified accrual basis of accounting, as appropriate, should be utilized in measuring financial position and operating results.

Governmental fund revenues and expenditures should be recognized on the modified accrual basis. Revenues should be recognized in the accounting period in which they become available and measurable. Expenditures should be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Proprietary fund revenues and expenses should be recognized on the accrual basis. Revenues should be recognized in the accounting period in which they are earned and become measurable; expense should be recognized in the period incurred, if measurable.

Fiduciary fund revenues and expense or expenditures (as appropriate) should be recognized on the basis consistent with the fund's accounting measurement objective. Nonexpendable trust and pension trust funds (and investment trust funds) should be accounted for on the accrual basis; expendable trust funds should be accounted for on the modified accrual basis. Agency fund assets and liabilities should be accounted for on the modified accrual basis.

Transfers should be recognized in the accounting period in which the interfund receivable or payable arise.

Fund Balance & Fund Equity – The arithmetic difference between the amount of financial resources and the amount of liabilities recorded in the fund is the FUND EQUITY. Residents of the governmental unit have no legal claim on any excess of liquid assets over current liabilities; therefore, the Fund Equity is not analogous to the capital accounts of an investor-owned entity. Accounts in the Fund Equity category of the General Fund and special revenue funds consist of reserve accounts established to disclose that portions of the equity are not available for appropriation (reserved or designated); the portion of equity available for appropriation is disclosed in an account called FUND BALANCE.

Annual Audits

At the close of each fiscal year, state law requires the City of Salem to publish a complete set of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP), and that are audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the City of Salem has been audited by the firm of Powers & Sullivan, Certified Public Accountants, of Wakefield, Massachusetts. A copy of the FY 2008 CAFR and prior fiscal year financial statements can be found on the City's website at http://www.salem.com/Pages/SalemMA_Finance/Financials.

Reporting Entity

For financial reporting purposes, the City has included all funds, organizations, agencies, boards, commissions and institutions. The City has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the City (the primary government) and its component units. One entity has been included as a component unit in the reporting entity, because of the significance of its operational and/or financial relationship.

Blended Component Units – Blended component units are entities that are legally separate from the City, but are so related that they are, in substance, the same as the City, or entities providing services entirely or almost entirely for the benefit of the City. The following component unit is blended within the Fiduciary Funds of the primary government:

The Salem Contributory Retirement System (CRS) was established to provide retirement benefits to City employees, the Salem Housing Authority employees, the South Essex Sewerage District employees, the Salem-Beverly Water Supply Board employees, the North Shore Regional Vocational School employees and their beneficiaries. The System is governed by a five-member board comprised of the Finance Director (ex-officio), two members elected by the System’s participants, one member appointed by the Mayor and one member appointed by the other board members. The CRS is presented using the accrual basis of accounting and is reported as a pension trust fund in the fiduciary fund financial statements.

The City is a member of the South Essex Sewerage District (SESD), a joint venture with the Cities of Salem and Beverly and the Towns of Danvers and Marblehead, for the operation of a septage disposal facility. The members share in overseeing the operations of SESD. Each member is responsible for its proportionate share of the operational costs of the SESD, which are paid in the form of assessments. Complete financial statements for the District can be obtained by contacting them at 50 Fort Avenue, Salem, MA 01970.

The City is a member of the Salem-Beverly Water Supply Board (SBWSB), a joint venture with the City of Beverly for the operation of a water distribution system. The City does not have an equity interest in the Salem-Beverly Water Supply Board. Complete financial information for the SBWSB can be obtained by contacting them at 50 Arlington Avenue, Beverly, MA 01915.

Availability of Financial Information for Component Units

The Salem Contributory Retirement System does not issue separate audited financial statement. The CRS issues a publicly available unaudited financial report in accordance with guidelines established by the Commonwealth of Massachusetts’ (Commonwealth) Public Employee Retirement Administration Commission (PERAC). That report may be obtained by contacting the CRS located at 20 Central Street, Suite 110, Salem, Massachusetts 01970.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, liabilities, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Internal service funds and fiduciary funds are reported by fund type.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the fiscal year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of inter-fund activity has been removed from the government-wide financial statements. However, the effect of inter-fund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for un-matured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after fiscal year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *stabilization fund* is a special revenue fund used to account for the accumulation of resources to be used for general and/or capital purposes upon approval of City Council.

The *school capital projects fund* is used to account for the ongoing construction and renovations of the City's school buildings.

The non-major governmental funds consist of other special revenue, capital projects and permanent funds that are aggregated and presented in the *non-major governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for the proceeds of specific revenue sources (other than permanent funds or capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

The *capital projects fund* is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Enterprise Funds).

The *permanent fund* is used to account for financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The following major proprietary funds are reported:

The *sewer enterprise fund* is used to account for the sewer activities.

The *water enterprise fund* is used to account for the water activities.

The *golf course enterprise fund* is used to account for the golf course activities.

The *parking activities enterprise fund* is used to account for parking activities.

The *trash enterprise fund* is used to account for the solid waste disposal activities.

Additionally, the following proprietary fund type is reported:

The *internal service fund* is used to account for the financing of services provided by one department to other departments or governmental units. This fund is used to account for risk financing activities related to retirees' health insurance.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting except for the Agency Fund, which has no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *pension trust fund* is used to account for the activities of the System, which accumulates resources to provide pension benefits to eligible retirees and their beneficiaries.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allow the trustees to authorize spending of the realized investment earnings. The City's educational scholarships and housing subsidy trust funds are accounted for in this fund.

The *agency fund* is used to account for assets held in a purely custodial capacity. The City's agency funds consist primarily of payroll withholdings, police and fire details, escrow deposits and unclaimed property.

Government-Wide and Fund Financial Statements

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

PROPERTY TAX “101” - A TAXPAYERS GUIDE

Introduction

This information about real estate taxation is designed to explain the process leading to a tax bill and attempts to dispel many of the common misconceptions associated with this often-misunderstood subject. Slightly over half the money needed to fund Salem’s City Government must be raised through property taxation. The remainder of the revenue comes from other sources such as State aid and local receipts.

Massachusetts’s municipal law permits two types of local property taxation – real estate and personal property. Since it affects the greatest number of residents, most public attention is focused on the real estate tax. The following information pertains to the real estate tax.

Assessed Value & Tax Rate

Every year the Assessing Department adjusts all of the City’s taxable property according to a procedure outlined in Massachusetts General Law. The new “assessed value” is designed to reflect the property’s “full and fair cash value” on the first day of January prior to the December bill on which it first appears. It is important to note, that your assessed value is a year old when it appears on your bill and is not intended to be a reflection of the property’s current value. The assessors then “add up” the total assessed value of all of the City’s taxable property.

The City’s Finance Department provides the assessors with exactly how much revenue must be raised through property taxation. It is this revenue figure, divided into the total assessed value of the City’s taxable property that determines the basic “equalized” tax rate per \$1000 of assessed value. Some communities use this rate to tax all classes of property – Salem does not.

Since Salem has opted to tax residential taxpayers at a different rate than commercial/industrial taxpayers, the equalized rate information is submitted to the City Council, with a recommendation by the Mayor, and at the “annual classification hearing” it is decided how the tax burden will be apportioned. The two new rates, when applied to the new property values, produce the required total revenue figure and become the tax rates for that fiscal year.

Every three years, subject to the dictates of the Commissioner of Revenue, the City is required to undergo a “recertification” procedure. This is commonly known as a “revaluation year”. In past years, it was at this time that property owners usually saw the greatest change in their property assessments. With the use of computerized mass appraisal systems, most communities, including Salem, now adjust their property assessments on a yearly basis. These assessments closely follow the fluctuations in the marketplace and reflect a property value on the 1st of January prior to the bill on which the new assessed value first appears.

How is Property Value Determined?

The average residential dwelling in Salem gets its new assessment each year from the Assessing Department’s analysis of the property market. You could correctly say that the amount your “new neighbors” paid your “old neighbors” for the houses in your area provided the Assessors with the basis for your

new assessment. The Assessors program the mass appraisal system with relevant sales information and it generates new values for similar property that did not sell.

In periods when residential property sales information indicates a decline in property value, it is important to understand that your fiscal year assessment is based on sales information that took place more than a year before the new assessment appears on your bill. For instance, the FY2011 assessments are meant to reflect the value of your property on January 1st, 2010 and were derived from sales information obtained in calendar year 2009. They do not reflect the property's current value. The influence of the market place is always a year behind your annual property assessment. Unlike many "appraisals" that are meant to reflect current value, "assessments" are retrospective and look back in time to "arms length sales" that have already taken place.

Income producing property, such as multi-unit residences or commercial/industrial property is also valued by the mass appraisal system only by a different methodology. Each year the Assessors request "income and expense" information from owners of "income" producing property and develop values based on the "return on investment". Sales and cost aspects of this methodology are important factors but the greatest emphasis is based on income.

What Makes a Tax Bill Go Up or Down?

Many factors can affect the total amount of your property tax bill and often many influences are at work at the same time. Historically, the yearly cost of running a City increases each year much in the same way the cost of maintaining a household increases each year. If nothing else changed, this increase would more than likely cause your tax bill to go up.

These factors could also contribute to an increase:

- Improvement to a property in the form of an addition, finished basement or attic or other alteration that would increase the property's market value.
- A disproportionate increase in the market value of a particular section of the City when compared to another section.
- The discovery by the assessors of incorrect property information such as an additional apartment unit, bathroom or finished basement that was not recorded on the previous assessment.
- In the case of income producing property, the increase of income versus the cost of doing business.
- Loss of taxable property to tax exempt status thereby diminishing the tax base.
- Loss of commercial/industrial property causing a shift in the tax burden to the residential taxpayer.

These factors could contribute to a decrease:

- A disproportionate decrease in the market value of a particular section of the City when compared to another section.
- The reduction in the value of the property as a result of an alteration made to the structure.
- The deterioration of the property as a result of neglect, disaster or accident.
- In the case of income producing property, either the loss of income or a change in the income expense ratio.
- Reduction of a form of revenue consuming municipal service(s).
- The addition to the tax base of taxable property
- Other forms of budget reduction.

As you can see from the above, there are many dynamics to each tax bill. Any single factor, but *usually a combination of factors*, will influence the amount of your bill. Although an “average” tax bill can be statistically produced, very few bills would actually reflect the statistical average.

What about Proposition 2 ½?

Simply stated, Proposition 2 ½ says that a community cannot collect any more than 2 ½ % more than the maximum amount it was legally allowed to collect through property taxation in the previous year. This refers to the “total” amount that the City collects from the community and not the “individual” amount it collects from a taxpayer.

What is “Growth” and why is it Important

“Growth,” when referred to by municipal officials, means property eligible for taxation this year that was not there last year. The reason why so much importance is attributable to the “growth figures” is that this infusion of this new found revenue assists in defraying the impact of budget increases on the tax bill.

Large capital building projects normally contribute to the bulk of the growth figures, but the simple addition of a deck to the back of a house is also part of the calculation. The cumulative effect of growth on the City’s economy can often reduce a tax bill by a couple of percent over what it would have been had this “growth” not occurred.

What is the “Power Plant” Agreement

Back in 1997, and as a result of the uncertainties surrounding the deregulation of the electricity generating industry, the City entered into a financial agreement with the operators of the power plant on Fort Avenue. Designed to allow both sides a degree of future financial planning, the agreement outlines a yearly schedule of payments in lieu of calculated tax assessments.

During Fiscal Years 1998-2001, the total remittance amount was \$8.7 million a year. In FY 2002, this amount was reduced to \$7.7 million. In FY 2003 it was again reduced to \$6.7 million, and in FY 2004 – FY 2007 it was reduced to \$5.025 million. Although plans for a plant upgrade were noted in the agreement and procedures for changing the remittance amount addressed, the upgrade did not occur.

The impact the reduction of revenue has on the tax bill is essentially the reverse effect of growth. It was a revenue contribution that was there in previous years that is not there in the ensuing tax years. Because State aid and local receipts are determinants in the amount to be raised from property taxation, the impact does not translate to a dollar for dollar increase, but like growth, can translate to a percent or two on a tax bill.

In December 2008, the City and Dominion Energy, agreed to a three-year payment in lieu of taxes that will provide the City an annual remittance of \$1,750,000. This agreement will end in December 2011. Negotiations for 2012 and beyond are on-going.

Summary

Although a community's tax rate or rates are often a measure of comparison by one city to another, your actual tax bill consists of not one but two parts – the tax rate and the property's value assessment. The better comparison would be to compare a similar home, in a like neighborhood and the “bottom line” of an actual tax bill.

Remember, the city's budget and what part of those funds come from property taxation, determine the amount property owners are asked to contribute in the form of their tax bills. The property assessment and tax rate are the mathematical way in which that sum is realized.

The City maintains a “state of the art” computerized mass appraisal system and periodically reviews, through various processes, all its taxable property. The resulting citywide adjustments made to property database assure taxpayers the most equitable distribution of the tax burden Salem tax assessors can provide.

Internet access to this information offers Salem's citizens and taxpayers a clear look at the statistical component of their property assessment and a way to track any discrepancies that might warrant correction now and into the future. Visit www.salem.com for more information.

PERFORMANCE MANAGEMENT & MEASURERS

The Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award program requires all submitting agencies to incorporate Performance Management and Performance Measurers into their budget. The City of Salem is continuing to incorporate those ideas and strategies as part of the overall operation and management of the City.

City of Salem conducts an annual citizen survey on the City's website (www.salem.com) that allowed all citizens of Salem to voice their opinions on various issues. The results of the recent year's survey are listed in the next few pages.

Long and Short Term Strategic Goals

The City of Salem Long and Short Term Strategic Plan Summary is a listing of the Mayor's top priorities for the City of Salem for the current fiscal year and beyond. A chart of these goals is listed on the following pages. Several of the goals are high priority items of the current Citizens Survey result as noted.

Each department is required to include a table of Outcomes and Performance measurers in their mission statements. They are also required to include a description of "How Fiscal Year Departmental Goals relate to the City's Overall Long & Short Term Goals". This information defines how each department's goals tie in to the overall goals of the City and is included for each department in their mission statements throughout section 8.

What is Performance Management

Performance management is a logical and integrated approach to all aspects of the cycle of planning, budgeting, operations and evaluations that is based on data and analysis, for the purpose of continuously improving results. Performance management is:

- Data driven – using reliable, verifiable and relevant data.
- Outcome oriented – focused primarily on results, less on inputs and outputs.
- Citizen focused – based on community needs.
- Logically aligned – mission, goals, objectives, measurers, responsibilities are integrated.
- Transparent – information is available and understandable by outsiders and insiders alike.
- Sustainable – survives leadership changes.
- Learning, improvement and accountability driven.

Performance measurement has become increasingly prevalent in local government, yet most government managers still struggle with the fundamental question of what to do with performance measurement data when they have it. Management teams want to know how they can incorporate performance measurement into their management and decision making processes. Rather than simply reporting performance results, performance based management focuses on linking

performance measurement to strategic planning and using it as a lever for cultural change. By creating a learning environment in which performance measures are regularly reviewed and discussed, organization can improve the pace of learning and decision making, improve performance, and facilitate broader cultural change.

Where to get more information

The information above was obtained from the GFOA website (www.gfoa.org) and more information on performance management and measurers is available on that website.

GFOA Recommended Practices:

Budgeting for Results and Outcome (2007):

<http://www.gfoa.org/downloads/budgetingforresults.pdf>

Performance Management: Using Performance Measurement for Decision Making (2002 and 2007):

<http://www.gfoa.org/downloads/budgetperfmanagement.pdf>

City of Salem Survey - July 2010

Total Started Survey:	1120	
Total Completed Survey:	982	87.7%

Living in Salem

1 Using the scale below, how do you rate Salem as a place to live?

Not a Great Place to Live	22	2.2%
An Average Place to Live	288	28.3%
A Great Place to Live	709	69.6%
Total	1019	
Skipped Question	2	

Neighborhood Life

2 Using the scale below, how do you rate your particular neighborhood as a place to live?

Not a Great Place to Live	76	7.5%
An Average Place to Live	322	31.9%
A Great Place to Live	611	60.6%
Total	1009	
Skipped Question	12	

Recommend Salem

3 Would you recommend Salem as a place to live?

Yes	912	90.7%
No	94	9.3%
Total	1006	
Skipped Question	15	

City of Salem Survey - July 2010

City Services

Salem is facing increasing financial challenges in providing City services. Using the scale below, please rate how important you feel the following City services are.

	Not at all Important	Somewhat Important	Important	Very Important	N/A	Count
Keeping streets and public areas clean <i>Percentage</i>	5 0.5%	62 6.3%	315 32.2%	594 60.8%	1 0.1%	977
Maintaining recreation & community programs (Library, Council on Aging, etc) <i>Percentage</i>	18 1.8%	111 11.4%	358 36.6%	486 49.7%	4 0.4%	977
Improving parks and playgrounds <i>Percentage</i>	24 2.5%	187 19.1%	430 44.0%	336 34.4%	0 0.0%	977
Garbage Collection and recycling services <i>Percentage</i>	4 0.4%	53 5.4%	309 31.6%	608 62.2%	3 0.3%	977
Repairing streets and sidewalks <i>Percentage</i>	1 0.1%	68 7.0%	321 32.9%	582 59.6%	5 0.5%	977
Revitalizing downtown <i>Percentage</i>	18 1.8%	170 17.4%	338 34.6%	439 44.9%	12 1.2%	977
Cleaning up graffiti <i>Percentage</i>	51 5.2%	263 26.9%	350 35.8%	309 31.6%	4 0.4%	977
Police services <i>Percentage</i>	10 1.0%	56 5.7%	208 21.3%	687 70.3%	16 1.6%	977
Fire protection & emergency medical response <i>Percentage</i>	3 0.3%	45 4.6%	221 22.6%	691 70.7%	17 1.7%	977
Quality public schools <i>Percentage</i>	21 2.1%	43 4.4%	208 21.3%	664 68.0%	41 4.2%	977

Answered Question 977
 Skipped Question 44

City of Salem Survey - July 2010

Important Issues

The city of Salem has identified its involvement in the following issues as important to the future of
 5 Salem. Using the scale below, please rate how important you feel the following issues are:

	Not at all Important	Somewhat Important	Important	Very Important	N/A	Count
Renewable Energy and Energy Efficiency Initiatives	41	146	340	426	2	955
<i>Percentage</i>	4.3%	15.3%	35.6%	44.6%	0.2%	
Supporting the Growth of New and Existing Businesses	8	82	346	516	3	955
<i>Percentage</i>	0.8%	8.6%	36.2%	54.0%	0.3%	
Providing Improved Recreational Opportunities for Youth and Adults	38	222	430	262	3	955
<i>Percentage</i>	4.0%	23.2%	45.0%	27.4%	0.3%	
Offering a Quality Public Education	15	49	230	636	25	955
<i>Percentage</i>	1.6%	5.1%	24.1%	66.6%	2.6%	
Providing a Supportive Environment for Tourism, Arts and Cultural Opportunities	20	125	391	411	8	955
<i>Percentage</i>	2.1%	13.1%	40.9%	43.0%	0.8%	
Pursuing Options to Reginalize and Combine City Functions	55	231	349	298	22	955
<i>Percentage</i>	5.8%	24.2%	36.5%	31.2%	2.3%	
Stabilizing Property Taxes & City Finances	9	67	280	571	28	955
<i>Percentage</i>	0.9%	7.0%	29.3%	59.8%	2.9%	
Improving Communication between City and Residents	14	175	359	398	9	955
<i>Percentage</i>	1.5%	18.3%	37.6%	41.7%	0.9%	
Maintaining a beneficial property tax agreement with Salem Harbor Power Station	75	123	296	427	34	955
<i>Percentage</i>	7.9%	12.9%	31.0%	44.7%	3.6%	

Answered Question 955
 Skipped Question 66

City of Salem Survey - July 2010

6 Do you live or work in downtown Salem?

Live	269	28.2%
Work	98	10.3%
Neither	480	50.3%
Both Live and Work	108	11.3%

Total 955
Skipped Question 66

7 in 2010, how often, if ever, did you go downtown:

Never	5	1.0%
Less than a dozen times	75	7.9%
Frequently	230	24.1%
Regularly spend time downtown	167	17.5%
Don't know	3	0.3%

Total 480
Skipped Question 541

8 What are the major reasons that keep you from spending more time downtown? Please check all that apply.

Lack of parking	50	61.0%
Cost of parking	30	36.6%
Traffic	47	57.3%
Safety	6	7.3%
Prefer other shopping areas	24	29.3%
Not interest in downtown shops, restaurants, services	18	22.0%
Too expensive	17	20.7%
Cleanliness	6	7.3%
Inconvenient	25	30.5%
Other	8	9.8%
Don't know	8	9.8%
Not applicable (I regularly spend time downtown)	0	0.0%

Total 82
Skipped Question 939

9 In general, how safe do you feel in downtown Salem?

Very safe	533	56.0%
Somewhat safe	385	40.5%
Not very safe	20	2.1%
Not at all safe	6	0.6%
Don't know/no opinion	7	0.7%

Total 951
Skipped Question 70

City of Salem Survey - July 2010

10 How familiar or unfamiliar are you with Connect-CTY, the City's automated telephone system

Very familiar	416	43.8%
Somewhat familiar	303	31.9%
Not at all familiar	231	24.3%
Total	950	
Skipped Question	71	

11 Have you registered your telephone number and/or email address with Connect-CTY so that you may receive automated message on important city matters?

Yes	623	65.8%
No	324	34.2%
Total	947	
Skipped Question	77	

12 In the last 12 months, have you contacted the City to obtain information or request services?

Yes	517	54.4%
Not at all familiar	413	43.5%
Don't know	20	2.1%
Total	950	
Skipped Question	71	

13 How have you contacted the City? Please check all that apply.

In person	241	47.2%
By telephone	405	79.3%
By mail	36	7.0%
By email	198	38.7%
By visiting the online Citizen Request Action Center website at Salem.com	36	7.0%
Other	14	2.7%
Total	511	
Skipped Question	510	

City of Salem Survey - July 2010

14 How would you describe the City employee with whom you most recently had contact?

		Poor	Fair	Good	Very Good	Don't know or N/A	Count
Knowledgeable		15	53	164	252	25	509
	Percentage	1.6%	5.5%	17.2%	26.4%	2.6%	
Courteous		25	51	147	272	15	510
	Percentage	2.6%	5.3%	15.4%	28.5%	1.6%	
Responsive to your needs		38	68	150	237	14	507
	Percentage	4.0%	7.1%	15.7%	24.8%	1.5%	
Ease of getting intouch with the employee		42	77	157	217	16	509
	Percentage	4.4%	8.1%	16.4%	22.7%	1.7%	
Respectfulness		23	43	153	271	16	506
	Percentage	2.4%	4.5%	16.0%	28.4%	1.7%	
Timeliness of response		47	63	157	218	20	505
	Percentage	4.9%	6.6%	16.4%	22.8%	2.1%	
Willingness to accommodate the need for foreign language and/or sign language		7	4	31	46	416	504
	Percentage	0.7%	0.4%	3.2%	4.8%	43.6%	

Answered Question 511
Skipped Question 510

15 How would you rate each of the following characteristics of the City website?

		Poor	Fair	Good	Very Good	Don't know or N/A	Count
Usefulness of information		3	43	241	185	38	510
	Percentage	0.3%	4.5%	25.2%	19.4%	4.0%	
Ease of use or navigation		9	88	223	150	37	507
	Percentage	0.9%	9.2%	23.4%	15.7%	3.9%	
Design and graphics		26	107	219	112	42	506
	Percentage	2.7%	11.2%	22.9%	11.7%	4.4%	

Answered Question 511
Skipped Question 510

City of Salem Survey - July 2010

How do you get parking ban (snow emergency, street sweeping, etc.) information? Please check all that
16 apply.

Newspapers	70	13.7%
Connect-CTY telephone calls	375	73.4%
City of Salem website	136	26.6%
Email notification	117	22.9%
Word of mouth	122	23.9%
Other	163	31.9%
Don't know	12	2.3%

Total 511
Skipped Question 510

17 Using the scale below, please rate your satisfaction with the following city services:

		Not at all Important	Somewhat Important	Very Important	N/A	Count
Parking Enforcement		86	135	514	92	108
	Percentage	9.2%	14.4%	55.0%	9.8%	11.6%
Snow Removal/Snow plowing		36	210	497	165	27
	Percentage	3.9%	22.5%	53.2%	17.6%	2.9%
Road Maintenance & Repair		110	384	375	47	19
	Percentage	11.8%	41.1%	40.1%	5.0%	2.0%
Traffic Enforcement		113	264	457	59	42
	Percentage	12.1%	28.2%	48.9%	6.3%	4.5%
Recreation Programs		10	61	450	152	262
	Percentage	1.1%	6.5%	48.1%	16.3%	28.0%
Senior Center Programs		9	22	176	65	663
	Percentage	1.0%	2.4%	18.8%	7.0%	70.9%
Overall Cleanliness of City		43	246	523	119	4
	Percentage	4.6%	26.3%	55.9%	12.7%	0.4%
Police Services		23	83	519	250	60
	Percentage	2.5%	8.9%	55.5%	26.7%	6.4%
Fire Services		1	13	492	295	134
	Percentage	0.1%	1.4%	52.6%	31.6%	14.3%
Trash Collection		27	128	485	272	23
	Percentage	2.9%	13.7%	51.9%	29.1%	2.5%
Recycling		13	95	481	317	29
	Percentage	1.4%	10.2%	51.4%	33.9%	3.1%
Public Library Services		2	28	366	376	163
	Percentage	0.2%	3.0%	39.1%	40.2%	17.4%

City of Salem Survey - July 2010

Appearance & Maintenance of Parks	35	167	527	159	47	935
<i>Percentage</i>	3.7%	17.9%	56.4%	17.0%	5.0%	
Public Schools	44	146	264	93	388	935
<i>Percentage</i>	4.7%	15.6%	28.2%	9.9%	41.5%	
Answered Question						935
Skipped Question						86

With cutbacks in state funding, the City will need to operate differently and more efficiently. Using the 18 scale below, please indicate how you feel about the following revenue options and reform initiatives.

	Do not support	Somewhat support	Support	Strongly Support	Don't know/No opinion	Count
Privatizing/outsourcing certain services	159	268	268	142	92	929
<i>Percentage</i>	17.0%	28.7%	28.7%	15.2%	9.8%	
Combining services with other communities (regionalization)	85	213	328	261	42	929
<i>Percentage</i>	9.1%	22.8%	35.1%	27.9%	4.5%	
Layoffs/reducing personnel	362	288	136	80	63	929
<i>Percentage</i>	38.7%	30.8%	14.5%	8.6%	6.7%	
Restructure employee health and pension benefits	137	199	188	344	61	929
<i>Percentage</i>	14.7%	21.3%	20.1%	36.8%	6.5%	
Offer fewer City services	504	238	94	45	48	929
<i>Percentage</i>	53.9%	25.5%	10.1%	4.8%	5.1%	
Implement a Citywide trash fee	561	150	98	89	31	929
<i>Percentage</i>	60.0%	16.0%	10.5%	9.5%	3.3%	
Answered Question						929
Skipped Question						92

City of Salem Survey - July 2010

19 How would you rate Salem City government on the following?

	Poor	Fair	Good	Very Good	Don't know or N/A	Count
Informing residents on major issues in the City of Salem	51	229	351	258	36	925
<i>Percentage</i>	5.3%	24.0%	36.8%	27.0%	3.8%	
Representing and providing for the needs of all its citizens	55	254	395	129	91	924
<i>Percentage</i>	5.8%	26.6%	41.4%	13.5%	9.5%	
Effectively planning for the future	70	229	340	187	98	924
<i>Percentage</i>	7.3%	24.0%	35.6%	19.6%	10.3%	
Providing value for your tax dollars	87	310	332	132	65	926
<i>Percentage</i>	9.1%	32.5%	34.8%	13.8%	6.8%	
Providing meaningful opportunities for citizens to give input on important issues	82	228	367	172	76	925
<i>Percentage</i>	8.6%	23.9%	38.4%	18.0%	8.0%	
The overall direction that the City is taking	57	170	382	282	34	925
<i>Percentage</i>	6.0%	17.8%	40.0%	29.5%	3.6%	

Answered Question **927**
Skipped Question **94**

20 How would you describe your overall experience with Salem City government?

Veyr satisfied	163	31.9%
Satisfied	379	74.2%
Neutral/Don't have much experience	273	53.4%
Dissatisfied	96	18.8%
Very dissatisfied	16	3.1%

Total **927**
Skipped Question **94**

21 How long have you lived in Salem

Less than a year	48	9.4%
1 - 5 years	185	36.2%
5 - 15 years	262	51.3%
More than 15 years	432	84.5%

Total **927**
Skipped Question **94**

City of Salem Survey - July 2010

12 What neighborhood of Salem do you live in?

Bridge Street Neck	47	5.1%
Castler Neck	18	1.9%
Derby Street	50	5.4%
Downtown Salem	67	7.2%
Gallows Hill	20	2.2%
Greater Endicott Street	6	0.6%
Historic District	115	12.4%
Highland Avenue	56	6.0%
North Salem	127	13.7%
The Point	11	1.2%
Salem Common	70	7.6%
Salem Willows	36	3.9%
South Salem	171	18.5%
Witchcraft Heights	48	5.2%
Other	84	9.1%

Total 926
Skipped Question 95

13 What is your gender?

Male	341	37%
Female	585	63%

Total 926
Skipped Question 95

14 Do you have children in the Salem Public Schools?

Yes	162	17%
No	764	83%

Total 926
Skipped Question 95

15 What age group do you fall in?

Less than 18 years old	4	0%
18 - 30 years old	121	13%
31 - 40 years old	212	23%
41 - 50 years old	239	26%
51 - 64 years old	265	29%
65 years old or older	84	9%

Total 925
Skipped Question 96

16 Do you own your home or rent?

Own	736	80%
Rent	171	18%
Other	18	2%

Total 925
Skipped Question 96

TAX RATE RECAPITULATION (RECAP) SUMMARY BY FISCAL YEAR

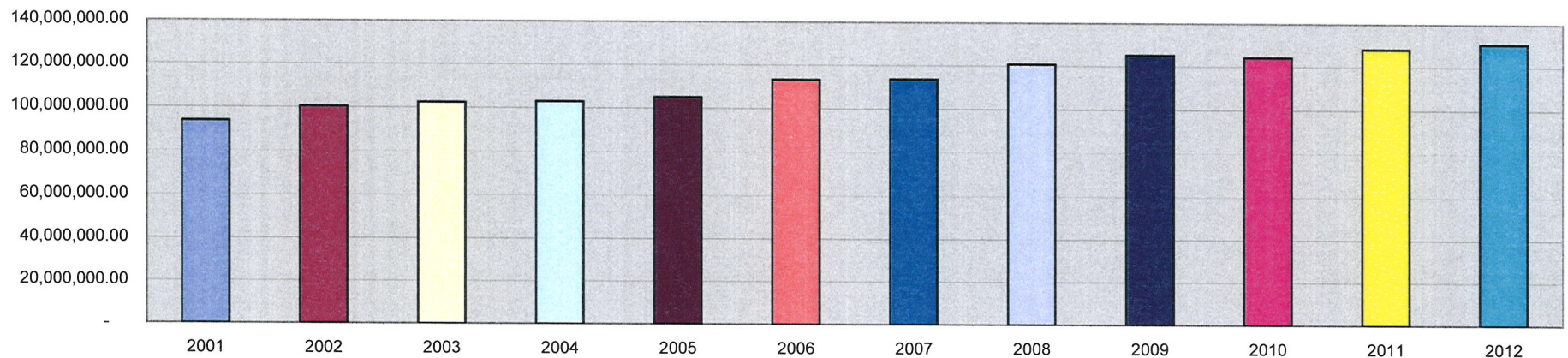
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
Total Estimated Receipts and other revenue from RECAP	45,554,584.87	50,810,217.62	50,177,821.01	48,511,706.39	48,185,227.35
Tax Levy	48,228,213.77	49,573,048.16	52,196,844.38	54,374,222.56	56,839,329.00
Total Amt Raised on RECAP	93,782,798.64	100,383,265.78	102,374,665.39	102,885,928.95	105,024,556.35
Prior FY Levy Limit	46,837,654.00	48,966,288.00	50,798,174.00	52,997,388.00	54,971,842.00
Amended Growth					2,369.00
2.5% allowable Increase	1,170,941.00	1,224,157.00	1,269,954.00	1,324,935.00	1,374,355.00
New Growth	957,693.00	607,729.00	929,260.00	649,519.00	799,828.00
FY Levy Limit	48,966,288.00	50,798,174.00	52,997,388.00	54,971,842.00	57,148,394.00
RE & PP Total Value	2,701,854,021	2,858,057,319	3,306,641,552	3,971,301,737	4,296,541,287
Levy Ceiling (2.5% Total Value)	67,546,351	71,451,433	82,666,039	99,282,543	107,413,532
Equalized Value (EQV) as of 1/1	2,472,012,500.00	2,472,012,500.00	3,148,016,400.00	3,146,016,400.00	4,223,735,800.00

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Total Estimated Receipts and other revenue from RECAP	53,975,790.62	51,809,151.16	56,356,588.55	58,037,734.88	54,079,177.26
Tax Levy	59,292,237.61	61,785,514.16	64,399,664.13	67,095,914.09	70,082,324.62
Total Amt Raised on RECAP	113,268,028.23	113,594,665.32	120,756,252.68	125,133,648.97	124,161,501.88
Prior FY Levy Limit	57,148,394.00	59,342,731.00	61,792,926.00	64,441,432.00	67,385,423.00
Amended Growth					
2.5% allowable Increase	1,428,710.00	1,483,568.00	1,544,823.00	1,611,036.00	1,684,636.00
New Growth	765,627.00	966,627.00	1,103,683.00	1,332,955.00	1,064,919.00
FY Levy Limit	59,342,731.00	61,792,926.00	64,441,432.00	67,385,423.00	70,134,978.00
RE & PP Total Value	4,586,174,179	4,978,320,083	4,805,481,341	4,511,212,336	4,294,563,427
Levy Ceiling (2.5% Total Value)	114,654,354	124,458,002	120,137,034	112,780,308	107,364,086
Equalized Value (EQV) as of 1/1	4,223,735,800	4,923,330,400	4,923,330,400	5,168,060,200	5,168,060,200

TAX RATE RECAPITULATION (RECAP) SUMMARY BY FISCAL YEAR

	FY 2011	FY 2012 (est)	FY 2013	FY 2014	FY 2015
Total Estimated Receipts and other revenue from RECAP	55,634,447.00	55,224,714.00			
Tax Levy	72,532,236.85	75,417,957.00			
Total Amt Raised	128,166,683.85	130,642,671.00	-	-	-
Prior FY Levy Limit	70,134,978.00	72,993,129.45			
Amended Growth					
2.5% allowable Increase	1,753,374.45	1,824,828.24			
New Growth	1,104,777.00	600,000.00			
FY Levy Limit	72,993,129.45	75,417,957.69	-	-	-
RE & PP Total Value	4,115,970,775	4,300,000,000			
Levy Ceiling	102,899,269	107,500,000			
Equalized Value (EQV) as of 1/1	4,568,374,700	4,568,374,700			

Total Amount Raised



**Massachusetts Department of Revenue
Division of Local Services
FY2012 Local Aid Estimates**

SALEM

	FY2011 Cherry Sheet Estimate	FY2012 Governor's Budget (H1)	FY2012 House Final Budget Proposal	FY2012 SWM Budget Proposal
Education:				
Chapter 70*	16,969,097	18,522,267	18,522,267	18,522,267
School Transportation	0	0	0	0
Charter Tuition Reimbursement	768,178	425,380	662,791	648,534
Smart Growth School Reimbursement	0	0	0	0
Offset Receipts:				
School Lunch	23,310	28,080	28,080	28,080
School Choice Receiving Tuition	0	0	0	0
Sub-Total, All Education Items	17,760,585	18,975,727	19,213,138	19,198,881
General Government:				
Unrestricted General Government Aid	5,834,758	5,412,881	5,412,881	5,412,881
Local Share of Racing Taxes	0	0	0	0
Regional Public Libraries	0	0	0	0
Police Career Incentive	31,492	32,496	0	16,248
Urban Renewal Projects	0	0	0	0
Veterans' Benefits	109,431	153,533	153,533	153,533
State Owned Land	45,145	44,980	44,980	44,980
Exemptions: Vets, Blind, Surviving Spouses & Elderly	135,493	134,455	134,455	134,455
Offset Receipts:				
Public Libraries	49,934	47,725	47,725	47,725
Sub-Total, All General Government	6,206,253	5,826,070	5,793,574	5,809,822
Total Estimated Receipts	23,966,838	24,801,797	25,006,712	25,008,703

On April 14, 2011, the Senate approved a resolution declaring its intent to fund Chapter 70 and Unrestricted General Government Aid at levels not less than the amounts appearing in the House Ways and Means Committee's budget.

*FY2011 Chapter 70 does not include State Fiscal Stabilization Funds of \$91,098.

FY2012 Local Aid Assessments SALEM

	FY2011 Cherry Sheet Estimate	FY2012 Governor's Budget (H1)	FY2012 House Final Budget Proposal	FY2012 SWM Budget Proposal
County Assessments:				
County Tax	0	0	0	0
Suffolk County Retirement	0	0	0	0
Sub-Total, County Assessments	0	0	0	0
State Assessments and Charges:				
Retired Employees Health Insurance	0	0	0	0
Retired Teachers Health Insurance	2,025,713	2,105,558	1,931,725	1,931,725
Mosquito Control Projects	38,875	38,757	38,757	38,757
Air Pollution Districts	10,734	10,633	10,633	10,633
Metropolitan Area Planning Council	12,438	12,585	12,585	12,585
Old Colony Planning Council	0	0	0	0
RMV Non-Renewal Surcharge	209,580	197,620	197,620	197,620
Sub-Total, State Assessments	2,297,340	2,365,153	2,191,320	2,191,320
Transportation Authorities:				
MBTA	841,487	830,777	830,777	830,777
Boston Metro. Transit District	0	0	0	0
Regional Transit		0	0	0
Sub-Total, Transportation Authorities	841,487	830,777	830,777	830,777
Annual Charges Against Receipts:				
Special Education	51,483	23,116	23,116	23,116
STRAP Repayments	0	0	0	0
Sub-Total, Annual Charges	51,483	23,116	23,116	23,116
Tuition Assessments				
School Choice Sending Tuition	206,179	207,559	207,559	207,559
Charter School Sending Tuition	3,239,688	2,909,591	3,140,765	3,140,765
Essex County Tech Sending Tuition	356,401	368,156	368,156	368,156
Sub-Total, Tuition Assessments	3,802,268	3,485,306	3,716,480	3,716,480
Total Estimated Charges	6,992,578	6,704,352	6,761,693	6,761,693

For information about how the estimates were determined and what may cause them to change, click: [Local Aid Estimate Program Summary](#).

City of Salem Full-Time Equivalent Employee Comparisons
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	FY 2010	FY 2011	FY 2012	Change From Prior FY
GENERAL FUND				
EXECUTIVE DIVISION				
Mayor	4.0	4.0	4.0	0.0
LEGISLATIVE DIVISION				
City Clerk				
City Council	0.0	0.0	0.0	0.0
City Clerk-Record Maint	4.4	5.0	5.0	0.0
Elections & Registrations	2.6	2.0	2.0	0.0
FINANCE DIVISION				
Assessors	4.7	4.7	4.8	0.1
Collector	4.0	4.0	4.0	0.0
Data Processing- IT/GIS - General Admin	3.1	3.1	2.7	-0.4
GIS	0.6	0.6	0.0	-0.6
Finance	4.0	4.0	4.0	0.0
Parking Department	9.0	11.0	11.0	0.0
Purchasing	2.0	2.0	2.0	0.0
Treasurer	3.0	3.0	3.0	0.0
LEGAL DIVISION				
Solicitor	2.2	2.3	3.2	0.9
HUMAN RESOURCE DIVISION				
Human Resources	4.6	4.6	4.6	0.0
FIRE DIVISION				
Fire	89.0	90.0	90.0	0.0
POLICE DIVISION				
Police	87.0	92.0	93.0	1.0
Harbormaster	1.0	1.0	1.0	0.0

City of Salem Full-Time Equivalent Employee Comparisons
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	FY 2010	FY 2011	FY 2012	Change From Prior FY
INSPECTIONAL SERVICES DIVISION				
Public Property - Inspections	5.0	5.0	5.0	0.0
Licensing	1.0	1.0	0.0	-1.0
Electrical	5.0	5.0	5.0	0.0
Health	6.0	6.0	6.0	0.0
PLANNING & COMMUNITY DEVELOPMENT DIVISION				
Planning - General Admin	3.1	3.5	4.5	1.0
Conservation Commission	0.5	0.5	0.0	-0.5
Planning Board	0.5	0.5	0.0	-0.5
Historic Preservation	0.1	0.1	0.1	0.0
PUBLIC SERVICES DIVISION				
Public Services - General Admin	27.7	28.7	27.7	-1.0
Sewer Enterprise Fund	4.9	5.5	5.0	-0.5
Water Enterprise Fund	4.9	5.5	5.0	-0.5
ENGINEERING DIVISION				
Engineering - General Admin	1.1	1.1	1.1	0.0
Sewer Enterprise Fund	3.9	3.4	3.4	0.0
Water Enterprise Fund	3.9	3.4	3.4	0.0
Trash Enterprise Fund	0.8	0.8	0.7	-0.1
RECREATION & COMMUNITY SERVICES DIVISION				
Council On Aging	7.0	7.7	7.7	0.0
Library	15.6	15.6	15.6	0.0
Recreation - General Admin	3.3	3.3	3.3	0.0
Golf Course	3.0	3.0	3.0	0.0
Witch House	0.0	0.0	0.0	0.0
Winter Island	1.0	1.0	1.0	0.0
Veterans	1.0	1.0	1.0	0.0
EDUCATION DIVISION				
School	712.8	745.5	750.0	4.5
Grand Totals	1037.3	1080.41	1082.76	2.35

**FY 2012
Revolving Funds**

Department	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2012 Budget Request Maximum Annual Expenditures
Fire	R/A Local Emergency Planning Comm	2433	Training and special equipment needed to respond to hazardous materials incidents per CH 21E	Fees charged to persons spilling or releasing hazardous materials	Fire Chief and Mayor	\$ 20,000.00
Fire	R/A Confined Space Drills	2449	Confined space training for Firefighters.	Fee charged to Dominion Power Plant to cover OT costs for Firefighter Confined Space Drill training.	Fire Chief and Mayor	\$ 58,000.00
Mayor	Special Events	2361	To cover expenses for July 4th and Haunted Happenings events.	Funding from RFP's for services, vendors and miscellaneous sponsorships.	Mayor	\$ 75,000.00
Recreation	Dog Park	2435	Renovations and Maintenance of Dog Park at Leslie's Retreat Park.	Fee charged for pass to use dog park (pooch pass). Twenty-Five dollars annually for pass.	Recreation Director and Mayor	\$ 10,000.00
Recreation	Park & Rec Public Access	2452	To be used for the operation and maintenance of Winter Island and McCabe Marina	Parking and launch fees charged at McCabe Marina & Winter Island	Recreation Director and Mayor	\$ 30,000.00
Recreation	Salem Willows Meters	2459	Renovations and Maintenance of Willows Park.	Money generated from Willows Meters	Recreation Director and Mayor	\$ 30,000.00
Recreation	Witch House	2499	To support Salem Award committee and the Salem Witch Trial Memorial	Twenty-Five cent surcharge to tickets beginning in May 2009	Recreation Director and Mayor	\$ 10,000.00
Planning & Community Development	Salem Ferry Operational	2453	Fund operational costs of the Salem Ferry and Blaney Street Dock	Fees received during the off season for use/rent of ferry	Director of Planning and Mayor	\$ 40,000.00
Public Services	Sticker Program	2455	To pay for costs of disposal of hazardous items picked up as part of sticker program, and for abandoned pieces picked up by this department.	\$20.00 fee charged for each sticker bought when scheduling a curbside pick up for item disposal.	Public Service Director and Mayor	\$ 25,000.00
Engineering	Environmental Fund	2438	Provide for City purchase of environmental items such as recycling bins, recycling totes, rain barrels, composters, water conservation devices, recycling calendar and educational material.	Fees charged for recycling bins, recycling totes, rain barrels, composters, water conservation devices.	City Engineer and Mayor	\$ 30,000.00
Engineering	Traffic Island	2439	Projects related to City beautification events including Traffic Island, Beautification, and special events such as Treemendous	Primarily from: Traffic Island Sponsorships, Special Events Revenues, Event and Beautification effort sponsors	City Engineer and Mayor	\$ 25,000.00

**FY 2012
Revolving Funds**

Department	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2012 Budget Request Maximum Annual Expenditures
Engineering	Water Backflow Test	2363	Mass DEP required backflow testing program to comply with 310 CMR 22.22.	Fee charged for testing of backflow devices and cover the cost of periodic surveye or properties potentially requiring a device.	City Engineer and Mayor	\$ 85,000.00
School	Building Rental	2601	Building Rental	Payments for rental of building by outside groups	School Committee and Mayor	\$ 200,000.00
School	Early Childhood	2608	Pre-School Tuition	Tuition payments for students attending the pre-school program at the Early Childhood Center	School Committee and Mayor	\$ 110,000.00
School	School Busing	2614	School Bus pass	Purchases of school bus passes	School Committee and Mayor	\$ 100,000.00
School	Night School	2620	Night School Tuition	Tuition payments for students attending the night school program	School Committee and Mayor	\$ 50,000.00
School	Special Ed Tuition	2627	Special Ed Tuition	Tuition payments for students from other districts attending Special Ed programs in Salem	School Committee and Mayor	\$ 100,000.00
Total All Revolving Funds						\$ 998,000.00

Revolving funds are special revenue funds established by the Commonwealth of Massachusetts under Massachusetts General Law (MGL) chapter 44, Section 53E 1/2. The expenditures in the revolving funds must be voted annually in accordance to the MGL. Further information on Revolving Funds can be found at <http://www.mass.gov/legis/laws/mgl/44-53e.5.htm>.

The above revolving funds Council Order was sent to Council on May 26, 2011.

CHANGES IN FUND BALANCE BY FISCAL YEAR - APPROPRIATED, CIP & STABILIZATION FUNDS

General Fund - 100

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005	4,552,406.00	4,167,259.00	(385,147.00)	
FY 2006	4,167,259.00	2,010,721.00	(2,156,538.00)	
FY 2007	2,010,721.00	1,969,775.00	(40,946.00)	
FY 2008	1,969,775.00	1,666,376.00	(303,399.00)	
FY 2009	1,666,376.00	1,463,285.00	(203,091.00)	
FY 2010	1,463,285.00	2,031,102.00	567,817.00	
FY 2011	2,031,102.00	2,031,102.00	-	0%
FY 2012	2,031,102.00	2,031,102.00	-	0%

No increase anticipated in FY 2012

Water Enterprise Fund - 6100

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005	584,098.00	431,126.00	(152,972.00)	
FY 2006	431,126.00	1,195,963.00	764,837.00	
FY 2007	1,195,963.00	1,836,129.00	640,166.00	
FY 2008	1,836,129.00	1,743,685.33	(92,443.67)	
FY 2009	1,743,685.33	1,189,261.00	(554,424.33)	
FY 2010	1,189,261.00	729,741.00	(459,520.00)	
FY 2011	729,741.00	729,741.00	-	0%
FY 2012	729,741.00	729,741.00	-	0%

No increase anticipated in FY 2012

Stabilization Fund - 8301

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005	1,297,417.00	1,021,351.00	(276,066.00)	
FY 2006	1,021,351.00	277,759.00	(743,592.00)	
FY 2007	277,759.00	487,979.00	210,220.00	
FY 2008	487,979.00	648,946.66	160,967.66	
FY 2009	648,946.66	1,489,906.53	840,959.87	
FY 2010	1,489,906.53	1,913,913.00	424,006.47	
FY 2011	1,913,913.00	2,253,000.00	339,087.00	18%
FY 2012	2,253,000.00	2,453,000.00	200,000.00	9%

Increase due to Finance Policy of 20% of Free Cash to Stabilization

Sewer Enterprise Fund - 6000

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005	395,482.00	590,516.00	195,034.00	
FY 2006	590,516.00	364,609.00	(225,907.00)	
FY 2007	364,609.00	511,158.00	146,549.00	
FY 2008	511,158.00	168,999.31	(342,158.69)	
FY 2009	168,999.31	424,141.00	255,141.69	
FY 2010	424,141.00	395,337.00	(28,804.00)	
FY 2011	395,337.00	395,337.00	-	0%
FY 2012	395,337.00	395,337.00	-	0%

No increase anticipated in FY 2012

Trash Enterprise Fund - 6200

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005				
FY 2006				
FY 2007				
FY 2008	-	(11,054.00)	(11,054.00)	
FY 2009	(11,054.00)	(43,454.65)	(32,400.65)	
FY 2010	(43,454.65)	7,904.99	51,359.64	
FY 2011	7,904.99	7,904.99	-	0%
FY 2012	7,904.99	7,904.99	-	0%

No increase anticipated in FY 2012

Stabilization Retirement Anticipation Fund - 8311

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005				
FY 2006				
FY 2007				
FY 2008				
FY 2009	400,000.00	42,526.32	(357,473.68)	
FY 2010	367,526.32	7,790.55	(359,735.77)	
FY 2011	857,784.67	275,000.00	(582,784.67)	3430%
FY 2012	675,000.00	-	(675,000.00)	-100%

Changes due to large volume of retirements during fiscal year
City policy is to build up a reserve to fund future retirements

CHANGES IN FUND BALANCE BY FISCAL YEAR - APPROPRIATED, CIP & STABILIZATION FUNDS

Capital Improvement Fund (Short Term) - 2000

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2005	1,184,200.00	1,027,976.00	(156,224.00)	
FY 2006	1,027,976.00	265,606.00	(762,370.00)	
FY 2007	265,606.00	53,259.00	(212,347.00)	
FY 2008	53,259.00	146,130.93	92,871.93	
FY 2009	146,130.93	367,566.93	221,436.00	
FY 2010	467,566.93	300,000.00	(167,566.93)	
FY 2011	980,000.00	177,000.00	(803,000.00)	-41%
FY 2012	377,000.00	100,000.00	(277,000.00)	-44%

Changes due to decrease in capital spending in FY 2012

Sale of City Land Fund - 2441

	Beg FB	End FB	Inc (Decr)	% Var in FB
FY 2006	-	350,000.00	350,000.00	
FY 2007	350,000.00	350,000.00	-	
FY 2008	350,000.00	95,290.50	(254,709.50)	
FY 2009	95,290.50	44,290.50	(51,000.00)	
FY 2010	44,290.50	44,290.50	-	
FY 2011	44,290.50	44,290.50	-	0%
FY 2012	44,290.50	44,290.50	-	0%

No increase anticipated in FY 2012

Salem City Hall

State of the City Address 2011

January 3, 2011

Good evening ladies and gentlemen of the Council, School Committee members, Representative Keenan and other distinguished guests. I am honored to be here tonight to offer remarks on the State of our City.

Yesterday, I was enjoying my family's traditional new years fare – Chinese take out – when I was inspired by the pearls of wisdom inside my fortune cookie which read “keep it short and simple”. I will do my best to do just that!

I want to extend congratulations to new Council President Jerry Ryan. Jerry, I look forward to working together over the next year and continuing the positive partnership the Administration and the Council have enjoyed during my tenure as Mayor.

As we move into the New Year, I can't forget the incredible outpouring of support from the Salem community as we remembered and honored United States Army Sergeant James Ayube, a 25-year-old Salem native who lost his life on December 8th while on a combat mission in Afghanistan. While we can never do enough to thank James and his family for their sacrifice, I can say that I have never been more proud of our City for the manner in which we honored him in his final salute. Let us take a moment to remember the family and friends of Sergeant James Ayube, who confront each and every day with the loss of a cherished loved one.

While our community grieves the loss of Sergeant Ayube, there have also been tears of joy when welcoming home our service men and women. Just this past fall, I had a chance to meet with U.S. Air Force Master Sergeant Scott Henshaw, who was home on leave, and today we are happy to be joined by United States Army Captain Peter Harrington in the Chambers.

I am sure that many of us remember Peter Harrington from his years at Salem High School where he served as Class President while lettering in football, baseball and basketball. Well, since then Peter has been fairly busy. In 2007 he graduated from the United States Military Academy at West Point as a 2nd Lieutenant with a degree in Civil Engineering. Peter currently holds the rank of Captain in the United States Army and has just recently returned from his deployment in support of Operation Enduring Freedom in Afghanistan.

Captain Harrington, to you, your wife Brietta and your parents Jane and Peter, thank you for your service and thank you for representing our City so well. You do us all proud.

Over the last twelve months everyone in this room has worked hard, day in and day out, to make Salem a better place to live, work and visit. We have worked collaboratively to ensure that Salem reaches its full potential. I believe that in the past twelve months we have made great progress on a shared

vision for Salem's future and, even more importantly, I anticipate continued progress in the months ahead.

So what have we been working on and what do we have to show for it?

Let's begin with the pledge we made to offer a high standard of professional management in all that informs our approach to governing; that means we put the city's needs first and focus less on politics and more on performance.

When it comes to municipal finances, we take great pride in our results. For instance, we now perform regular financial forecasts, prepare a multi-year capital improvement budget and while we would always like to have more resources at hand to meet the needs of our residents, we have been able to steadily grow our reserves from a low of \$35,000 five years ago to nearly \$3 million today.

In addition, in 2010, for the fifth consecutive year, Salem was awarded both the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award by the Government Finance Officers Association of the United States – one of only a handful of Massachusetts communities that can boast both awards.

Overall, our budget is sound, we are meeting capital needs and we have reserves set aside. This has been accomplished due in large measure to our partnership with the City Council – which must approve annual expenditures – and cooperation from our employee union groups. For instance, this fiscal year, with strong cooperation from our unions, we instituted a new health insurance plan that will save Salem taxpayers nearly 12% or close to \$1 million dollars on our annual health insurance costs.

In a nod to operating in a more efficient manner, we have embraced regionalization and collaboration with neighboring cities and towns. Examples include agreements reached with the Town of Swampscott to regionalize Building Commissioner and Purchasing Agent services – an agreement that is saving both communities money in operation and service costs. Add to that example, our work with Beverly to combine Household Hazardous Waste Disposal Days, our regional law enforcement grant for criminal forensics equipment and on-going regional public safety dispatch talks and I think it's fair to say we have embraced the notion that we can't simply keep doing things the same old way just because we always have.

We will continue these efforts into 2011 as the pressure on our budget continues to increase, requiring ever more vigilance in the expenditure of every municipal dollar.

In 2010, the City of Salem became greener in another way as well. With strong and swift support from the City Council, Salem was designated a Green Community this past spring – one of the first 35 in the Commonwealth. This designation means not only that we operate more efficiently as a community – with hybrid fleets and a commitment to reducing our carbon footprint – it also enabled us to tap into nearly \$250,000 in grant funds for energy efficiency projects.

Thus, we have been able to convert nearly 1/3 of our street lights and nearly all of our traffic signals to more efficient and less costly LED lighting. We are in discussions with Salem State University on a bike share program, we installed solar panels at Salem High School and the City and the Salem Chamber

of Commerce launched the Green Business Initiative – a friendly competition among Salem’s business community to see which businesses could implement the most “green” measures.

In addition, ZipCar is now operating at several locations downtown and Big Belly Solar Trash and Recycling Compactors can be found on many street corners. All of these initiatives help us to save money on our operational budgets and/or help eliminate congestion, but equally as important these types of green initiatives lead to an improved quality of life for our residents and visitors.

The high quality of life standards we strive to meet were reaffirmed when our second annual community survey showed, again, that residents are very happy with City services and local government. We use this survey to assist in creating a vision for government that is reflective of what residents would like to see and to help determine areas in which we can govern more effectively, thus achieving better outcomes for our City.

Improving ways to communicate with residents and for our residents to communicate with us goes hand in hand with our desire to improve governance. Thus, you might have noted that we now have an “app” for many things in Salem – from downloading a walking tour of the city to our newest “app” for reporting potholes or other constituent services to the Department of Public Works. It’s fast, it’s easy and it’s what people use and want. Whether it’s our reverse 911 calling system or our community survey, we pride ourselves on providing access to local government and offering instant access between resident and government is no small accomplishment.

I should also point out that in Salem we are blessed with over 32 parks, playgrounds and open space areas – this is a substantial amount of green space for a community that is only 8 square miles. In 2010 work was completed to upgrade many of these sites.

On the Salem Common the City and Parents United combined to fund a \$90,000 renovation of the Common Tot-Lot. At the High Street Playground a \$42,000 renovation was funded through Community Development Block Grant funding with the Greater Endicott Street Neighborhood Association and the Essex County Sheriff’s Department assisting to install new play equipment, saving the city money on labor costs. This year we were also able to work with the Mack Park Neighborhood Association to install a new play structure at Mack Park and resurfaced the basketball court at Pickman Park. In addition to those parks, we also will be completing upgrades to Furlong Park, Dibiase Park and the Broad Street Playground this spring.

I am sure that you recall that when we installed new parking meters at the Willows we promised to use the funds generated for Willows improvements. I am happy to report that the nickels, dimes and quarters have added up to new public restrooms, new rooftops for many of the gazebos and a recently resurfaced Salem Willows tennis courts, making these highly utilized courts the nicest in the City and bringing more Salem residents to this wonderful sea-side park.

It is my belief that one of the reasons that Salem can offer to the world someone like Captain Peter Harrington is that we invest wisely in parks, playgrounds and schools. It is these investments that are handsomely rewarded when we see such spectacular results.

Another area in which we saw great progress in 2010 is our historic and scenic waterfront. In each State of the City I mention my mantra, “Plan the work and work the plan.” Nowhere is this more evident than along the waterfront.

Many of us were together on July 15, to celebrate the opening of the South River Harborwalk. This Harborwalk connects Derby Street to Pickering Wharf and is the first phase of the reconnection of the South River to our downtown. This project had been discussed for 25 years and we are thrilled to have been able to move it into construction. You may note that continuation of the Harborwalk by the private sector is under construction along the Derby Street side of the South River with work currently underway behind the Hess Station.

A much needed new boat ramp was constructed with state funding obtained by Rep. Keenan at McCabe Marina which will improve water access for area boaters. However, the crown jewel in the city's waterfront plan is the new Salem Wharf project that started as a vision 20 years ago and is now well underway to becoming a reality.

For several years the Planning Department, the Salem Partnership, members of our Harbor Planning Committee and the City Council have toiled at rebuilding the historic Derby Street harbor-front area into a gateway from the sea to our community. However, I don't think anyone imagined that we would be able to attain the kind of progress on this vision that we have over the course of the last five years.

What began with a ferry service in 2006 has grown into an engineered and fully permitted new pier that will serve as a cruise terminal for cruise ships and so much more. Thanks to the belief and investment by the Patrick/Murray Administration and the unwavering support of our legislative delegation of John Keenan and Fred Berry, we will be opening bids for the first phase of this construction next week.

This year alone, Salem received a \$2.5 million Department of Transportation Discretionary Grant Award to help fund improvements to the Salem Wharf and help expand Salem Ferry Service and a \$1.3 million in Seaport Advisory Council funding – \$1 million to start construction on the Salem Wharf project and \$275,000 to complete the permitting, engineering and design plans for dredging in the South River channel.

In addition, this past fall, the City purchased the Blaney Street parcel – home of the new Salem Wharf from Dominion with a \$1.7 million grant from the Seaport Advisory Council. That is a substantial investment in our community and our vision for the future, especially considering that five years ago we didn't even have ferry service into Boston.

We started with a vision for our waterfront and we have now put in place a transformation of this area into a bustling center of maritime economic activity that will create jobs, generate taxes and spur economic growth for the City and region.

While much of our economic planning has focused on the waterfront, we have also worked hard to create and maintain a vibrant central business district. Despite the difficult economy, in 2010, nine new restaurants and 16 retail or take-out businesses have opened in Salem creating 226 jobs. I'm sure the continued economic challenges will pose a threat to some of our businesses, but overall commerce and activity downtown is up and we want to work together to continue that progress.

It is with great pride that I also mention that in this past year we:

- Paved approximately 50 streets and purchased new equipment and vehicles to keep our DPW the best in the area.
- Made physical improvement to Old Town Hall which is now being well managed by Gordon College.

- Followed through on a project began many years ago by Mayor Stan Usovicz and welcomed new residents to Salem at the site of a refurbished Old Salem Jail.
- Continued design and permitting of our new Senior Center at Boston and Bridge Streets.
- Saw the new Courthouse Complex on Federal and Bridge Streets rise from the ground, and
- Saw residents now living in the former Salem News Building on Washington Street.

All wonderful accomplishments, made even greater by the fact that they were accomplished in the shadow of the economic slumber of the last two years. But what lies ahead? What are our challenges for 2011? For any administration to stay active and aggressive we must ask a simple question. “What’s Next?”

Well, first and foremost for 2011 will be the need to continue to do more with less. There is no underestimating the difficult budget challenges that lie ahead. From less resources at both the state and federal level to our more local challenges tied to decreasing revenues from the power plant, 2011 promises to be the most difficult budget cycle we have had to deal with. However, it is my belief that we will get through it, as we have over the past few years, by working together, making sensible choices and spending within our means.

Increased regionalization, privatization and efficiency will be three watchwords as we move ahead. We must focus on things started that now need completion, such as doing everything we can to start construction of the MBTA Station and Parking Garage. And while we are anxious to begin, we must ensure that the new station is both functional and attractive. We boast strong architectural credentials downtown and we need a new station that will balance fiscal realities with the need to have a structure that befits its prominence at the head of our historic downtown.

2011 will mark the start of construction of the City’s much needed new Senior Center. With a location selected and permits obtained, this new, state of the art facility will serve the City well for generations to come. It is my hope that in 2011 we will also see the commencement of construction of the new Lowes and Wal-Mart complex on Highland Avenue. This development offers hundreds of construction and permanent jobs, many thousands of dollars in tax revenue and competitive pricing to community residents. Increased commercial growth will take some of the tax burden off our homeowners’ tax bills and this will be important as we move into leaner times. I would add that we have worked hard to address the concerns of our neighbors to the south and I will make sure that all legitimate traffic, drainage and design issues are addressed as part of any final plan and approvals.

In 2011 I plan to take an aggressive stance in gaining state assistance in controlling the spiraling costs of municipal pensions, health insurance and sick leave buy-back benefits. We will need State House assistance and I know that our legislative delegation will answer the call to assist local officials with this effort.

I would suggest that it is time to begin to focus on improvements to the Essex Street Pedestrian Mall, given the age and condition of this vital economic corridor. I look forward to beginning a public dialogue on this topic this month and building consensus on how best to reinvigorate this key downtown amenity.

And, finally, the Salem Harbor Power Station. Dominion’s unparalleled generosity last month with a \$1.2 million donation to our schools underscores the

significance of this entity in Salem and our need to work with state officials, Dominion representatives and others on an open and orderly exchange of ideas about the future of this site. We will be aided in this effort with a study that will help separate fact from fiction and allow us to better understand and plan for what the future holds at this site.

I close tonight with the thought that progress and projects do not just happen. Rather they are the result of the combined vision and hard work of all of us. In the months and years ahead we will need to seize every opportunity to continue this progress and to fulfill our City's promise.

We know from experience that the road will not be easy, that our vision and perspective may not align perfectly. When it does not, let's bring to the table our perspective, our passion for this City and our willingness to work together to get to a positive result. We have done this in each of the past five years and I anticipate this will continue as we move ahead.

For the past five years, our administration has held firm on the principles of creating a professional, hardworking, creative government that is inclusive and open to all. We have embraced positive change and strived to improve the quality of life for all of Salem's residents.

While we are proud of what we have accomplished it only represents the beginning of something very special for our community. Please know that I am excited and enthusiastic about serving as the Mayor of Salem. I know that with a little faith and a lot of hard work...along with the courage to think and act anew, we will continue to make a great City even better.

Thank you for your continued confidence and your prayers for a brighter future for us all. God bless and Happy New Year.

Mayor Kimberley Driscoll's

FYI SALEM

Volume 3 Issue 3

A Quarterly Newsletter for the Citizens of Salem

July 2010



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To contact Mayor Driscoll write to Salem City Hall 93 Washington Street Salem, MA 01970, call (978) 745-9595 ext. 5600 or email at mayor@salem.com.

If you are not part of our Connect-CTY automated phone notification system, please register on our home page www.salem.com.

Message from Mayor Kimberley Driscoll

Welcome to another edition of the *FYI Salem* quarterly newsletter.

For most people, summer is a time to slow down, take some time off and have a little fun. While there have been a lot of fun things going on in Salem this summer, the City has by no means taken a vacation.

June was an extremely busy month as the City prepared and passed the Fiscal Year 2011 budget. Although it was a lean budget, there were a lot of bright spots including increased funding for education and tourism promotion, additional Police Officers on the street and increases to our reserve funds. Times might be tight, but Salem's department heads have worked with me to come up with creative and efficient ways to cut costs while preserving programs and jobs.

Along with this year's operating budget, the City's Capital Improvement Plan

was approved allowing for much needed capital investments in our parks and playgrounds, roads and sidewalks, buildings and facilities, and other infrastructure needs.

While the budget has been a major focus over the past few months, a lot of other great things have been happening in Salem. A major priority for me has been to make Salem a more green community and we've been making great strides. Salem

has been named a Green Community, which makes us eligible for many new grants. We've also been working on improving pedestrian travel through the City and parks and open space. But being green isn't just a City project. Recently Salem's business community was invited to join the Green Business Challenge. Even residents can get into the act by cutting down on car trips and stepping up their recycling.

I am also thrilled to see pro-

gress being made on our waterfront with the grand opening of the South River Harborwalk scheduled for this week and the City finally gaining full control and ownership of the Blaney Street property some to the Salem Ferry.

Also in this addition of FYI Salem, you can read about some great upcoming and ongoing events like the Salem Farmers' Market, a week of fun-filled family events during Heritage Days, Sail Salem at Winter Island and the addition of cruise ships to Salem's busy waterfront.

As summer wraps up, I'm optimistic about all the great things coming in Salem's future and I hope that you have time to enjoy all the City has to offer this season.

Kimberley Driscoll

Zipcar now calls Salem home

Zipcars now call Salem home!

Zipcar is a self-service, on demand car sharing program that allows members to reserve cars for increments as short as one hour and to pay only for the time they actually use the

vehicle. They have been in existence for nearly a decade and are the world's largest car sharing program, using the latest in new technology to allow members to have access to vehicles 24 hours a day.

Zipcar coming to Salem will

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Second annual community survey launched

For the second year in a row, Salem is seeking input from residents about City services, future goals and life in Salem through an online community survey on the City's website, www.salem.com.

Last year, Mayor Kimberley Driscoll launched the first community survey, which provided feedback from residents across Salem. In 2001, as a Ward 5 City Councillor, Mayor Driscoll suggested to her colleagues that exploring the possibility of conducting a community survey was a worthwhile effort after receiving an email

from resident Jim Kearney.

Many communities in Massachusetts, and across the country, conduct similar resident surveys. These surveys can be an effective way to communicate with residents and to gather input on community priorities. A community survey also helps the City to measure performance in providing services and gather input on residents' feelings toward municipal government and life in Salem.

It's exciting for the City to be launching this survey for a second year. Last

year over 1,000 residents logged on and shared their opinions on City services and quality of life issues, which is invaluable feedback.

Once again, the survey is hosted by the free website surveymonkey.com, which the City uses to collect data from other surveys throughout the year. To maintain a level of integrity, only one survey will be allowed to be completed per computer.

Please take advantage of this opportunity to provide your feedback and input directly to City officials.

New signs make getting around Downtown Salem easier

Getting around Downtown Salem is now a little easier thanks to new pedestrian signs and map kiosks. The new signs and maps are part of the City's comprehensive signage program, which will result in 17 pedestrian signs and three map kiosk displays.



Whether coming to Salem by ferry, train, bus, car or

bike, everyone becomes a pedestrian. Fortunately, Downtown Salem is very walkable and these new pedestrian signs and maps will help visitors and residents find their way to all that the City has to offer.

The signs installation began in mid-June and the maps will be in place in mid-July.

Funding for the first phase of the signage program came from the City and a National Park Service Centennial Grant. Future

phases of the program will include the installation of new vehicular directional signage.

The comprehensive signage program is guided by a committee made up of representatives from the City of Salem; Destination Salem; Essex National Heritage Area; Historic Salem, Inc.; the National Park Service; the Peabody Essex Museum; the Salem Chamber of Commerce; Salem Main Streets; the Salem Partnership; the Salem Redevelopment Authority and Salem State College.

Operation Med Sweep' planned for September

The Salem Police Department will be participating with other Essex County communities in a medication take-back program on Saturday, September 25. Operation Med Sweep, which is sponsored by the Drug Enforcement Administration and the Essex County District Attorney's Office, will give residents a chance to safely dispose of unwanted, unused or expired medication.



Items that will be accepted by Operation Med Sweep include prescription and over-the-counter medication, medication samples, vitamins, veterinary medications, narcotics and liquid medications. Items that will not be accepted include syringes, thermometers, IV bags, bloody or in-

fectious waste, personal care products, hydrogen peroxide, empty containers and inhalers.

This will be the first time a medication take-back program will be conducted by an entire county on the same day.

Operation Med Sweep will be held from 9 a.m. to noon on Saturday, September 25 at Salem Police Headquarters, 25 Margin Street.

For more information on Operation Med Sweep, please contact Sergeant Harry Rocheville of the Community Impact Unit at (978) 744-0171 ext. 218.

Salem parks get spruced up in time for spring

The City of Salem recently completed work on four parks, just in time for warm weather and sunny skies.

The City funded \$50,000 of new play equipment and its installation, which took place last

month, at Salem Common. The renovated tot lot was paid for in full by the City and Parents



hard time getting around to enjoy the playground. This playground has been in desperate need of investment for quite some time so having this project done, in such a high-profile area, is a great accomplishment for the City.

United is contributing over \$40,000 which will pay for rubber flooring on the ground under and around the playground equipment. The new matting will make it easier for people who have a

was funded through Community Development Block Grant (CDBG) funding. Members of the Greater Endicot Street Neighborhood Association and work crews supervised by

the Essex County Sheriff's Department installed the new play equipment, saving the city money on labor costs. CDBG funds were also utilized to install a brand new fence and repair the gazebo at the park.

Two other parks also got some spring cleaning. Resurfacing work was completed on the tennis courts at Salem Willows Park and on the basketball court at Pickman Park. The total cost of both of these projects was approximately \$12,000 and was paid for by the City. The work at Pickman Park was covered by capital improvement funding and the Willows tennis courts were improved using revenues generated from the parking meters at Salem Willows Park.

Celebrate the South River Harborwalk grand opening

A grand opening of the South River Harborwalk and Peabody Street Park is scheduled on Thursday, July 15 at 3 p.m. to celebrate the projects' completion. The event is open to the public.

Mayor Driscoll and Lt. Governor Timothy Murray will be presiding over the festivities, which will include the creation of a Ceremonial Community Wreath, art displays by local artists and live entertainment.

The South River Harborwalk, which covers 1,200 feet of the western and southern banks of the South River Basin, includes a small public plaza at the Derby Street Entrance that functions as a gateway from downtown into the Harborwalk. Other amenities include the installation of benches, lighting, solar powered trash receptacles, landscaping, ship's mast flagpole, and three interpretive signs discussing the history of the South River as a former tidal estuary to Salem Harbor that was filled during the 18th and 19th centuries. Infrastructure repairs were also made to the existing seawall.

The project was funded by a \$1,336,000 grant from the Governor's Seaport Advisory Council. The grant required a 20% local match, which the City covered using Community Development Block Grant Funding.

Along with the opening of the Harborwalk, the City will also be celebrating the opening of a new waterfront park at 15 Peabody Street. The new park is a former Brownfield Site that the City

acquired by tax default. The Peabody Street park includes a colorful rubber surfaced playground area, game tables, grass gathering mound, benches, lighting. A cement seating wall, running throughout the park, is decorated with art tiles painted by local children at the Salem YMCA, Boys and Girls Club, and Gables Settlement, and a canopy wall for outdoor entertainment.



An Environmental Protection Agency Assessment Grant was used to investigate the property. EPA's Clean-Up Grant funded site clean-up; and a DCR Urban Self-Help Grant and Community Development Block Grant Funds funded park development. The total cost of the project was \$750,000.

Salem residents played key roles in the design and construction of these two projects: Salem

resident Michael Blier of Landworks Studio designed the 15 Peabody Street Park; Salem marine contractors, North Shore Marine constructed the majority of the South River Harborwalk and performed all the marine infrastructure repairs to the

bulkhead wall and granite seawall; and Salem resident Susan St. Pierre of Vine Associates was instrumental in the planning and permitting stage of the both the Harborwalk and Park.

Cruise ships are coming to Salem this year!

Cruise ships are coming to Salem this year!

Blount Small Ship Adventures has included Salem in three of its itineraries this summer. The first Blount ship, *The Grand Caribe*, will arrive on Saturday, July 17th. *The Grand Caribe* will return on August 13, and *The Niagara Prince* will be in port on September 2.

Blount Small Ship Adventures operates a fleet of 3 innovative expedition-style small ships that offer guests unique experiences along some of North America's most scenic waterways. They navigate areas usually only accessible by small private

yacht. This destination-oriented travel experience allows guests to truly explore a destination. Blount Small Ship Adventures offers a nostalgic feel in the spirit of late founder, entrepreneur and inventor Capt. Luther Blount (1916-2006).



Some of their other cruises include stops in Portland, ME, the Bahamas, the Caribbean, Chicago and New Orleans.

Destination Salem, the City's Tourism and Cultural Affairs Office, is

working with the business community to produce a coupon sheet to draw passengers into town and to area businesses. Tourism in Salem

has a multi-million dollar impact on our local economy each year. Continuing to encourage visitors into our City, especially traveling by boat easing the impact on vehicular traffic, is very beneficial.

You can learn more about Blount Small Ship Adventures at BlountSmallShipAdventures.com.

Salem named Tree City USA for eighth year

The City of Salem was recognized by the nonprofit Arbor Day Foundation as a Tree City USA community for its commitment to urban forestry.

It is the eighth year Salem has earned this national designation.

It's very exciting for the City that, once again, Salem was recognized as a Tree City USA community. As



TREE CITY USA
The Tree City USA program is sponsored by the Arbor Day Foundation in cooperation with the National Association of State Foresters and the

Salem continues to develop and grow, trees and green space will remain important because of the environmental benefits they provide and the enjoyment residents get from being able to sit under a shady tree on a hot day.

The Tree City USA pro-

gram is sponsored by the USDA Forest Service. Salem has met the four standards to become a Tree City USA community. Tree City USA communities must have a tree board or department, a tree-care ordinance, a comprehensive community forestry program and an Arbor Day observance and proclamation.

More information about Tree City USA can be found at www.arborday.org/TreeCityUSA.

FY2011 Budget approved and balanced

The Fiscal Year 2011 budget was approved by the City Council last month. Despite cuts to local aid and a tough economic climate, the FY11 budget is balanced, preserves jobs and, in some cases enhances services the City provides to residents.

After close to a dozen meetings with union officials, the Teachers and AF-SCME Bargaining Units agreed to make changes to their health insurance plan design which will increase co-pays from \$5 and ultimately save the City over \$1 million if all employees agree to the changes. The remaining unions are expected to take this matter up in the coming weeks.

Thanks to this the City will be able to continue to provide the services residents of Salem expect and deserve. This new health plan also brings the City of Salem's insurance benefits more in line with the State Group Insurance Commission (GIC) plans which are more affordable for both the City and employees.

Along with the savings in health care, the recently adopted local operation meals and hotel taxes and additional operational efficiencies have allowed the City to have a balanced budget that supports important priorities like keeping low class sizes, investing in public safety and keep-

ing up with capital needs.

Highlights from the FY11 budget include: A \$1.6 million increase in funding to Salem's schools that will keep class sizes modest and continue innovative programs and strategic planning efforts; an equivalent of five additional Police Officers on patrol, thanks to a major change to hiring civilian dispatchers; \$600,000 to re-serves to allow the City to plan for the future while also providing an opportunity this year to potentially offset property tax increases to residents; an increase in the City's commitment to support the promotion of Salem as a tourist destination.

St. Joseph's Food Pantry needs your help!

The demands on St. Joseph's Food Pantry have increased dramatically over the last year as the number of people out of work has increased.

Due to this increasing growth in need, the Food Pantry is currently looking for a new space to relocate their operations. In an effort to raise the needed funds for this move, and for the continued operation of the Food Pantry, a new *Recycle for Hunger Thrift Shop* located on 26 Howley Street in the city of Peabody opened earlier last month.

To support the Thrift Shop and Food Pantry, donations of furniture, clothes, jewelry, books and/or money are desperately needed. The hours of the Thrift Shop are Monday through Saturday from 10 am to 5 pm and items can be



dropped off at any time during these hours. If you need items that you would like to donate picked-up contact the shop at 978-854-5282 to schedule a date and time.

In an effort to ease the financial burdens on low-income or out-of-work individuals, St. Joseph's is widening its horizons and is opening a *Pet Food Pantry*. For those with pets, the delivery of pet food will be combined with the already in-place

scheduled food deliveries. The Pet Food Pantry will operate out of the same location as St. Joseph's Food Pantry and will distribute pet food once a month, on the second Friday of each month to those who are not on our regular delivery list. Pets can have a very therapeutic effect on people. Unfortunately, during these hard times many are forced to either go without food and/or sometimes even their medications, in order to feed their animals. Even worse, some have

to give up their pets completely, placing an increased burden on animal shelters and separating pets from their homes and from people that they love, and who love them.

At its current location at 15 Hawthorne Boulevard in Salem, St. Joseph's Food Pantry is open to distribute food to people every Thursday from 2 pm to 6 pm. Their other food pantry, Harvest of Hope, is open on Saturdays from 10 am to 2 pm.

The staff at St. Joseph's Food Pantry is dedicated and committed to the mission of feeding the hungry. Their hopes are high that the Thrift Shop will be a continued and reliable source of revenue so that they can continue that mission. Financial donations in any amount, large and small, can be dropped off or mailed to: St. Joseph's Food Pantry, 15 Hawthorne Boulevard, P.O. Box 876 in Salem.

City and Chamber start Green Business challenge program

Over the last several years many Salem businesses continue to implement Green practices such as recycling, transportation initiatives and energy and water conservation. Several Salem committees-Renewable Energy Task Force (RETF), SalemRecycles and the North Shore Transportation Management Association are partnering with the Salem Chamber and the City to initiate the Green Salem Business Challenge distinction which was initiated during this year's Living Green and Renewable Energy Fair.

This competition and recognition program is designed to foster sustainable business practices within the Salem business community. This charter program is offered as the first in a series of annual challenges intended to help businesses improve their green business practices incrementally, as the bar is continually raised

in each successive year.

Participating businesses must take a sustainability pledge, complete an online survey checklist of sustainability measures that they have implemented in the past year, describe why they consider themselves to be a green business, and detail what they will do in the coming year to improve green practices. The checklist consists of measures in each of the following sustainability categories: Education & Awareness; Energy Conservation & Renewable Energy; Water Conservation; Resource Management; Transportation; Green Cleaning & Maintenance; and Product/Service Offerings.

Businesses of all types and sizes are encouraged to participate. While all businesses that participate will be recognized, a winner from each of four business size classes (based on

number of employees) will be selected by a panel consisting of members from each of the organizations noted above. Businesses will receive points for each of the items in the checklist that they are able to check off, and the answers to the narrative questions will be used to address tie scores. All participants will be recognized in a press release, while winners will additionally receive a window decal and top winners from each category will receive a prize.

Official kick-off and enrollment has begun. Winners will be announced the week of September 7. To enroll and complete the online survey go to:

<http://www.surveymonkey.com/s/VWKMV77>.

This initial challenge is envisioned to kick off the new Green Salem Business program and launch subsequent green competitions and designations. The City looks forward to another exciting green initiative with its business community.

New Business Spotlight: Salem School of Music

Salem School of Music at 3 Pleasant Street recently opened it's doors in April with an all-ages celebration. Participants were treated to the traditional blue grass sounds of a modern day one-man band with Eric Royer and his "guitar machine". Face painting, instrument demonstrations and crafts were fun for all.



Summer is a great time to pick up an instrument. It is easier to focus on learning and practicing without the usual stressors of school. Beat the

heat in our beautiful, air conditioned facility.

Space is still available for a few weeks of MyBand Summer Camp.

This is an exciting experience where

Summer offerings include private lessons with elite teachers like: Jennifer Scroe, PhD in voice (opera), Michael Dinnallo, guitarist, recently featured in Vintage Guitar magazine and just off a tour with G Love and Special Sauce, Timo

participants form a band and write, record and perform songs.

On Wednesday nights August there will be an all-ages Open Mic. Everyone is welcome to come and showcase their talents!

Birthday parties ROCK at Salem School of Music. Party goes film a music video against a green screen. Everyone leaves with a DVD and lasting memories of a fantastic party!

In the fall there will be additional group classes and workshops, including guitar building.

For more information visit their website at Marbleheadmusic.net.

Get ready for Heritage Days in August

In a few weeks, downtown Salem will be packed with residents and visitors enjoying the final month of summer and Heritage Days. This year's Heritage Days celebration will kick off on Saturday, August 7 and run through Sunday, August 15.

This year's Heritage Days will be packed with entertainment, food, fun and opportunities to shop downtown. A few perennial favorites will be making a return to this year's festivities, including:

Historic Salem's Second Annual Heritage Days 5K Road Race on Sun-

day, August 8. Proceeds from the race benefit preservation work in Salem. For more information on the race or to register, visit historicsalem.org.

On Monday, August 9, Mayor Kimberly Driscoll will host the Mayor's Night Out Restaurant Sampler. The evening kicks off at the Green Land Café at 5 p.m. Tickets are \$20 and can be reserved by calling (978)744-0004.

After the Mayor's Night Out Restaurant Sampler save room for dessert. Salem Main Streets will be hosting the Ice Cream Bowl on the Salem Commons on Tuesday, August 10,

Salem Farmers' Market returns

Once again, the Salem Farmers' Market, sponsored by Salem Main Streets, is open on Derby Square. Every Thursday until October 21, you can shop for local fruits, vegetables, lobsters and even soap from 3 to 7 p.m.



Also new this year is the addition of an Electronic Benefit Transfer machine, which allows vendors at the Farmers' Market to accept federal Supplemental Nutri-

and turn out, the Farmers' Market has extended its hours this year.

Like last year, there will be plenty of live entertainment from a variety of musicians and cooking demonstrations by local restaurants.

starting at 6 p.m.

Many local groups and organizations, including the National Park Service, the Salem Chamber of Commerce, Salem Main Streets, the Salem YMCA, the City of Salem's Recreation Department, Historic Salem Inc., Salem Cycle, the Council on Aging, Salem Theatre Company, B&S Fitness, Salem Garden Club, Salem Jazz & Soul Festival, help to organize Heritage Days events. For a full Heritage Days schedule, please visit the City's website, www.salem.com.

tional Assistance Program benefits. The machine was added to the Farmers' Market through a grant from the Massachusetts Department of Agricultural Resources and will make locally grown produce available to a larger number of people.

If you haven't come out to the Farmers' Market yet please give it a try. There's an amazing group of farmers and other vendors and the local produce is amazing. You won't regret it!

Thanks to last year's great reception

Salem and Beverly Receive Grant for Pollution Abatement Equipment

The City of Salem is pleased to announce that the newly formed *ad hoc* committee Citizens for Salem/ Beverly Water Resources, composed of members from various Salem and Beverly city offices and volunteer committees, has received a \$1,500 grant from the New England Grass-roots Fund (Montpelier, Vermont) to purchase pollution abatement equipment that can be used at public events in both cities.

This project aligns with the significant progress we have made with Green initiatives. Salem hosts events on weekends year round, and the cigarette butt receptacles and water canteens are another step towards continually greening these events. The City appreciates the creativity of the Citizens for Salem/ Beverly Water Resources in applying for this grant.

The equipment, approximately 20 cigarette butt receptacles and five 5-

gallon water canteens, will help address two major pollution and waste streams generated from public events that attract citizens and visitors to localized areas—cigarette butts and disposable water bottles. Cigarette butts are made of cellulose acetate that is non-biodegradable and are the most littered item in the world (Surfrider Foundation). In addition, Americans consume the world's largest share of bottled water—about 26 gallons per person in 2005—and less than 20 percent of these non-biodegradable plastic bottles are recycled (American Museum of Natural History, *Water: H₂O=Life*), producing a sizeable waste stream that is fast becoming a global problem.

The grant application was based on various publicly-supported demonstration projects completed over a three-year period. Temporary and borrowed equipment resulted in capture of thousands of cigarette butts at local swim

and road races and music festivals as well as a notable reduction in disposable plastic bottled water waste typically generated at such community events.

The purpose of Citizens for Salem/ Beverly Water Resources is to better conserve and protect our cities shared water resources. All of the public officials and committee volunteers, and Salem Sound Coast-watch as the committee's fiscal agent, are together taking a pioneering first step in supporting and utilizing practical grassroots solutions to the most common pollution and waste problems.

The new portable equipment will be housed locally by the city of Salem Park, Recreation and Community Services Department and will be available to public event planners to help reduce the waste streams of seasonal events for years to come.

Salem designated a Green Community

The City of Salem has been designated a Green Community under the Green Communities Act.

The Commonwealth of Massachusetts, through the Green Communities Act, created a grant program that enables cities and towns to apply for "green" community designation. In

order to qualify for Green Community status, Salem successfully met five criteria including the adoption of as-of-right siting, in designated locations, for Renewable Energy/ Alternative Energy gen-

eration or manufacturing; establishment of a municipal energy use baseline inventory and 5-year reduction plan; implementation of a fuel-efficient vehicle purchase policy; adoption of an expedited 12 month application/permitting process for Renewable Energy/Alternative Energy Uses; and the passage of the

Building Stretch Code.

Only 35 communities throughout the Commonwealth were able to achieve this status. Now that Salem has, the City was able to apply for grant funding for energy related projects of which we received close to \$250,000.

Just this week, the City's application was approved to fund four major projects. First, the City will initiate a program to transfer our streetlights to LED lights. This will result in significant savings in electricity and maintenance costs given the increased lifespan of LED bulbs.

Also, the City has entered into an energy management contract to allow for capital improvements that will ensure improved energy efficiency in municipal buildings and facilities. A portion of the funds will be used to buy-down the original in-

vestment needed for these improvements.

The City will begin a home weatherization barnraising-style program similar to that of the Home Energy Efficiency Training (HEET, see www.heetma.com) program in Cambridge, but with more formalized involvement of community groups, and a green collar job training component for our residents.

Lastly, the City is looking to implement a bike sharing pilot program to connect Salem State College campuses and the South Salem neighborhood with downtown Salem. This program would have the primary benefit of reducing vehicle miles traveled and reducing traffic congestion.

The City is excited about instituting these terrific programs and being designated a Green Community. Without such a designation, and the grant dollars that go with it, these programs would not be possible.



Downtown Salem attracts Zipcar

Continued from Page 1

dating the current level of traffic volume. Parking is also limited, especially in the downtown area, and this service could help ease pressures in that regard.



In addition, as part of a community effort, we have been doing our best to encourage green technologies and pro-

mote environmentally friendly initiatives. Zipcar allows for individuals to live a greener lifestyle by giving them an opportunity to live without owning a car but having one available to them as they need it. This has obvious positive benefits in the form of less congested streets, less pollution emanating from cars and trucks and, more importantly, offering sustainable options to residents who utilize public transpor-

tation, but also want/need the convenience of a vehicle at times. Given that Salem has the most active commuter rail stop in the MBTA system, this will be a good match for many of our train commuting residents.

This service will allow for the over 150 Zipcar members (and counting) who reside in Salem to take advantage of this program. For more information about Zipcar and how to become a member visit www.zipcar.com.

Salem activist honored as an Unsung Heroine of Massachusetts

The City of Salem is proud that, because of her dedication to beautifying and bettering the City

of Salem, Marcia Lambert was recently honored as one of the Unsung Heroines of Massachusetts.

Ms. Lambert was one of 100 women recognized by the Massachusetts Commission



on the Status of Women as an Unsung Heroine at a reception at the State House. Each year the Massachusetts Commission on the Status of Women honors women who work

to enrich their communities, but too often go unrecognized.

As an advocate for recycling and a member of the City's Recycling Committee, Ms. Lambert has been instrumental in the dramatic 10% rise in Salem's recycling rate. And as the Chairperson of Salem's Beautification Committee, Ms. Lambert has worked on many projects that have improved the quality of life in Salem.

Marcia Lambert is the model of an unsung heroine. She has served on many committees and spearheaded

many projects that, while they may not grab headlines, make Salem a better place to live, work and play for all of our residents and visitors alike.

Ms. Lambert is also one of the founding members of the South Salem Neighborhood Association and a member of the Salem State College Neighborhood Advisory Committee. She has served on numerous other organizations.

Please join the City of Salem in thanking Marcia Lambert for her past and continued commitment to our community and all of our residents.

Capital Improvement Plan approved

The City of Salem's FY 2011 Capital Improvement Plan (CIP) was approved last month. The over \$4 million program includes infrastructure improvements, technological upgrades that will enhance efficiency and preventative maintenance for City property.

Although the City is facing tough financial times, it's important not to let significant purchases and projects that will ultimately improve operations in Salem fall by the wayside. By addressing inefficiencies in the City and keeping up the maintenance schedules for our roads, parks and other City properties, we will ultimately save money in the long run.

This year's CIP relies heavily on a "pay as you go" strategy ensuring a minimum impact to the City's long-term finances. Over \$2.4 million of the proposed \$4.085 million Capital Improvement Plan will come from State and Federal grants, \$680,000 will come from the City's Capital Outlay account and \$630,000 will be funded by a loan order.

Of our capital projects two are renovations to schools. It is expected that the Massachusetts School Building Authority will reimburse the City for nearly \$1.1 million of the estimated \$1.4 million needed for improvements at the Collins Middle School and Saltonstall

School.

The FY11 CIP reflects my continued commitment to careful financial planning. In choosing projects to be included in this plan, the City looks at their affordability and short- and long-term effects on the City's finances.

Over the last few years, the City has been very successful in investing in its parks and playgrounds, roadways and sidewalks, water and sewer infrastructure, equipment and vehicles, and municipal facilities. What we've accomplished through a well thought out, professional and thorough capital plan has made quite an impact.

Public art project planned at Salem Willows

The City of Salem is sponsoring a public art project at Salem Willows and is seeking artists willing to participate.

The City is looking to improve the visual appeal of concrete barriers placed at the end of Fort Avenue to separate parking from a sitting/passive recreational



area at Salem Willows Park. We expect successful proposals will consider the placement of the barriers, the Salem Willows community, and Salem's interesting, varied history. There are 10 barriers at the site available for artists to show off their talents.

The selected artist will receive a sti-

pend of \$1,000. The City is looking for a proposal that takes into account the Salem Willows setting, improving the look of the area, and the durability of the materials and proposal, among other things.

The City's Park and Recreation Commission is expected to select an artist this month and the project will hopefully be completed by the end of August.

Sail Salem off to another great season

Sail Salem is off to another great season this year!

This is Sail Salem's third season operating out of Winter Island Park and following their June 19 open house, they have already had to start a waiting list for their 8-11 year old junior sailing division due to its popularity.



Through Sail Salem's non-profit community sailing programs children can learn to sail for \$1 and adults can learn to sail for \$225 a session. Essentially, the adult sailing programs are what

help to support the youth programming offered. The goal of Sail Salem is to provide sailing for all and up to this point they have been successful in making sailing lessons available to children who otherwise may not have the opportunity.

Last Summer, over 250 kids learned how to sail out of Winter Island Park and this year 295 children have signed up to take classes.

If you want to help Sail Salem continue to grow the program, please consider making a donation. All of their operating costs are paid for through

donations and grants from local business and generous individuals. Help us keep growing the program by pledging to support us.

This is sure to be their best summer ever! It's amazing how quickly Sail Salem has grown from their first season with 100 children being taught by 3 instructors to what we have now – a community program we can all share. It really is a terrific way to enjoy water of Salem Sound and its environment with friends, family and neighbors.

Please do what you can to support this important organization. You can find out more about it at www.sailsalem.org.

City of Salem introduces 2010 Artist Row's participants

The City of Salem is pleased to introduce the 2010 Artist Row participants. This year's line-up includes art, food, theater and music.

The 2010 Artist Row season, which kicked-off in May, will feature the following:

Debra Crosby of Quest Actor's Studio, who will be offering classes and performances throughout the season.



A Guild of Artistic Sorts, GASworks, which includes work by photographers, painters, gardeners, decorators, musicians, a graphic designer, leather crafter and acting and public speaking coach.

Bradley Backer of Imart Art, who is a potter and self-taught musician

Mamadou Diop, who will be on Artist Row for his fourth season, is a musician and ethnomusicologist. His wife, artist Susan Dodge, will be sharing his space.

Virginia E. Berry of YazBerry Fashion will be showing handmade purses, jewelry and clothing as well as offering classes in fashion design, basic sewing, costuming and music.

The Salem Arts Association will run gallery, exhibition and performance space on Artist Row.

The Lobster Shanty will be serving up seafood and other tasty treats.

Artist Row is a city-funded, seasonal program located at the Salem Marketplace (between New Derby Street and Front Street) designed to give local artists and craftspeople an opportunity to work, exhibit, and sell their artwork in rent-free space. In exchange, the artists provide free art workshops and/or performances to the public.

This year, Artist Row stalls will be open from May 27 through November 1 on Thursdays from 11 a.m. to 7 p.m., Fridays and Saturdays from 10 a.m. to 6 p.m. and Sundays from noon to 6 p.m. Some stalls may operate on different days or during different hours.

Repairs to Saltonstall School take step forward

The City of Salem was recently voted into the Green Repair Program by the Massachusetts School Building Authority (MSBA) Board of Directors.

As part of the Green Repair Program, the City of Salem will work with the MSBA on a feasibility study of the Saltonstall Elementary School for potential window and roof replacement. As part of the feasibility study, the City and the MSBA will look for the most fiscally responsible and sustainable solution to issues with the roof and windows at Saltonstall.



Currently, the Saltonstall School has major building issues with a leaking roof and energy inefficient windows. For this project to move

forward with a feasibility study is a huge step forward for the school district. It is important for students to have a comfortable and proper environment to learn and it is great that the MSBA is stepping to the plate and understands this need.

Over the next two months, the City will be providing the MSBA with information about the work that needs to be done, possible local funding sources and other project information necessary to advance this project as expeditiously as possible.

City to purchase Blaney Street property

The City of Salem has reached agreement with Dominion Energy New England to purchase the 2-acre Blaney Street property that is home to the Salem Ferry.

The property, which is adjacent to Dominion's Salem Harbor Power Station, will be sold for \$1.7 million. The City will use a grant from the Massachusetts Seaport Council, to pay for the purchase. Dominion currently leases the site to the city for \$1 a year.



The City's waterfront redevelopment plans, and the City has long expressed an interest in buying it. The purchase of the property will allow the City to move forward with our plans to redevelop the waterfront.

Dominion's sale of the Blaney Street property to the City is a huge step forward. This parcel is central to our desire to develop our waterfront which we expect to be an important engine for our local economy. The ownership of the land is the first step to unlocking this property's potential and allowing the City to seek funding for the expansion project in earnest. Without Dominion working cooperatively with

us on the sale and the sale price, the long-term operation of the highly successful Salem Ferry and full construction of the Salem Wharf project would not be possible.

The property was purchased in 2001 by Salem Harbor Power Station's former owner for \$2.1 million. Dominion obtained the Blaney Street property when it purchased the power station in 2005. Later that year, the company agreed to lease the site to Salem. In 2006, the city built a temporary ferry pier and the associated parking lot. The Salem Ferry, which provides high-speed, round-trip service from Boston to Salem began operating later that year.

Valet parking now available in downtown Salem

Downtown Salem now offers valet parking to its customers. Last week, the program was implemented with a good deal of success.

Over the last few months the City the Chamber of Commerce and several restaurants began meeting to discuss the possibility of bringing a valet parking service to downtown Salem. Thankfully, working cooperatively among all parties involved the concept became a reality last Friday.



3-month trial to test whether the program will be successful in Salem. If it proves successful, the program would be extended. It has the support of a few downtown restaurants with the hope that it catches on and others jump on board. The valet service is currently operating on Washington Street and is available on Friday and Saturday nights starting at 5 pm.

It is worth noting that in addition to parking cars for valet customers, the valet service would have additional

benefits to downtown like promoting a sense of safety.

This service is a new amenity that hopefully will further strengthen downtown Salem's attractiveness to customers and potential investors. It also could help alleviate the perceived problem with limited parking availability in downtown and further differentiate Salem from other similar communities.

At present, it is a pilot program for a

So please come visit downtown, support our local business community and take advantage of the new valet parking service.