A Regular Meeting of the City Council is being held in-person and remotely on Thursday, December 8, 2022 at 7:00 P.M. for the purpose of transacting any and all business including the public hearing for the Fiscal Year 2023 Tax Rate. Notice of this meeting was posted on December 6, 2022 at 9:55 A.M. The public hearing advertisement for the tax rate was posted in the Salem News on November 23, 2022 and November 30, 2022. This meeting is being taped and is live on S.A.T.V.

Councillor Watson-Felt and Councillor Dominguez were recorded with an excused absence.

Council President Morsillo presided.

Councillor Cohen moved to dispense with the reading of the record of the previous meeting. It was so voted.

President Morsillo requested that everyone please rise to recite the Pledge of Allegiance.

### **PUBLIC TESTIMONY**

1. Fire Chief Alan Dionne, 48 Lafayette Street, Salem – Appropriation for Ladder Truck

### #680 - TAX CLASSIFICATION HEARING FOR FISCAL YEAR 2023

Public Hearing on the issue of allocating the local property tax levy among the four (4) property classes for the fiscal year 2023, and the residential, open space, and small commercial exemption options

Present are: Mayor Driscoll, Anna Freeman, Finance Director, Stephen Cortes, City Assessor, Jim Bond and Jim Hall, Assistant Assessors and Tina Zelano from the Board of Assessors.

President Morsillo then turned the Public Hearing over to the Director of Assessor for the presentation

Stephen Cortes, the City's Assessor went through a power point presentation. (The entire presentation is on file at the City Clerk's Office with this meeting). In summary he went through the purpose of the classification hearing, what the City Council must vote on and that a minimum residential factor of .857132 or a recommended 1.73 CIP split for FY2023 be adopted. The Council must vote on a residential factor, open space discount, residential exemption and small commercial exemption. This year was an interim certification year and the assessments have been updated and approved by the Department of Revenue.

The values were established by analyzing calendar year 2021 sales, income, and expense data the personal property Form of list. This data is intended to assist the Council in its recommendations. Mr. Cortes define the key terms of levy, levy limit, levy ceiling, new growth and excess levy capacity were defined.

A pie chart of city wide parcels (single family, two family, three family, condos, commercial, etc.) was shown in both quantity and percent. The Fiscal Year 2023 values are based on the value of property as of January 1, 2022 and were primarily developed from valid, arms-length sales from calendar year 2021, personal property forms of list, and commercial/industrial income and expense information forms.

The sales in calendar year 2021 are used to determine FY2023 Values. There were 759 sales utilized (includes 2 years of sales form mixed use/ind./land). The sales consisted of 217single family homes, 398 condominiums115 Multi-family, 15 commercial and industrial and 14 other sales (mixed use, Land, Misc./etc). The City saw an increase in total value of \$723,116,740 or 10.2%.

Throughout the year the Assessing department reviews and captures "New Growth Value" due mostly to new construction as well as parcels subject to taxation for the first time such as subdivisions, condo conversions, new personal property and parcels that were previously exempt. The city saw a total of \$110,241,865 in New Growth Value that included 48 new single family lots, 136 new condo conversions (mostly from 65 Washington St.), 5 exempt that are now taxable and large construction projects i.e. 435-443 Highland Avenue, 40 First St. & 45 Traders Way 72 Flint Street. The Department of Revenue approved New Growth Value resulted in \$1,828,203 tax dollars in allowable Tax Levy Growth. This amount is used in calculating the Levy Limit for FY2023.

Determining the tax levy is as follows: Total budget and other articles approved by Council \$201,228,126 – State Aid of \$37,017,614 - Local Receipts \$17,384,061 - Enterprise and CPA funds \$19,771,009 - other revenue \$12,602,868 which leaves the amount remaining to be collected from property taxes is \$114,452,574.00 (Tax Levy).

Proposition 2 ½ limits the amount of revenue a community can raise through real and personal property taxes (Tax Levy). The maximum amount a community can levy in any given year is called the levy limit. The maximum allowable levy for FY2023 is \$121,530,005 and the Estimated Levey for FY2023 is \$114,452,574. This leaves and Excess levy capacity of \$7,077,431. The difference between the maximum property tax revenue a community is legally permitted to bill and the tax bills paid.

The Board of Assessors determined that the options for open space discount and residential and small commercial exemptions do not pertain to Salem and such options should not be considered.

Councillor Riccardi asked Stephen if he could mention some of the programs that are available for exemptions.

Stephen Cortes mentioned quite a few and suggested home owners reach out to his office. Ones that he mentioned were: Personal exemptions i.e widow, minor, elderly 70+ (based on asset restrictions), 41C exemption for 65+ (income restriction), Legally Blind, PSC minor killed in line of duty, Disabled Veteran, Total Disability and Gold Star for parent or spouse.

Councillor McClain asked Mr. Cortes to expand on the residential exemption option.

Mr. Cortes replied that 80% of parcels in Salem are owner occupied. Those communities that adopt the exemption are well below 80%. And it is costly to implement i.e. to verify that the dwelling is owner occupied.

Councillor McCarthy stated we set the budget in June and now is when we write the check.

Mayor Driscoll stated that \$1.6 Million out of retained earnings not free cash this year because of rising interest rates. Not wise this year. It would cost us more with inflation and higher interest rates.

Councillor McCarthy asked what revenues led to an increase to free cash?

Anna Freeman, Finance Director stated FY2022 Free Cash has been certified. Two years ago we were conservative in our revenue estimates due to COVID. Salem has had a strong and quick recovery. For FY2024 we will explore more free cash towards tax rate. The unspent free cash from last year will be used to help pay for things coming up.

The Mayor also reminded the Council about other reductions i.e. the Cannabis Host Agreements.

No one from the public appeared in favor or opposed.

Councillor McCarthy moved that the public hearing be closed. It was so voted.

### (#639) - APPOINTMENTS TO THE SALEM FOOD POLICY COUNCIL

Held from the last meeting, the Mayor's Appointments of the following to the Salem Food Policy Council with the correct terms to expire: (Mayor's office corrected terms to expire from the November 17, 2022 meeting due to the ordinance)

IRE:

Sara Moore	1 Purchase St., Salem	Nov. 17, 2025
Claudia Paraschiv	20 Fowler St., Salem	Nov. 17, 2024
Irvelt Perrin	437 Andover St., Lawrence	Nov. 17, 2024
Julie Pottier-Brown	2 Gedney Court, Salem	Nov. 17, 2024
Joel Simonson	34 Forrester St., Salem	Nov. 17, 2025

Councillor Varela made a motion to divide the question to take up Celia Grant's appointment separately. It was so voted.

The above names (excluding Celia Grant) were confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

The appointment of Celia Grant was not confirmed by a roll call vote of 8 nays, 1 present and 2 absent.

Councillor Hapworth requested and received suspension of the rules to allow those appointed to speak.

### (#640) - APPOINTMENT TO SERC COMMITTEE

Held from the last meeting, the Mayor's Appointment of Jack Nessen 26 Phelps St. to the Sustainability, Energy and Resiliency Committee with a term to expire on July 20, 2023 was confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

Councillor Hapworth requested and received suspension of the rules to allow Jack Nessen to speak.

### (#641) – APPOINTMENT TO THE BEAUTIFICATION COMMITTEE

Held from the last meeting, Mayor's Appointment of Jason Lang of 43 Osgood St. to the Beautification Committee with a term to expire on November 17, 2025 was confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

Councillor Hapworth requested and received suspension of the rules to allow Jason Lang to speak.

### (#642) - APPOINTMENT TO THE SCHOLARSHIP AND EDUCATION COMMITTEE

Held from the last meeting, Mayor's Appointment of Heather Lang of 43 Osgood St. to the Scholarship and Education Committee with a term to expire on September 10, 2023 was confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

Councillor Merkl requested and received suspension of the rules to allow Heather Lang to speak.

### (#643) - APPOINTMENT TO THE HISTORIC COMMISSION

Held from the last meeting, Mayor's Appointment of Kelly Tyler-Lewis 23 Warren St., to the Historic Commission with a term to expire on November 17, 2024 was confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

Councillor Merkl requested and received suspension of the rules to allow Kelly Tyler-Lewis to speak.

### (#645) - APPOINTMENT TO THE SALEM HARBOR PORT AUTHORITY

Held from the last meeting, Mayor's Appointment of Captain Fred Ryan to the Salem Harbor Port Authority with a term to expire November 17, 2025 was confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

Councillor Prosniewski requested and received suspension of the rules to allow Captain Ryan to speak.

### (#646) – APPOINTMENT TO THE FOOD POLICY COUNCIL

Held from the last meeting, Mayor's Appointment of Michaela Short 81 Bancroft Road, Melrose to the Food Policy Council with a term to expire November 17, 2024 was confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

Councillor Hapworth requested and received suspension of the rules to allow Michaela Short to speak. She was unable to be present.

### #681 - REAPPOINTMENTS TO VARIOUS BOARDS FOR SHORT TERM DUE TO TRANSITION

The Mayor's Re-appointment of the following to various boards with a term to expire December 8, 2023 were confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent with the condition that when they are reappointed in December, 2023 their expiration date is based on their original term to expire.

FNAME	LNAME	BOARD	ADDRESS
Filipe	Zamborlini	Affordable Housing Trust Fund Board	62 Perkins Street #3
Mary Ellen	Halliwell	Beautification Committee	81 Orchard Street
Sandra	Power	Beautification Committee	18 Loring Avenue
Colleen	Downie	Bicycling and Shared Path Advisory Committee	12 School Street #2
Robert	Millerick	Board of Assessors	4 Gallows Circle
Paul	Kirby	Board of Health	8 1/2 Daniels Street #3
Sara	Moore	Board of Health	34 Leach Street
Darren	Black	Commission on Disabilities	1 Essex Street #1

Rebecca	Christie	Commission on Disabilities	17 Marlborough Road
Debra	Lobsitz	Commission on Disabilities	11 Forest Avenue
Eliud	Alcalá	Council on Aging	11 South Street #3
Abigail	Butt	Council on Aging	11 South Street
Kristin	Macek	Council on Aging	48 Webb Street #1
Marc	Perras	Design Review Board	6 Union Street #1
Sarah	Tarbet	Design Review Board	1 Chase Street #1
F. Reed	Cutting	Historical Commission	14 Clifton Avenue
Vijay	Joyce	Historical Commission	10 1/2 Herbert Street
Kurt	Ankney-Beauchamp	Public Art Commission	19 Harbor Street #5
Charles	Barton	Registrars of Voters	26 Marlborough Road
Kathy	Winn	Salem Harbor Port Authority	133 Fort Avenue
Peter A.	Copelas	Zoning Board of Appeals	40 Warren Street
Rosa	Ordaz	Zoning Board of Appeals	13 Forest Avenue
Steven	Smalley	Zoning Board of Appeals (Alternate)	141 Washington Street #2

### #682 - REAPPOINTMENTS OF DEPARTMENT HEADS

The Mayor's Re-appointment of the following of the following Department Heads with a term to expire January 31, 2024 were confirmed by a roll call vote of 9 yeas, 0 nays and 2 absent.

NAME	TITLE
Anna Freedman	Finance Director/Auditor
David Knowlton	Director of Public Services
Patricia O'Brien	Parks, Recreation, and Community Services Director
Teresa Gove Arnold	Council on Aging Director
Anthony Delaney	Purchasing Agent
Stephen Cortes	Director of Assessing

#### #683 - APPROPRIATION OF \$7,332,014.25 TO SPECIAL REVENUE ACCOUNTS

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Seven Million, Three Hundred Thirty-Two Thousand Fourteen Dollars and Twenty-Five Cents (\$7,332,014.25) is hereby appropriated from General Fund Balance Reserved for Free Cash to the following special revenue funds. The amount of free cash to be transferred is per the City's Financial Policies and in accordance with the recommendation of Her Honor the Mayor.

Description		Amount
Stabilization Fund (8301) 10%	1,629,336.50	
Capital Improvement Fund (2000) 30%	4,888,009.50	
Other Post Employ Benefits (OPEB)	1,000,000.00	
(8313) 5%	814,668.25	
Total	7,332,014.25	

### #684 - APPROPRIATION OF \$3,082,519.00 TO SUPPORT THE FY 2023 TRASH ENTERPRISE FUND EXPENSE SUBSIDY

The following order submitted by the Mayor was adopted under suspension of the rules by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the sum of Three Million, Eighty-Two Thousand, Five Hundred Nineteen Dollars (\$3,082,519.00) shall be Raised and Appropriated from the City of Salem General Fund for the purpose of supporting the fiscal year 2023 Trash Enterprise Fund Expense Subsidy, which represents the amount to be raised less operational expenses, in accordance with the recommendation of Her Honor the Mayor. A motion for immediate reconsideration in hopes it would not prevail was denied.

#### #685 - APPROPRIATION OF \$1,682,136.00 TO REDUCE THE TAX RATE FOR FY 2023

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of One Million, Six Hundred Eighty-Two Thousand, One Hundred Thirty-Six Dollars (\$1,682,136.00) is hereby appropriated from the following "Receipts Reserved for Appropriation" accounts to reduce the tax rate amount to be raised by taxation when the Fiscal Year 2023 tax rate is set in accordance with the recommendation of Her Honor the Mayor. A motion for immediate reconsideration in hopes it would not prevail was denied.

Description		Amount
Receipts Reserved - Witch House	622,136.00	
Receipts Reserved - Golf Course	730,000.00	
Receipts Reserved - Harbormaster	230,000.00	
Receipts Reserved - Charter Street	100,000.00	
Total	1,682,136.00	

### #686 - APPROPRIATION OF \$800,000.00 FOR REMEDIATION AND RESTORATION AT MANSELL FIELD

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Eight Hundred Thousand Dollars (\$800,000.00) is hereby transferred from the General Fund Balance Reserved for Free Cash and appropriated to the following account in the Capital Improvement Fund (2000) below for the costs associated with soil remediation and restoration at Mansell Field in accordance with the recommendation of Her Honor the Mayor.

Description		Amount
20002320-5846FR	\$800,000.00	
Total	\$800,000.00	

### #687 - APPROPRIATION OF \$750,000.00 APPROPRIATED FOR A LADDER TRUCK FOR THE FIRE DEPARTMENT

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Seven Hundred Fifty Thousand Dollars (\$750,000.00) is hereby transferred from the General Fund Balance Reserved for Free Cash and appropriated to the following account in the Capital Improvement Fund (2000) below for the Fire Department's purchase of a new Ladder truck to replace Salem Ladder 1 in accordance with the recommendation of Her Honor the Mayor.

Description	Amour
20002310-5846FQ	\$750,000.00
Total	\$750,000.00

### #688 – APPROPRIATION TO STABILIZATION FUND TO REPLENISH APPROPRIATIONS MADE PRIOR TO CERTIFICATION OF FY2022 FREE CASH

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Two Hundred Twenty-Nine Thousand Six Hundred Sixty-Four Dollars and Eighty-Eight Cents (\$229,664.88) is hereby appropriated from General Fund Balance Reserved for Free Cash to the Stabilization Fund (8301) to replenish appropriations made prior to the certification of fiscal year 2022 free cash in accordance with the recommendation of Her Honor the Mayor.

Description		Amount
Stabilization Fund (8301)	\$229,664.88	
Total	\$229,664.88	

#### #689 - APPROPRIATION OF \$150,000.00 FOR TRAFFIC CALMING INFRASTRUCTURE

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of One Hundred Fifty Thousand Dollars (\$150,000.00) is hereby transferred from the General Fund Balance Reserved for Free Cash and appropriated to the following account in the Capital Improvement Fund (2000) below for the costs associated traffic calming infrastructure, including the permanent installation of speed humps on Fairfield, Cedar, and Gardner Streets, and design, engineering, and education work for other measures throughout the city in accordance with the recommendation of Her Honor the Mayor.

Description	Amour
20002318-5846FS	\$150,000.00
Total	\$150,000.00

### #690 - APPROPRIATION IN THE AMOUNT OF \$140,088.30 TO THE TRANSIT ENHANCEMENT FUND

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of One Hundred Forty Thousand, Eighty-Eight Dollars and Thirty Cents (\$140,088.30) is hereby appropriated and transferred from the "General Fund Balance Reserved for Appropriation – Free Cash" account to the Transit Enhancement Fund as provided in the Cannabis Host Agreements for payments received from sales from January through June 30, 2022, in accordance with the recommendation of Her Honor the Mayor.

Description	Amount
Transit Enhancement Fund	
(1%)	\$140,088.30
	\$140,088.30

### #691 – APPROPRIATION OF \$90,548.49 FROM CPA FUNDS FOR SALEM WILLOWS PHASE II IMPROVEMENTS

The following order submitted by the Mayor was adopted.

ORDERED: That Ninety-Thousand, Five Hundred Forty-Eight Dollars and Forty-Nine Cents (\$90,548.49) is hereby appropriated from the Community Preservation Act (CPA) fund balance to the accounts listed below in accordance with the recommendation of the Community Preservation Committee.

FY	Fund	Fund Name	Description	Org/Obj	Amount
2023	2001	General Fund CPA	Salem Willows Phase II Improvements	2001323- 580688	90,548.49
					90,548.49

### #692 - APPROPRIATION OF \$45,000.00 FOR WATER AND SEWER RATE STUDY

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Forty-Five Thousand Dollars (\$45,000.00) is hereby appropriated from the "Retained Earnings – Water/Sewer Fund" account (6000-3120) to the Water-Engineering Contracted Services account (610132-5320) for a water and sewer rate study in accordance with the recommendation of Her Honor the Mayor.

### #693 - APPROPRIATION OF \$41,773.48 TO COMPLETE LICENSED SITE PROFESSIONAL SERVICES PARCEL "A" ADJECENT TO FURLONG PARK

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Forty-One Thousand, Seven Hundred Seventy-Three Dollars and Forty-Eight Cents (\$41,773.48) is hereby transferred from the General Fund Balance Reserved for Free Cash and appropriated to the following account in the Sale of City Property Fund (2441) below to complete licensed site professional (LSP) services for Parcel A adjacent to Furlong Park in accordance with the recommendation of Her Honor the Mayor.

Description	Amount
24413-5846	\$41,773.48
Total	\$41,773.48

### #694 - APPROPRIATION OF \$25,000.00 FOR LIFEGUARDING SERVICES AT FOREST RIVER POOL

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Twenty-Five Thousand Dollars (\$25,000.00) be hereby appropriated from the following "Receipts Reserved for Appropriation" account, to be transferred to the Park & Rec – Contracted Services account 16502-5320 for costs associated with lifeguarding services at Forest River Pool in accordance with the recommendation of Her Honor the Mayor.

Description	Amount
Receipts Reserved – Forest River Pool (24A9)	\$ 25,000.00
Total	\$ 25,000.00

### #695 - APPROPRIATION OF \$24,000.00 TO DPS BURIAL ACCOUNT

The following order submitted by the Mayor was adopted under suspension of the rules.

ORDERED: That the sum of Twenty-Four Thousand Dollars (\$24,000.00) is hereby transferred and appropriated from the Receipts Reserved funds listed below to the Department of Public Services Burial Account (14112-5383) in accordance with the recommendation of Her Honor the Mayor.

	From	To Amou		mount	
2430-4800	R/Res Sale of Lots	14112-5383	DPS Burial	\$	10,000.00
2431-4800	R/Res Sale of Vaults	14112-5383	DPS Burial	\$	14,000.00
			Total	\$	24,000.00

### #696 - OUTSTANDING FY2022 INVOICE TO BE PAID WITH FY2023 EXPENSES IN THE AMOUNT OF \$23,500.00 - MAYOR'S OFFICE PER MGL CH. 44 SEC. 64

The following order submitted by the Mayor was adopted under suspension of the rules by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: Per MGL Chapter 44 Section 64 which allows for a municipality to pay for prior fiscal year invoices using current fiscal year appropriations by two-thirds vote of the City Council we request the sum of Twenty-Three Thousand Five Hundred Dollars (\$23,500.00) of outstanding Fiscal Year 2022 invoices is hereby allowed to be paid from the Fiscal Year 2023 Mayor's Office budget ("Accounting and Audit" account 11212-5305) as listed below in accordance with the recommendation of Her Honor the Mayor.

Department	Vendor	Amount
Mayor	Segal	\$23,500.00
	Total	\$ 23,500.00

### #697 - DONATION OF \$9,500.00 TO PARK AND RECREATION

The following order submitted by the Mayor was adopted.

ORDERED: To accept the donation of Nine Thousand Five Hundred Dollars (\$9,500.00) from John Russell representing the funds collected from the usage of parking spaces during the Halloween season. The donation is to be deposited into the Parks and Recreation Donation Fund 2406 (24061-4830) in accordance with the recommendation of Her Honor the Mayor.

#### #698 - ACCEPTANCE OF SEC. 4, CH. 73 OF THE ACTS OF 1986 - TAX EXEMPTIONS

The following order submitted by the Mayor was adopted.

Ordered: That the Mayor and the City Council accept the provisions of Section 4, Chapter 73 of the Acts of 1986 for Fiscal Year 2023, and that such additional exemptions granted be 100% of the statutory exemption amounts, provided all other qualifications specified in said Section 4, Chapter 73 of the Acts of 1986 are met.

#### #699 - ESTABLISHING AN OPIOID SETTLEMENT SPECIAL STABILIZATION FUND

The following order submitted by the Mayor was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the City establish an Opioid Settlement Special Stabilization Fund pursuant to Massachusetts General Laws Chapter 40, Section 5B to receive distribution payments from state opioid settlements for further appropriation consistent with settlement requirements in accordance with the recommendation of Her Honor the Mayor.

### #700 – ACCEPTANCE OF MGL CH. 40, SEC. 5B, AUTHORIZING ALL FUTURE APROPRIATION TO BE DEPOSITED WITHOUT THE NEED TO TRANSFER

The following order submitted by the Mayor was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the City accept the provision within Massachusetts General Laws Chapter 40, Section 5B, which provides for the dedication, without further appropriation, of all, or a percentage not less than 25 percent, of particular fees, charges or receipts to a stabilization fund established under Massachusetts General Laws Chapter 40, Section 5B, to be effective for the fiscal year beginning on July 1, 2023.

### #701 - DEDICATE 100% OF OPIOID SETTLEMENT TO THE SPECIAL STABILIZATION FUND

The following order submitted by the Mayor was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the City dedicate one hundred percent (100%) of the distributions to Salem from state opioid settlement agreements to the Opioid Settlement Special Stabilization Fund established under Massachusetts General Laws Chapter 40, Section 5B, effective for the fiscal year 2024 beginning on July 1, 2023.

### #702 - APPROPRIATION OF \$276,560.61 TO THE OPIOID SETTLEMENT SPECIAL STABILIZATION FUND

The following order submitted by the Mayor was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the sum of Two Hundred Seventy-Six Thousand Five Hundred Sixty Dollars and Sixty-One Cents (\$276,560.61) shall be appropriated and transferred from the City of Salem General Fund to the Opioid Settlement Special Stabilization Fund as listed below, which represents the amount received to date in fiscal year 2023 in municipal distributions from state opioid settlement agreements, in accordance with the recommendation of Her Honor the Mayor.

Description		Amount
Opioid Settlement Special Stabilization Fund	\$276,560.61	
Total	\$276 F60 64	
Total	\$276,560.61	

A motion for immediate reconsideration in hopes it would not prevail was denied.

#### #703 - ORDINANCE AMENDING CH. 43, SEC. 62 - TREE DONATION FUND

The following ordinance submitted by the Mayor was adopted for first passage.

An Ordinance to amend language relative to the tree donation fund.

**Section 1.** Section 43-62 *Tree donation fund* of Chapter 43 *Trees* is hereby amended by deleting the section in its entirety and replacing it with the following:

### "Sec. 43-62. - Tree donation fund

Collection of voluntary contributions under this ordinance shall be deposited into the tree donation fund, a separate, identifiable account, provided such fund is administered by the city to be dedicated solely for the planting and maintenance of new trees. The trees warden, with input from the tree commission and commensurate with the reasonably

practicable suggestions of any donor, may expend these funds for tree planting, and other tree-related needs."

**Section 2.** This Ordinance shall take effect as provided by City Charter.

#### #704 - LETTER FROM THE MAYOR WITH RECOMMENDATION FOR THE FY2023 TAX RATE

The following letter from the Mayor with her recommendation of the setting of the current fiscal year tax rate was received and filed.

Honorable Salem City Council Salem City Hall Salem, Massachusetts 01970

Ladies and Gentlemen of the City Council:

Each year the City Council must vote to set the residential tax factor and thereby set the tax rate for the fiscal year. In Massachusetts, Proposition 2 ½ caps new property taxes at no more than 2.5% of the previous year's levy; increases over that amount require a Proposition 2 ½ override, which Salem has never required. This year, the tax rate – \$12.51 for residential, a reduction in the residential tax rate by 5.6%, and \$25.25 for commercial, a reduction in the commercial tax rate by 4.0% – is once again under the City's allowable levy limit. Excess levy capacity stands at \$7,077,431, a 7% increase over last year's figure and the largest dollar figure for our levy capacity ever, which is a strong validation of our City's responsible approach to budgeting and managing public finances. We continue to maintain a generally low tax bill increase over time, as well, with the average increase over the last five years for the average single-family taxpayer in Salem coming in at a reasonable 2.9% per year.

Based on the rates above, the change in the average single-family tax bill will be \$289 (4.7%), the average condominium unit change will be \$228 (4.9%), the average two-family tax bill will have a reduction of \$58 (-0.8%), and the average three-family change will be \$132 (1.6%) or \$44 per unit. The average apartment building tax bill change will be \$2,309 (10.0%). Given the range of commercial properties in Salem, from small shops to hotels to large office complexes, it is hard to identify a truly "average commercial property," however the average commercial property tax bill change will be \$499 (2.5%). The discrepancy between commercial and residential rate impacts is due in large measure to the rapid growth of residential values in Salem, which is occurring at a much faster pace than commercial value growth.

Appropriation orders submitted separately applies receipts reserved to help hold down the increase in property taxes, reducing the total amount raised by taxation and saving Salem property owners an additional \$1,682,136, almost one-third more than the receipts applied to lessen the tax burden last year.

Despite an active housing market increasing values and despite increases in fixed costs for delivering local services by around \$2.5 million this fiscal year, we have managed to keep tax increases relatively low. The reason for this is simple: growth matters. As we grow our tax base, we have been able to successfully distribute the burden of funding critical local services to more taxpayers, alleviating the burden on existing property owners. This is why – in addition to the housing need and the desire to create good, local jobs – it is so very important we consider new growth opportunities with an open mind and strategic approach. We cannot cut our way to stabilized taxes or better services; we can, however, broaden the size of the base that funds our local government, thereby stabilizing taxes and improving services. FY2023 once again demonstrates that exact strategy at work.

We always strive to manage the overall tax burden on our City's homeowners and I am proud that we have never needed or sought a Proposition 2 ½ override. We seek efficiencies and opportunities for regionalization or streamlining. We look to technology and performance improvement strategies to reduce the cost of doing business. We shift the cost of government off property taxpayers by pursuing a substantial number of grant opportunities and by looking to tax options that shift those costs to visitors, when possible, by supporting the development of new hotels, the extension of lodging taxes to short-term rentals, and the responsible growth of the recreational cannabis industry.

The most powerful tool at our disposal, however, is responsible, sensible private development that adds to our tax base. Therefore, we have advocated for the appropriate redevelopment of sites such as the former courthouses, the power plant property, and other under-utilized and vacant former industrial parcels. I am extremely pleased that certified new growth this fiscal year is a very strong \$1,828,203, exceeding our anticipated new growth amount by almost double.

We also continue to be pro-active in pursuing grant opportunities whenever they become available. Since the start of my administration in 2006 we have successfully received over \$200 million in state and federal grants. Just about one-fifth of our revenues is aid from the state, and we still rely on and require a strong state partnership to make much needed infrastructure investments, despite the egregious problems with the Student Opportunity Act formula that has cost Salem millions in state aid for our schools.

We also work to have meaningful partnerships with our anchor institutions and non-profits, including our tax agreement and CBA with Footprint, investments in our schools and neighborhoods from SSU, expanded community support from NSMC, and our ongoing push for a nearly two decades' over-due adjustment in our SESD PILOT.

Combined, new growth, grants, and non-tax revenue opportunities has reduced the average tax bill increase by roughly half when comparing the years of my administration to the same time prior to that. In the 17 years since I took office the average bill increase has been just 3.2%, which is nearly half of the average bill increase of 6.1% in the 17 years prior to that.

One of the biggest challenges we continue to face is pressure from increases in fixed costs. Fixed costs for FY2023, such as state charges, health insurance costs, Medicare, worker's compensation, debt payments, and municipal insurance, increased by \$2.5 million over last year. For every \$3 of spending in our budget, \$1 of that goes to fixed costs.

As we set our tax rate for the current fiscal year, the recommendation is to adjust the CIP split to 1.73, making the residential factor 0.857132.

The vision for our City laid out in our annual budget, and continued with this tax proposal, reflects our collective desire to keep Salem a vibrant, thriving community that delivers quality public services in as efficient and affordable a manner as possible. Upon taking office we faced a \$3.5 million deficit. We spent all our savings just to keep the lights on and were forced to borrow money to pay normal operating expenses. We have worked collaboratively over the years to eliminate prior deficits, improve city finances, and balance our books with an eye on both the needs of today and our aspirations for the future. It has not always been easy. Just as we emerged from those local fiscal trials in 2007 our national economy spiraled into a recession and, just as we were building back from that crisis the pandemic brought a sharp decline in our economy.

But whatever the cause of our challenges, we weathered them and are today still resiliently positioned for success, with strong growth, a declining unemployment rate, record bond ratings, and award-winning balanced budgets. Our City's bond rating from Standard & Poor's was upgraded nine years ago to AA, the highest in the City's history, and remains there today. In their most recent ratings report the agency cited our financial stability and reasonable budgeting practices in affirming that strong rating. This is validation that Salem's fiscal policies are of the highest standard and that the path we have set for ourselves is the correct one for our community.

I am grateful for our partnership in securing a healthy municipal fiscal environment and recommend adoption of the proposed residential factor, which will enable us to finalize property tax rates for this fiscal year. I look forward to discussing this recommendation with you at the December 8<sup>th</sup> tax classification hearing.

Sincerely,

Kimberley Driscoll Mayor, City of Salem

### #705 – LETTER FROM THE MAYOR RESIGNING FROM THE POSITION OF THE MAYOR OF THE CITY OF SALEM

The letter from the Mayor resigning from the position of Mayor of the City of Salem effective at the conclusion of her remarks at the 2023 City Council organizational meeting scheduled to be held on Wednesday, January 4, 2023 was received & filed and that the City Council vote for Acting Mayor take place at the conclusion of her remarks on Wednesday, January 4, 2023.

Honorable Salem City Council Salem City Hall Salem, Massachusetts 01970

Ladies and Gentlemen of the City Council:

I am writing to inform you that I will resign from the position of Mayor of the City of Salem, Massachusetts effective at the conclusion of my remarks at the 2023 City Council organizational meeting scheduled to be held on Wednesday, January 4, 2023.

As I prepare to step away from this role and into a new one, I could not be prouder or more satisfied with the work that has been accomplished since I first entered office in January 2005. We – together – have transformed Salem into a vibrant, thriving, and successful community. We fixed bad practices of the past to professionalize municipal operations, rebuild City finances, improve transparency in government, and engage more resident participation. Salem, today, has a new focus on equity, sustainability, professionalism, and livability, all of which is a direct result of intentional actions we have taken and so many of which I am proud to have had the opportunity to initiate and lead.

As a Navy kid, we moved around a lot when I was growing up, so we never really had a hometown - until I came to Salem. Salem is and will always be my hometown. I am so deeply grateful for the chance that I have been afforded over these last 17 years to help shape it and improve it.

When I announced my first candidacy in 2005 I said that we deserved a City government as dedicated, passionate, and forward-looking as the people it serves. I believe we achieved that vision, and I am thankful for your partnership in making it possible.

Sincerely,

Kimberley Driscoll Mayor. City of Salem

### #706 - RESIDENTIAL FACTOR

The following order introduced by Councillor McCarthy was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

**ORDERED**: That the City of Salem adopt a Residential Factor of 85.7132% for fiscal year 2023.

A motion for immediate reconsideration in hopes it would not prevail was denied.

#### **#707 - OPEN SPACE EXEMPTION**

The following Order introduced by Councillor McCarthy was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

**ORDERED:** That the City of Salem NOT adopt An Open Space Exemption for fiscal year 2023.

A motion for immediate reconsideration in hopes it would not prevail was denied.

### **#708 - RESIDENTIAL EXEMPTION**

The following Order introduced by Councillor McCarthy was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the City of Salem NOT adopt a Residential Exemption for fiscal year 2023.

A motion for immediate reconsideration in hopes it would not prevail was denied.

### #709 - SMALL COMMERCIAL EXEMPTION

The following Order introduced by Councillor McCarthy was adopted by a roll call vote of 9 yeas, 0 nays and 2 absent.

ORDERED: That the City of Salem NOT adopt a Small Commercial Exemption for fiscal year 2023.

A motion for immediate reconsideration in hopes it would not prevail was denied.

### #710 - MONTHLY FINANCIAL REPORTS DATED JUNE - OCTOBER 2022

The following order introduced by Councillor McCarthy was adopted.

ORDERED: That the monthly financial reports dated June – October, 2022 (inclusive) be received and filed.

### #711 – (#656) – URBAN CENTER HOUSING TAX INCREMENT FINANCING PROGRAM FOR LEE FORT TERRACE

Councillor McCarthy offered the following report for the Committee on Administration and Finance co-posted with the Committee of the Whole. It was voted to accept the report and adopt the recommendation.

The Committee on Administration and Finance co-posted with the Committee of the Whole to whom it was referred the matter of a Public Hearing on Urban Center Housing Tax Increment Financing Program for Lee Fort Terrace, has considered said matter and would recommend that the matter remain in committee and that the public hearing be continued until January 5, 2023 at 6:00 P.M.

### #712 – (#657) - TAX INCREMENT FINANCING FOR LEE FORT TERRACE

Councillor McCarthy offered the following report for the Committee on Administration and Finance co-posted with the Committee of the Whole. It was voted to accept the report and adopt the recommendation.

The Committee on Administration and Finance co-posted with the Committee of the Whole to whom it was referred the matter of a Public Hearing on Tax Increment Financing for Lee Fort Terrace, has considered said matter and would recommend that the matter remain in committee and that the public hearing be continued until January 5, 2023 at 6:00 P.M.

#### #713 - CARRYING MATTERS FORWARD INTO 2023

Councillor McCarthy offered the following report for the Committee on Administration and Finance. It was voted to accept the report and adopt the recommendation.

The Committee on Administration and Finance to whom it was referred the matter of carrying matters forward has considered said matter and would recommend that rule 31B be suspended so that the following matters may be carried into the new year of 2023.

#656 – Establish Urban Center Housing Tax Increment Finance program

#657 – TIF for Lee Fort Terrace

### #714 - (#653) - ORDINANCE AMENDING CH. 36 - PICK UP OF LARGE ITEMS

Councillor Riccardi offered the following report for the Committee on Ordinances, Licenses and Legal Affairs. It was voted to accept the report and adopt the recommendation.

The Committee on Ordinances, Licenses and Legal Affairs to whom it was referred the matter of Amending an Ordinance relative to Pick up of Large Items has considered said matter and would recommend Adoption for First Passage.

This is due to a change in the State Law regarding how to dispose of mattresses and the costs incurred.

### #715 – (#671) – GRANTING CERTAIN LICENSES

Councillor Riccardi offered the following report for the Committee on Ordinances, Licenses and Legal Affairs. It was voted to accept the report and adopt the recommendation.

The Committee on Ordinances, Licenses and Legal Affairs to whom it was referred the matter of Granting of certain Licenses – Secondhand Valuables ecoATM (2 locations) has considered said matter and would recommend that the license be granted.

#### #716 – CARRYING MATTERS FORWARD INTO 2023

Councillor Riccardi offered the following report for the Committee on Ordinances, Licenses and Legal Affairs. It was voted to accept the report and adopt the recommendation.

The Committee on Ordinances, Licenses and Legal Affairs to whom it was referred the matter of carrying matters forward has considered said matter and would recommend that rule 31B be suspended so the following matters may be carried into the new year of 2023.

#598 of 2021 – Discuss a Home Business Ordinance #462 – Ordinance to amend Green Lawn Cemetery relative to form of deed for sale of new lots

#### #717 - CARRYING MATTERS FORWARD INTO 2023

Councillor McClain offered the following report for the Committee on Community & Economic Development. It was voted to accept the report and adopt the recommendation.

The Committee on Community & Economic Development to whom it was referred the matter of carrying matters forward has considered said matter and would recommend 31B be suspended so the following matter may be carried into the new year of 2023.

#### #718 - CARRYING MATTERS FORWARD INTO 2023

Councillor Hapworth offered the following report for the Committee on Government Services. It was voted to accept the report and adopt the recommendation.

The Committee on Government Services to whom it was referred the matter of carrying matters forward has considered said matter and would recommend 31B be suspended so the following matters may be carried into the new year of 2023.

- #24 Meet to discuss Personnel Board, Article III, Div. 6
- #28 Meet to discuss creating a Land Acknowledgement to read at each meeting
- #314 Meet to discuss Traffic Violence and pedestrian safety with Parking and Traffic Commission
- #567 Meet with City Engineer to discuss trash pickup, street sweeping and liter
- #568 Meet with the Public Art Director to discuss interpretive signage for Chambers
- #630 Relocation of Andrew Jackson to Ante Room and permanent location

#### #719 - (#490) - CULTURAL COUNCIL LIAISON

Councillor Hapworth offered the following report for the Committee on Government Services. It was voted to accept the report and adopt the recommendation.

The Committee on Government Services to whom it was referred the matter of appointing a liaison to the Cultural Council has considered said matter and would recommend Adoption.

#### **#720 – CARYING MATTERS FORWARD INTO 2023**

Councillor Prosniewski offered the following report for the Committee on Public Health, Safety and Environment. It was voted to accept the report and adopt the recommendation.

The Committee on Public Health, Safety and Environment to whom it was referred the matter of carrying matters forward has considered said matter and would recommend 31B be suspended so the following matters may be carried into the new year of 2023.

- #423 Meet with James Davis, from Bay Staters for Natural Medicine
- #461 Meet to discuss noise pollution
- #502 Meet to discuss plastic reuse as an option for city projects

### #721 - CITY COUNCIL RULES AND ORDERS

Councillor Morsillo offered the following report for the Committee of the Whole. It was voted to accept the report and adopt the recommendation.

The Committee of the Whole to whom it was referred the matter of Reviewing City Council Rules and Orders, has considered said matter and would recommend adoption as amended.

The biggest change is replacing the use of Cushings Manual with Roberts Rules

#### **#722 – CARRYING MATTERS FORWARD INTO 2023**

Councillor Morsillo offered the following report for the Committee of the Whole. It was voted to accept the report and adopt the recommendation.

The Committee of the Whole to whom it was referred the matter of carrying matters forward has considered said matter and would recommend 31B be suspended so the following matters may be carried into the new year of 2023.

#231 – Meet with Destination Salem for presentation

#271 – Meet to discuss ARPA funds and program

#420 - Meet for a presentation on the proposed offshore wind marshalling facility

#636 - Framework of a Tenant Protection Ordinance

### #723 - EXEMPTION FROM CONFLICT OF INTEREST FOR JAMES ROGERS

The following order submitted by the City Solicitor relative to the Council approving a Massachusetts Conflict of Interest Law Exemption for James Rogers was adopted.

Ordered: In accordance with Massachusetts General Law, Chapter 268A, Section 20(b) the City Council hereby declares that James Rogers has met the requirements for exemption as set forth in this Section and may be retained as an Independent Contractor/Vendor for Pioneer Village Garden Projects by the Park, Recreation and Community Services Department, not to exceed 500 hours in this calendar year.

### #724 & #724A - PETITION AND ZONING ORDINANCE TO REZONE PARCEL LOCATED AT 67 DERBY STREET FROM R-2 TO INDUSTRIAL

Petition from Attorney Joseph Correnti on behalf of Salem Wind Terminal to rezone a parcel located at 67 Derby Street from Residential Two Family (R2) to Industrial (I). The Zoning Ordinance Amendment (map change), the Map Number and Parcel ID Number has been submitted and referred to the Planning Board to hold a Joint Public Hearing.

### #725 - PETITION FROM NATIONAL GRID TO INSTALL JO POLE ON POPE STREET

A hearing was ordered for January 12, 2023 for a petition from National Grid to install 1 JO Pole on Pope St. (change of location from last meeting).

### #726 - CONTRACT OPERATOR/ DRAINLAYER LICENSES

The Following Contract Operator/Drainlayer License was granted.

N. Granese & Sons, Inc 59 Jefferson Ave., Salem

#### #727 - #732 - CLAIMS

The Following Claims were referred to the Committee on Ordinances, Licenses and Legal Affairs.

Maria Carney 108 Margin St., Salem Michael Cocozella 2 Brentwood Ave., Salem Scott Luongo 36 Wheeler St., Gloucester Manuel Vasquez 30 Ward St., Salem Roderick Parker 60 Memorial Dr., Salem Julia Warren 106 Margin St., Salem

#### **#733 – DRAINLAYER BOND**

The Following Bond was referred to the Committee on Ordinances, Licenses and Legal Affairs and returned approved.

DRAINLAYER: N. Granese & Sons, Inc 59 Jefferson Ave., Salem

### (#659) - SECOND PASSAGE ORDINANCE AMENDING TRAFFIC, CHAPTER 42 SECTION 50B, "HANDICAP ZONES, LIMITED TIME" - REPEAL BARSTOW STREET

The following ordinance was adopted for second and final passage.

In the year two thousand and twenty-two

An Ordinance to amend an Ordinance relative to Traffic

Be it Ordained by the City Council of the City of Salem, as follows:

**Section 1.** Chapter 42, Section 50B – "Handicap Zone Limited Time" is hereby amended by repealing the following:

**Repeal** - in Front of #27 Barstow Street for a distance of 20 feet, "Handicap Parking, Limited Time, Tow Zone"

**Section 2.** This Ordinance shall take effect as provided by City Charter.

### (#660) - SECOND PASSAGE ORDINANCE: AMENDING TRAFFIC, CHAPTER 42 SECTION 50B, "HANDICAP ZONES, LIMITED TIME" - CONANT STREET

The following ordinance was adopted for second and final passage.

### In the year two thousand and twenty-two

An Ordinance to amend an Ordinance relative to Traffic

Be it Ordained by the City Council of the City of Salem, as follows:

**Section 1.** Chapter 42, Section 50B – "Handicap Zone Limited Time" is hereby amended by adding the following:

In Front of #15 Conant Street for a distance of 20 feet, "Handicap Parking, Limited Time, Tow Zone"

**Section 2.** This Ordinance shall take effect as provided by City Charter.

### (#661) - SECOND PASSAGE ORDINANCE: AMENDING TRAFFIC, CHAPTER 42 SECTION 50B, "HANDICAP ZONES, LIMITED TIME" - OCEAN AVENUE

The following ordinance was adopted for second and final passage.

#### In the year two thousand and twenty-two

An Ordinance to amend an Ordinance relative to Traffic

Be it Ordained by the City Council of the City of Salem, as follows:

**Section 1.** Chapter 42, Section 50B – "Handicap Zone Limited Time" is hereby amended by adding the following:

In Front of #3 Ocean Avenue for a distance of 20 feet, "Handicap Parking, Limited Time, Tow Zone"

**Section 2.** This Ordinance shall take effect as provided by City Charter.

### (#662) - SECOND PASSAGE ORDINANCE: AMENDING TRAFFIC, CHAPTER 42 SECTION 50B, "HANDICAP ZONES, LIMITED TIME" - ESSEX STREET

The following ordinance was adopted for second and final passage.

In the year two thousand and twenty-t
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An Ordinance to amend an Ordinance relative to Traffic

Be it Ordained by the City Council of the City of Salem, as follows:

**Section 1.** Chapter 42, Section 50B – "Handicap Zone Limited Time" is hereby amended by adding the following:

In Front of #42 Essex Street for a distance of 20 feet, "Handicap Parking, Limited Time, Tow Zone"

Section 2. This Ordinance shall take effect as provided by City Charter.

On the motion of Councillor McCarthy the meeting adjourned at 10:05 P.M.

ATTEST:

ILENE SIMONS CITY CLERK