

CITY OF SALEM
DECEMBER 3, 2020
CITY COUNCIL REGULAR MEETING

A Regular Meeting of the City Council is being held remotely on Thursday, December 3, 2020 at 7:00 P.M. for the purpose of transacting any and all business. Notice of this meeting was posted on December 1, 2020 at 10:25 A.M. This meeting is being taped and is live on S.A.T.V.

All Councillors were present.

Council President McCarthy presided.

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

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

PUBLIC TESTIMONY

1. Susan Moulton, 98 Washington Sq., Salem – Signature Park Bond
2. Barbara Warren, 12 Federal St. – Salem Sound Coast Watch – Signature Park Bond
3. Steve Kapantais, 23A Wisteria St., Salem – Signature Park Bond
4. Alice Merkle, 28A Federal St., Salem – Signature Park Bond
5. Jeff Cohen, 12 Hancock St., Salem – Signature Park Bond, Carry matters forward
6. Fawaz Abusharkh, 4 Harrison Rd., Salem – Signature Park Bond
7. Dennis Maroney, 98 Washington Sq., Salem – Signature Park Bond

#515 – PUBLIC HEARING FOR FISCAL YEAR 2021 TAX RATE

A Public Hearing was held on the issue of allocating the local property tax levy among the four (4) property classes for the fiscal year 2021, and the residential, open space, and small commercial exemptions. Due to Covid-19, this public hearing did not have to be advertised in the Salem News as normal.

President McCarthy then turned the Public Hearing over to Mayor Driscoll and Deb Jackson, City Assessor. The Board of Assessors were participating as attendees if needed, Richard Jagolta, Tina Zelano and Robert Millerick for discussion and presentation. Also, in attendance were Assistant Assessors Jim Bond and Stephen Cortes and Finance Director Laurie Giardella.

Deb Jackson presented her slide show presentation. The Board of Assessors every year has to analyze all the Sales. Once the property has been classified by value, the Council holds a public hearing to allocate the percentage of tax levy to be borne by each class of property. This year it is recommended that the Council adopt a residential factor of 84.9947 for Fiscal Year 2021.

Deb explained the definitions of key tax terms such as, levy (the revenue a community can raise through real and personal property taxes. We raised \$107,301,006.00. Levy limit (= to levy limit last year +2.5% + new growth) which is over \$111 Million, the Levy ceiling (= to 2.5% of all the value). We never get that high. The new growth helps keep us under the levy limit. We raised

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\$1.6 Million. The Excess levy capacity (the difference between the actual levy and the levy limit). This is year our excess levy is \$4.6 Million which is a hefty amount below what we could be raising.

Deb Jackson reminded the City Council what they will vote on. The four (4) votes include the residential factor, Open Space Discount, Residential Exemption and Small Commercial Exemption.

This year the change in value in residential properties has gone up 8%. This is year is a certification year for us. Despite Covid, it is to review all properties. Some change in value is growth, market increase, properties we made sure to get into this year and exterior review of properties. Commercial properties increased 7%. A lot of mixed use properties with commercial on the bottom and residential on top. Industrial is flat; seeing conversion to residential or mix use. Personal Property a significant increase due to new methodology in assessing utilities which helps with the tax rate. There has been an 8% increase in total value and an overall change of 9%.

In order to do our jobs, we have to analyze sales. Sales in Calendar Year 2019, which is used for FY2020 values, there were 691 sales broken down into 377 condos, 221 single families, 67 multi-families, 21 commercial and industrial and 5 others (mixed use, land). The chart also shows that Salem is losing 2 family, 3 family and multi-family units due to condo conversions. Parcel Count Changes shows we added 33 new single dwellings, 68 condo units (new and converted), 16 fewer 2-families, 4 fewer 3-families and 44 less vacant residential lots. There is still growth going on in the Woodlands project and off of Marlborough Road.

Deb Jackson explained how new growth effects the levy limit and where the numbers come from. The valuation of single homes is \$22 Million, \$15 Million valuation in Condos, \$4 Million valuation for 2 & 3 family units. Mixed use is our largest growth area. These total valuations in turn gives us the total new growth in tax dollars of \$1,649,602. Some examples 72 Flint Street, the old assessment of this building was \$795,600 which equaled \$23,844 in taxes in 2018 when it was vacant and now as of June 30, 2020, (the project is not complete), the new value is \$13,380,900 and the taxes are \$13,168.00 which will rise with completion of this property. The new hotel at 231 Washington Street the new hotel, the old assessment was \$1,612,600 and taxes were \$49,223.00. The new assessment (mixed use) is \$17,811,700 and taxes are now \$367,130,000.00 again this is as of June 30th.

The FY20-21 average value change by class is 7.24% for Single families, 4.60% for condos, 2 family 7.87%, 3 family 12.54%, apartments 6.11%, commercial 6.34% and Industrial .06%. These changes do not include the Footprint Power Plant.

This year the FY21 Levy Limit is \$111,930,861. Taxes to be raised this year is \$107,301,006. This still leaves us with \$4,662,855 below the levy limit which is significant. This gives us any excess levy capacity.

The Average Single Family tax increase will be \$144.00. This is lower in comparison to other surrounding communities. Somerville is \$473.00, Marblehead \$359, Lynnfield \$228, Danvers \$218 and Beverly \$216.

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The average assessed value of a single family home is \$439,900. 37% are assessed above this and 63% are assessed below this. The average single family home tax bill will increase by \$144.00. The Average valuation of a condo is \$325,400. The average condo tax bill will not see an increase. 48% of the condos are assessed above this average and 52% below this average. The Average two-family bill will increase \$204.00. The average assessment is \$495,000.00 and 39% are assessed above this and 61% below. The average tax bill increase for a three-family home will be \$539 with the average 3-family dwelling assessed at \$570,200; 43% assessed above and 57% below. The average value for commercial property is assessed at \$741,300. Last year the tax bill increased \$1,200 this year average increase will be \$650.00.

The assessed value history was given from 1989-2020. The Board and the Mayor recommended a 1.70 CIP split or a Residential Factor of .849947%. What does it mean to adopt the residential factor? The tax levy calculation using the recommended 1.70 CIP shift (.849947) based on FY21 Residential valuation of \$5,442,241,557 and \$1,166,596,831 for FY21 valuation for Commercial. The rate for residential would be \$13.80 and \$27.60 for commercial.

Councillor Madore thanked Deb and asked her about the small commercial exemptions. What are the factors that go into this and why don't we adopt this especially during these challenging times?

Deb Jackson replied maybe we can look at it down the road. Still looking back at 2019. The Mayor added that small commercial property tax exemption creates a shift. We don't want to shift the burden to residential. And there are certain parameters and thresholds the businesses need to meet and not many of them would. The Finance Director, Laurie Giardella stated that the formula works for some communities and not for others. It depends on resident owner and occupied. Many communities do not benefit from it.

Councillor Madore asked a follow up question of what these specific parameters are, and do you look at that before you recommend not to adopt. It seems like this would help our smallest of businesses like local BNBs where the owners live in their businesses. I hope that you consider this for future fiscal years.

The Mayor stated we have looked at this in the past. This does not impact homeowners. The shift stays within the same classification. It shifts the burden from small business to big businesses. We don't have any big business like Raytheon and then small mom and pop stores. The parameter is that you have to be a class 3 business, employ no more than 10 people and a certain assessment value. You have to have all these looked at and certify the qualifying business this pass July. So, we did not look at it this year. Shifting within same class. No large businesses in Salem, not beneficial given the make-up in scale of our businesses in this community, but we can look at it again.

Councillor Sargent believes homeowners are the biggest tax payers. They help pay commercial taxes indirectly by spending their money at these local shops and restaurants, so they should get a break.

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Geoff Millar, 29 Boardman St., Salem. Feel this is an underrated meeting that takes place every year. The budget is more important. That's when the Council decides how much to spend. Now you have to decide who to tax more the residents or the businesses. There is no talk about the renters. You may think that landlords pay the trash fees and other taxes, but they pass that onto the renters. Need to think how much you want to put on home owners especially when you are talking about affordability.

Steve Kapantais, 23A Wisteria St, Salem - Question on Flint St. slide and hotel. Are they getting a tax incentive and when does it end? Comment we don't know why it's flat maybe we can bring in the value per square foot.

Deb Jackson answered cut off date of June 30th and they are incomplete (interior). No tax breaks on any of these properties. Will go up next year.

Fuzzy, 4 Harrison Rd., Every year we are here doing the same thing and every year we are given an average increase in tax bills, but every year they are off by a huge amount. Why? There has to be a better explanation why the average tax bill increase and the actual bill is so different.

Deb Jackson: It's an average of a single family home. We go out and see changes, additions, building style, measurements, some neighborhoods are increasing faster than others. Its every single factor. The DOR has us divvy up the City in different locations which some are changing faster than others. Lots of variables involved for us to look at.

The Finance Director, Laurie Giardella, added the value of his house versus the average of his type of house. Numbers on the recap sheet divided by the number of units in that category. It's all based on mathematical numbers and formulas.

Councillor Dibble stated that Debbie and Laurie did a great job. He's amazed that things look this good. He's surprised that this is not a more difficult conversions. How do the receipts from these 3 revenue sources (Witch House, Golf Course, Harbor Master) look from 2019 versus 2020 if looked at it as a calendar year?

Laurie Giardella responded that during a 3 month period of time we experienced these same revenue source much lower. Then in July and August the same revenues increased not completely back to where they were last year but a number of them are doing very well. Like the cannabis revenue is higher than projected, but we needed to be conservative when projected to DOR. They wanted us to be conservative. As far as the receipts from the golf course they were less due to work being done at the course and then Covid hit, but once we reopened and it was a social thing to be done outside and people wanted to get out the receipts were strong. The Witch House has less revenue so requesting less this year from certain revenues. Hard to project, but better than expected in certain areas. We usually ask for \$1.3 or \$1.4 Million; this year less than \$1 Million. Worked hard on budget this year to make cuts but maintain services.

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The Mayor added that in the first quarter (July, Aug. and Sept) meals taxes were down 35% and hotel taxes were down 55% and in the second quarter (Oct., Nov. and Dec.) we won't know until January. We cut our projections when putting the budget together, but still hope to hit our numbers. But our numbers are less than in year's past. Instead of projecting an increase we had to project a decrease. With the new hotel coming on board, we hope our numbers will be better.

Councillor Flynn asked a question to the Mayor and Finance Director. During our budget season we were looking at a 10-20% cut from State Aid, but during the summer it came in as level funded as well as Ch. 70 money and we had \$1.6 Million in growth. And we added enforcing parking meters on Sunday. So, there was less of a loss in December than we thought in June. Things are looking better financially so couldn't we use that to stabilize our tax rate and have no increase in taxes this year to help people out especially since a lot of them loss their jobs.

Mayor responded first stating we cut the budget based on loss of state aid. We would have hit the levy. We haven't gotten the state aid. We made a deal with the unions, if more local aid then no furloughs and we can make employees whole. Our budget only went up 1% by not funding all vacant positions, asking employees to take furloughs and ask tax payers to pay more. If we hit the levy due to less money to local taxation, we would have to take more money out of our stabilization account and the hit would have been higher than \$144.00. Need to present a balanced budget to Council in June. Way we fund the budget is through taxes and mostly through property taxes. We maximize exemptions to help as many as we can. All the rules are set through state law. We don't have malls, route 1 or large businesses. We have to ask what does it cost to run government and how do we split the taxes between residential and commercial. This year's budget went up .32% that's less than 1% including the supplemental on your agenda tonight. Every year health insurance and pension go up; it cost more to pave a road this year than last. We have a levy limit we have to live within (\$4 Million). We can only charge 2.5% more plus new growth. We could spend another \$4 Million and still be under the levy limit. The Mayor doesn't have the final say on the budget the Council does. We could go higher in taxes but one of the lowest in the region. What do you get for your money? We purchased new police vehicles, we fixed 3 roofs on city buildings, installed new windows, improved parks, transportation, upgraded the pedestrian mall, bought trees, new fiber optics, new CLC. Does this make sense to pay \$160 more a year? We invest in people. We have one of the fastest response time for emergencies. Hope you feel you got your money's worth. People want to live here and move here.

Councillor Dibble stated yes, we voted for it. It's a team effort. We like the improvements going on in Salem. A couple of concerns I have is relying on new growth. Is so much new growth was hoping take bills would go down this year. Relying on new growth is scary. What happens when new growth stops then tax bills go way up. Question on cannabis sales – the city council recommended that when passing cannabis laws that that the profit go to directly offset the (residential) tax bill. How much taken in and how much used to offset taxes?

Mayor responded cannabis are revenues. Like any local receipt help offset the general cost of government which helps the taxpayers. Asked Laurie since new industry to give some numbers on this. These receipts may diminish as other communities open stores.

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Laure Giardella responded \$3.2 Million dollars has come in since 2016. In Fiscal Year 2020 \$2 Million in receipts. We projected receipts of \$1 Million this year. Meals and hotel revenues are down this year and hard to say what will happen in next few months especially with colder weather.

Councillor Dibble concerned about amount of money we are spending. Hotel is a good thing. Relying on new growth and cannabis that we didn't have in the past, but tax bills are still going up. With all the additional money coming in, bills should be going down. How much of cannabis goes towards tax bill?

Laurie Giardella responded to the question on new growth. We are basing new growth on growth in that year. When we start the budget process with new growth, we are conservative with our numbers and then look again at new growth at this time of year. We projected \$1 Million in new growth but came in at \$1.6 Million, so we can cover costs we initially thought we couldn't. As far as cannabis is concerned, we couldn't have expected or projected to have been in a situation like this this year with Covid. Because all these other expenses being cut, we may have made other decisions while setting the budget. If we didn't have these revenues coming in, then we may have had to use more of the excess levy capacity. If we have resources that suddenly stop then at that point in time we would have to decide where to make cuts and adjustments. We don't always set a budget with new growth numbers we have now. We do set a budget being conservative with our numbers and we watch them. We come in pretty close. There's always going to be fluctuations in numbers; some years are stronger than others.

The Mayor added to the answer that all revenue of Cannabis that comes in goes to support reducing the taxes; it all goes to the General Fund. Every dollar that we can raise helps offset our tax bills. It's good when the cost of governing can be borne by other things and not just property taxes. If less new growth, then more money has to come from property owners. If you want it to be less, then cut the budget in June.

Geoff Millar – Agree with Councillor Dibble at surprised at how little the increase was. Council agreed to a budget in June and now need to figure out how to split it up to pay for it.

Pedro Fabre, 4 Border St., As a homeowner we have to budget our home. You know your salary and set up your budget. You talked about saving some money for rainy days. Tap into rainy day money a little bit more due to Covid-19. We don't know what the future will be. Help the community.

Fuzzy – The council does approve the budget, but they can only vote up or down. They can not itemize the cuts. So not really a true statement. The budget could be trimmed in small parts. Not really their decision.

Councillor Turiel stated that the City Council cannot cut the school budget since it is another elected body; we can either accept it or reject it. On the city side, we do have the power to cut the personnel and non-personnel budget, but we cannot be specific.

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Councillor Turiel moves that the hearing was closed. The public hearing was closed by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

#516 – NATIONAL GRID AND VERSION TO INSTALL 2 JOINTLY OWNED POLES – FERRY & WAITE STREET

A hearing was held for National Grid to install (2) JO Poles (1) on Ferry St. and (1) on Waite Street.

Sibhita Mahabier-Sheehy, 44 River St., Beverly, a National Grid Representative, appeared in favor. These poles are to be installed so they will not interfere with the gate.

No one appeared opposed.

Councillor Madore moved to close the Public Hearing. It was so voted.

Councillor Madore moved granted. The motion was adopted by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

#517 – COMCAST TO INSTALL CONDUITS FOR WORK ON BRIDGE, OSGOOD AND FERRY STREET

A hearing was held for Comcast to install underground Conduits for work to be done on Bridge Street to include conduits on Osgood Street and Ferry Street.

Dave Flewelling, 9 Forbes Rd., Woburn, a Comcast Representative, appeared in favor.

Currently there is no service in this area, so need to install conduits and manhole for service.

No one appeared opposed.

Councillor Madore moved to close the Public Hearing. It was so voted.

Councillor Madore moved granted with conditions submitted by the Engineering Department. The motion was adopted by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

(#477) – APPOINTMENT OF EZEKIEL HOLT TO THE COMMISSION ON DISABILITIES

Held from the last meeting, the Mayor's appointment of Ezekiel Holt to the Commission on Disabilities with a term to expire on November 19, 2023 was confirmed by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

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Councillor Turiel requested and received suspension of the rules to allow Ezekiel Holt to speak.

Councillor Turiel requested that a City Seal be sent to Chris Nagle. It was so voted.

(#478) – APPOINTMENT OF KATE ZURAW TO THE COMMISSION ON DISABILITIES

Held from the last meeting, the Mayor's appointment of Kate Zuraw to the Commission on Disabilities with a term to expire on November 19, 2023 was confirmed by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

Councillor Madore requested and received suspension of the rules to allow Kate Zuraw to speak.

Councillor Riccardi requested that a City Seal be sent to Bill Legault. It was so voted.

#518 – APPROPRIATION OF \$975,000.00 TO REDUCE AMOUNT TO BE RAISED BY TAXATION

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: That the sum of Nine Hundred Seventy Five Thousand Dollars (\$975,000.00) is hereby appropriated from the following "Receipts Reserved for Appropriation" accounts to reduce the gross amount to be raised by taxation when Fiscal Year 2021 tax rate is set in accordance with the recommendation of Her Honor the Mayor.

<u>Description</u>	<u>Amount</u>
Receipts Reserved – Witch House	\$175,000.00
Receipts Reserved – Golf Course	\$600,000.00
Receipts Reserved – Harbormaster	\$200,000.00
TOTAL	\$975,000.00

#519 – ACCEPT SECTION 4, CHAPTER 73 OF THE ACTS OF 1986

The following Order introduced by the Mayor was adopted by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDER: That the Mayor and City Council accept the provisions of Section 4, Chapter 73 of the Acts of 1986 for Fiscal Year 2021, 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.

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#520 – COMMUNICATION FROM THE MAYOR REGARDING FY2021 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.

The Mayor's recommendation for the proposed tax rate of \$13.80 for residential and \$27.60 for commercial which will again be under the City's allowable levy limit was received and filed.
(See below for letter in full)

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. This year, the tax rate – \$13.80 for residential and \$27.60 for commercial – is once again under the City's allowable levy limit, with excess levy capacity of approximately \$4.6 million dollars remaining, validating 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 10 years for the average single-family taxpayer in Salem coming in at a reasonable 3.1% or \$160 per year.

Based on the rates above, the change in the average single-family tax bill will be \$144 (2.42%), the average condominium unit change will be \$0 (0%), the average two-family change will be \$102 per unit (3.08%), the average three-family change will be \$179 per unit (7.33%). As you may recall, average percentage increases do change from year to year within residential categories and the residential tax rate is the same regardless of the type of residential property within this classification. Increases vary based on valuation and growth increases year to year, which is driven by market price fluctuations approximately 12 – 18 months prior. 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 increase is estimated at 3.21%. Appropriation orders submitted separately applies receipts reserved and free cash to help hold down the increase in property taxes, reducing the total amount raised by taxation and saving Salem property owners from an additional \$1.475 million in taxes to be collected.

Despite an active housing market increasing values and despite increases in fixed costs for delivering local services 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 great 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. FY2021 once again demonstrates that exact strategy at work.

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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 vacant power plant property, and other under-utilized and vacant former industrial parcels. I am extremely pleased that certified new growth this fiscal year is \$1.6 million, which is of significant assistance as we work together to provide much needed services in the areas of public safety, schools and public services, at a reasonable cost to property owners.

We have also been extremely pro-active in pursuing grant opportunities whenever they become available. Since the start of my administration in 2006 we have successfully received over \$150 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. 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 SEDS PILOT.

One of the biggest challenges we continue to face is pressure from reductions in revenues and increases in fixed costs. Fixed costs for FY2021, such as state charges, health insurance costs, Medicare, worker's compensation, debt payments, and municipal insurance, increased by \$1.6 million over last year. As you might recall, the FY2021 budget we filed included \$1.4 million in cuts due to the uncertainty of the economy this past spring.

When it comes to non-tax revenues, local aid for FY2021 was level funded by the state, and, as you may be aware, we have seen considerable reductions in our hotel and meals excise revenues and parking receipts, due to the pandemic's economic impacts. While growth and cannabis excise are up, collectively our parking, meals, and hotel receipts for the first quarter of FY2021 were down by 35%, meaning we took in close to \$845,000 less that quarter than we did in the same quarter of FY2020.

As we set our tax rate for the current fiscal year, the recommendation is to set the residential factor at .849947 and CIP split to 1.7.

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

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services in as efficient and affordable a manner as possible. When I took 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 current 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, still record bond ratings, and award-winning balanced budgets. Our City's bond rating from Standard & Poor's was upgraded seven years ago to AA, the highest in the City's history. In their most recent ratings report the agency cited our financial stability and conservative 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.

Very truly yours,

Kimberley Driscoll
Mayor
City of Salem

#521 – \$2,976,274.20 RAISED AND APPROPRIATED FROM CITY GENERAL FUND FOR THE TRASH ENTERPRISE FUND EXPENSE SUBSIDY

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: That the sum of Two Million, Nine Hundred Seventy-Six Thousand, Two Hundred Seventy-Four Dollars and Twenty Cents (\$2,976,274.20) shall be Raised and Appropriated from the City of Salem General Fund for the purpose of supporting the 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

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#522 – APPROPRIATION OF \$500,000 FROM FREE CASH TO REDUCE THE TAX RATE AMOUNT TO BE RAISED BY TAXATION

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: That the sum of Five Hundred Thousand Dollars (\$500,000.00) is hereby appropriated from the "Fund Balance Reserved for Appropriation – Free Cash" account (1-3245) to reduce the tax rate amount to be raised by taxation when the Fiscal Year 2021 tax rate is set in accordance with the recommendation of Her Honor the Mayor.

#523 – APPROPRIATION OF \$128,511.78 TO THE FIRE DEPARTMENT SALARIES AND OVERTIME ACCOUNT

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 10 yeas, 0 nays and 1 absent. Councillor Flynn recused himself from this matter and was recorded as absent.

ORDERED: That the sum of One Hundred Twenty Eight Thousand, Five Hundred, Eleven Dollars and Seventy Eight Cents (\$128,511.78) is hereby appropriated to the accounts listed below to be funded by property taxes, state aid, non-property tax revenue and reserves when the FY 2021 tax rate is set in accordance with the recommendation of Her Honor the Mayor.

Account	Description	Amount
12201-5111	Fire FT Salaries	114,579.24
12201-5131	Fire Overtime	13,932.54
Total		\$ 128,511.78

#524 – USE OF CPA FUNDS FOR BOND PAYMENT OF BERTRAM FIELD PHASE 2 PROJECT

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: The Salem City Council hereby approves the use of up to \$100,000.00 in Community Preservation Funds annually, for a period of up to twenty years, for the bond payment for the Bertram Field Phase 2 project, a portion of the capital equipment and improvements bond authorized by a vote of the City Council on June 27, 2019.

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#525 – DUE TO COVID REAPPROVAL OF \$75,000.00 APPROPRIATION FROM FREE CASH TO THE TRANSIT ENHANCEMENT FUND AS PER THE CANNABIS HOST AGREEMENT

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: Due to COVID-19 the DOR is asking that CO#350 that was approved July 9th be reapproved.

Original request: That the sum of Seventy-Five Thousand Dollars (\$75,000.00) is hereby appropriated and transferred from the "General Fund Balance Reserved for Appropriation – Free Cash" account (1-3245) to the Transit Enhancement Fund as provided in the Cannabis Host Agreements and the amount received through June 30, 2019, in accordance with the recommendation of Her Honor the Mayor.

Description	Amount
Transit Enhancement Fund (1%)	\$ 75,000.00
	\$ 75,000.00

Councillor Dibble asked why a revote is needed due to Covid?

Laurie Giardella explained that this situation was at the end of the year, because of Covid, we could carry the free cash forward. At the time we were doing the vote it was not clear if could be as of June 30th or as of July 9th. It's a formality to revote it because the free cash came forward that we didn't use from last year, which is not what normally happens, and we have that money available to spend if we want to once they certify it. So, they asked us to revote it and the original one will be cancelled and treated as not a valid vote. This is not additional monies being expended. It's the Same exact They need us to revote it due to format that they had us use for free cash this year which is different than last year.

#526 – APPROPRIATION OF \$58,980.44 FOR RETIREMENT BUYBACK FOR POLICE DEPARTMENT EMPLOYEE

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 10 yeas, 0 nays and 1 absent. Councillor Prosniewski recused himself from this matter and was recorded as absent.

ORDERED: That the sum of Fifty Eight Thousand Nine Hundred Eighty Dollars and Forty Four Cents (\$58,980.44) be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146) to be expended for the FY 2021 contractual buyback(s) listed below in accordance with the recommendation of Her Honor the Mayor.

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Name	Department	Amount
Harry Rocheville	Police	\$58,980.44
		\$ 58,980.44

#527 - APPROPRIATION OF \$49,250.88 FOR RETIREMENT BUYBACK FOR POLICE DEPARTMENT EMPLOYEE

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 10 yeas, 0 nays and 1 absent. Councillor Prosniewski recused himself from this matter and was recorded as absent.

ORDERED: That the sum of Forty Nine Thousand Two Hundred Fifty Dollars and Eighty Eight Cents (\$49,250.88) be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146) to be expended for the FY 2021 contractual buyback(s) listed below in accordance with the recommendation of Her Honor the Mayor.

Name	Department	Amount
Andrew Dacy	Police	\$ 49,250.88
		\$ 49,250.88

#528 – APPROPRIATION OF \$30,000.00 FROM FREE CASH FOR AN ASSESSMENT CENTER FOR THE HIRING OF A POLICE CHIEF

The following Order introduced by the Mayor was adopted under suspension of the rules by a roll call vote of 9 yeas, 1 nays and 1 absent. Councillors Dominguez, Flynn, Hapworth, Madore, Morsillo, Riccardi, Sargent, Turiel and McCarthy were recorded in the affirmative. Councillor Dibble was recorded in the negative. Councillor Prosniewski recused himself from this matter and was recorded as absent.

ORDERED: That the sum of Thirty Thousand dollars (\$30,000.00) is hereby transferred and appropriated from the "Fund Balance Reserved for Appropriation – Free Cash" account (1-3245_ to the Police Department Contracted Services account (12102-5302) to fund an assessment center process to hire the Chief of Police in accordance with the recommendation of Her Honor the Mayor.

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Description	Fund	Amount
Chief's Assessment Center	12102-5302	\$30,000.00
		\$30,000.00

Councillor Turiel stated this is an exercise we have been doing over the last decade in selecting new chiefs for public safety. It's a good process and it goes above and beyond what the standard exams do, and it allows us to learn about the people. It's an extensive process.

Councillor Dibble questioned whether we should spend this \$30,000 at all. We've hired from within and it's worked well from Chief Tucker to Chief Butler to Fire Chief Giunta. We should save the money and hire from within. This should go to committee so we can have a discussion.

Councillor Turiel replied in all these cases, we evaluated candidates from internal and external who are civil service eligible to apply. The assessment center takes those people and evaluates them. Depends on what the process produces, we have ended up with internal candidates. In the case of the Fire Department it came down to a couple of internal candidates that the center produced. This is a necessary part of the process to do the job – still want to make sure that we have the right person to do the job and we have real world evaluation of their capabilities. Rather than who just scores the highest on the exam gets picked. This is a more valuable and effective way to do it. Ultimately, it's the Mayor's selection and responsibility to pick from those top candidates. A lot of work goes into the assessment center.

Councillor Dominguez asked for clarification if we have done this before or is this the first time? And if we have done before is this the same amount? We are in uncertain economic times and would like to see another alternative without spending \$30,000.

Councillor Flynn like to see this position stay in house.

Councillor Turiel responded these centers have been done before and this type of position any civil service can apply same with the recent opening of the fire chief. An internal candidate goes into this with an advantage, but this is an open posting. The Mayor only gets involved at the end.

Councillor Dibble stated he thought it was only \$10,000 last time and would like to see this go into committee and invite the Mayor in and the HR director.

Councillor Sargent stated maybe we can change some of the language instead of using the word hire we can replace it to say promote from within. (Councillor Dibble seconded motion)

Councillor Turiel stated we don't have the power to require the Mayor to hire from within; it's covered by civil service rules. Unless we remove the position from civil service, we have no control.

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Mayor share a few more insights. We are currently in civil service. In order to promote or hire it can either be a test or an assessment center. The City gave up tests for upper ranks years ago recognizing once you hit a certain rank tests are not as useful as an assessment to put candidates through exercises to see how respond under pressure. There are a arrange of skills form administrative to budgets to leadership. We also use assessment centers for captain rank. This is used to fairly assess them and their skills. We invest in them. I have now selected 2 police chiefs both went through these centers and both internal. Like to begin this process in January. A number of Chiefs have retired throughout Massachusetts and want to be competitive. Not an easy time to be in policing.

Councillor Sargent withdrew his motion under the circumstances.

#529 – DUE TO COVID REAPPROVAL OF \$10,000.00 APPROPRIATION FROM FREE CASH TO HR CONTRACTED SERVICES FOR UNIFORMS

The following Order introduced by the Mayor was adopted under suspension of the rules by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: Due to COVID-19 the DOR is asking that CO#352 that was approved July 9th be reapproved.

Original request: That the sum of Ten Thousand Dollars (\$10,000.00) is hereby appropriated from the “Fund Balance Reserved for Appropriation – Free Cash” account (1-3245) to the “Human Resources Contracted Services Account (11522-5320) to cover uniform costs as required to comply with the AFSCME 1818 contract through FY 2020 in accordance with the recommendation of Her Honor the Mayor.

Laurie Giardella confirmed this is the same formality as the previous one to reapprove.

#530 – DONATION FROM WITCH TEE’S TO PARK AND RECREATION FOR BENCH

The following Order introduced by the Mayor was adopted by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: To accept the donation from Witch Tee’s in the amount of One Thousand Fifty Dollars (\$1,050.00) for a dedication bench. These funds will be deposited into the Park & Recreation Donation Fund 24061-4830 in accordance with the recommendation of Her Honor the Mayor.

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#531 – ESTABLISH COMMITTEE TO PREPARE CITY OF SALEM’S HAZARD MITIGATION PLAN 2020 UPDATE

The following Resolution introduced by the Mayor was adopted by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

WHEREAS, the city of Salem established a Committee to prepare the City of Salem Hazard Mitigation Plan 2020 Update;

WHEREAS, the City of Salem Hazard Mitigation Plan 2020 Update contains several potential future projects to mitigate impacts from natural hazards in the City of Salem;

WHEREAS, duly noticed public meetings were held by the Conservation Commission on August 8, 2019 and February 18, 2020; and

WHEREAS, the City of Salem authorizes responsible departments and/or agencies to execute their responsibilities demonstrated in the plan.

NOW, THEREFORE BE IT RESOLVED that the City of Salem hereby adopts the City of Salem Hazard Mitigation Plan 2020 Update in accordance with Massachusetts General Law Chapter 40 § 4 and its City Charter and Ordinances.

#532 –RESIDENTIAL FACTOR FOR FISCAL YEAR 2021

The following Order introduced by Councillor Turiel was adopted by a roll call vote of 8 yeas, 3 nays and 0 absent. Councillors Hapworth, Madore, Morsillo, Prosniewski, Riccardi, Sargent, Turiel and McCarthy were recorded in the affirmative. Councillors Dibble, Dominguez and Flynn were recorded in the negative.

ORDERED: That the City of Salem adopt a RESIDENTIAL FACTOR OF 84.9947% or .8449947% for Fiscal Year 2021.

Councillor Turiel motion for Immediate Reconsideration in hopes it would not prevail was denied by a roll call vote of 2 yeas, 9 nays and 0 absent. Councillors Dominguez and Flynn were recorded in the affirmative. Councillors Dibble, Hapworth, Madore, Morsillo, Prosniewski, Riccardi, Sargent, Turiel and McCarthy were recorded in the negative.

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#533 - OPEN SPACE EXEMPTION FOR FISCAL YEAR 2021

The following Order introduced by Councillor Turiel was adopted by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDERED: That the City NOT adopt an OPEN SPACE EXEMPTION for Fiscal Year 2021

Councillor Turiel motion for Immediate Reconsideration in hopes it would not prevail was denied.

#534 - RESIDENTIAL EXEMPTION FOR FISCAL YEAR 2021

The following Order introduced by Councillor Turiel was adopted by a roll call vote of 10 yeas, 1 nays and 0 absent. Councillors Dibble, Flynn, Hapworth, Madore, Morsillo Prosniewski, Riccardi, Sargent, Turiel and McCarthy were recorded in the affirmative. Councillor Dominguez was recorded in the negative.

ORDERED: That the City NOT adopt a RESIDENTIAL EXEMPTION for Fiscal Year 2021

Councillor Turiel motion for Immediate Reconsideration in hopes it would not prevail was denied by a unanimous roll call vote of 0 yeas, 11 nays and 0 absent.

#535 - SMALL COMMERCIAL EXEMPTION FOR FISCAL YEAR 2021

The following Order introduced by Councillor Turiel was adopted by a roll call vote of 10 yeas, 1 nays and 0 absent. Councillors Dibble, Flynn, Hapworth, Madore, Morsillo Prosniewski, Riccardi, Sargent, Turiel and McCarthy were recorded in the affirmative. Councillor Dominguez was recorded in the negative.

ORDERED: That the City NOT adopt a SMALL COMMERCIAL EXEMPTION for Fiscal Year 2021

Councillor Turiel motion for Immediate Reconsideration in hopes it would not prevail was denied by a roll call vote of 1 yea, 10 nays and 0 absent. Councillor Dominguez was recorded in the affirmative. Councillors Dibble, Flynn, Hapworth, Madore, Morsillo Prosniewski, Riccardi, Sargent, Turiel and McCarthy were recorded in the negative.

#536 – ORDINANCE AMENDING TRAFFIC CH. 42 SEC. 57A & SEC. 51 - PARKING TIME LIMITED & PARKING PROHIBITED ON DODGE STREET AND DODGE STREET COURT

The following Ordinance introduced by Councillor Turiel was adopted for first passage by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

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ORDINANCE: Amending Traffic, Chapter 42 section 57A be amended by adding the following:

Section 1. Dodge Street – Parking time limited: unmetered zones – Southerly side beginning at point 30 feet east of Dodge St. Ct., for a distance of 105 feet. 30-minute parking only from 8:00 AM to 10 PM Monday thru Sunday.

Section 2. Chapter 42 section 51 be amended by adding the following Dodge St. Ct. – Parking Prohibited on certain streets – both sides beginning at Dodge St in a southerly direction.

Section 3. This Ordinance shall take effect as provided by City Charter.

#537 – TRAFFIC ORDINANCE AMENDING RESIDENT STICKER PARKING – WOODBURY CT

The following Ordinance introduced by Councillor Riccardi was adopted for first passage by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

ORDINANCE: Amending Traffic, Chapter 42 section 75 be amended by adding the following:

Section 1. Woodbury Court – ZONE C COLOR GREEN - #8 and #9 Woodbury Court to be included to obtain resident sticker parking permits but no visitor passes shall be issued.

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

#538 - (#480) – BOND ORDER SIGNATURE PARKS IMPROVEMENT PROGRAM

Councillor Turiel offered the following report for the Committee on Administration and Finance co-posted with the Committee of the Whole to whom was referred the matter of a Bond Order in the amount of \$16,100,000.00 for the Signature Parks Improvement Program has considered said matter and due to a Sunshine Ordinance issue would recommend that the matter be kept in committee and hold a second committee meeting next week for the purpose of voting on it followed by a Special Meeting.

The committee meeting was posted on the city bulletin board so it was perfectly fine per the Open Meeting Law, but due to a technical glitch it wasn't posted on the website until the Monday before the so not within the 48 hour window so can't hold a formal vote on this. Intend to schedule the committee meeting on Thursday, December 10th at 6PM so can revote it followed by a Special Meeting.

It was voted to accept the report and adopt the recommendation by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

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#539 – CARRYING MATTERS FORWARD - COMMITTEE ON ADMINISTRATION AND FINANCE

Councillor Turiel offered the following report for the Committee on Administration and Finance. It was voted to accept the report and adopt the recommendation by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

The Committee on Administration and Finance to whom was referred the matter of carrying matters forward has considered said matter and would recommend that Rule 31B be suspended and the list of attached matters may be carried into the new year of 2021.

#540 - CARRYING MATTERS FORWARD - COMMITTEE ON ORDINANCES, LICENSES AND LEGAL AFFAIRS

Councillor Madore offered the following report for the Committee on Ordinances, Licenses and Legal Affairs. It was voted to accept the report and adopt the recommendation by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

The Committee on Ordinances, Licenses and Legal Affairs to whom was referred the matter of carrying matters forward has considered said matter and would recommend that Rule 31B be suspended and the list of attached matters may be carried into the new year of 2021.

#541 – PETITION FROM SALEM HISTORICAL TOURS TO WAIVE PUBLIC GUIDE FEES FOR 2021

A petition from Salem Historical Tours to waive Public Guide fees for 2021 was referred to the Committee on Ordinances, Licenses and Legal Affairs and that rule 31B be suspended to carry the matter forward to 2021.

#542 – PUBLIC GUIDE LICENSE APPLICATIONS

The Following Public Guide License Application was granted.

PUBLIC GUIDE: Stephen Busby 9 Hillside Ave. Marblehead

#543 – LICENSE APPLICATION

The Following License Application was referred to the Committee on Ordinances, Licenses and Legal Affairs and that rule 31B be suspended to carry the matter forward to 2021.

SECOND HAND VALUABLE: Game Zone 270 Essex St., Salem

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#544 - #546 - CLAIMS

The Following Claims were referred to the Committee on Ordinances, Licenses and Legal Affairs and that rule 31B be suspended to carry the matter forward to 2021.

William Sosnowski 12 Barton St., Salem
Victor Mancini 20 Celestial Way, Salem
Allison Madore 101 Rantoul St., Beverly

**(#493) – SECOND PASAGE OF ORDINANCE AMENDING TRAFFIC – HANDICAP ZONE –
REPEAL – CROSS STREET**

A Second Passage of an Ordinance Amending Traffic, Chapter 42 Section 50B, “Handicap Zones, Limited Time” was then taken up. It was adopted for second and final passage by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

In the Year Two Thousand and Twenty

An Ordinance to amend an Ordinance relative to Traffic, Ch. 42. Sec. 50B

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

Section 1. Amending Chapter 42, Section 50B – “Handicap Zones, Limited Time” is hereby amended by repealing the following:

Repeal – Cross Street, in front of #3 Cross Street, for a distance of twenty (20) feet Handicap Parking only, Tow Zoned Time.” (11/21/19)

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

**(#494) -SECOND PASSAGE OF AN ORDINANCE AMENDING TRAFFIC, CHAPTER 42
SECTION 50B, “HANDICAP ZONES, LIMITED TIME” – REPEAL HATHORNE STREET**

A Second Passage of an Ordinance Amending Traffic, Chapter 42 Section 50B, “Handicap Zones, Limited Time” was then taken up. It was adopted for second and final passage by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

In the Year Two Thousand and Twenty

An Ordinance to amend an Ordinance relative to Traffic, Ch. 42. Sec. 50B

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

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Section 1. Amending Chapter 42, Section 50B – “Handicap Zones, Limited Time” is hereby amended by repealing the following:

Repeal – Hathorne Street, in front of #76, starting at a point twenty-four (24) feet southeast of the driveway at #76 Hathorne Street, running northwest for twenty (20) feet.

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

(#495) - SECOND PASSAGE OF AN ORDINANCE AMENDING TRAFFIC, CHAPTER 42
SECTION 75, RESIDENT STICKER PARKING – HAWTHORNE BLVD

A Second Passage of an Ordinance Amending Traffic, Chapter 42 Section 75 – Resident Sticker Parking was then taken up. It was adopted for second and final passage by a unanimous roll call vote of 11 yeas, 0 nays and 0 absent.

In the year Two Thousand and Twenty

An Ordinance to amend an Ordinance relative to Traffic, Ch. 42. Sec. 75

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

Section 1. Section 75 of Article V-A be amended by adding the following:

Hawthorne Boulevard – ZONE A COLOR BLUE – #24 Hawthorne Boulevard to be included to obtain resident sticker parking permits but no guest passes shall be issued.

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

On the motion of Councillor Sargent the meeting adjourned at 10:45 P.M.

ATTEST:

ILENE SIMONS
CITY CLERK