

2009 State of the City Address

STATE OF THE CITY ADDRESS SALEM, MA

January 5, 2009

Ladies and Gentlemen of the City Council and School Committee, Senator Berry, Representative Keenan *{other dignitaries}*, distinguished guests, friends, family and, most importantly, the good people of Salem, thank you.

Thank you for being here today, thank you for serving our great city and working every day to make it better and thank you for the privilege and honor to serve as your Mayor.

Your public service to Salem should be commended and your tireless efforts reaffirm my profound sense of optimism and faith in our bright collective future.

To my colleagues, friends and my family, particularly my wonderful husband, Nick, and our three children, Delaney, Ailish and Nicky, a special thank you. Your support in thick and thin reminds me every night when I come home – sometimes pretty late – what is really important and why we all continue to serve.

Tonight marks the third time I have offered an address on the state of our city. And let me say from the outset, the state of our city is strong. We are resilient even in the face of adversity and we continue to shine as the anchor city of the North Shore.

Salem's proud history, culture, institutions, diversity, and, more than anything else, our people make me more optimistic every day that the state of our city will only get better.

Tonight is also the last time in my first term in office that I will formally offer a state of the city address before standing for reelection, a campaign I welcome and look forward to because we have so many accomplishments and so many things left to do for Salem.

Throughout my tenure in this storied office, I have held to a simple set of core beliefs and promises – that the heart of my administration would be professionalism, not politics; That we would work hard and work smartly; And that we would make this government truly representative of our people – open and inclusive.

I am pleased that those principals have guided our actions and, because of them and all of our hard work, we have accomplished so much in such a short period of time – even while facing daunting odds and crises no one could anticipate.

When I stood before you in 2005 as a newly-elected mayor, I spoke of the financial challenges facing our city. At that time, the national economy was thriving, but the City was having trouble

paying its bills and balancing its books. In those early days, we were just coming to grips with the extent of our fiscal hurdles – chief among them depleted rainy day funds and budget deficits. And just as we tackled those initial problems, we learned of a gaping hole in our school budget. I am proud to say that today, after overcoming a number of fiscal challenges, the roles have been reversed - we now have a national economy that is officially in the tank, but the city's books are in good shape and our bills are paid. Through it all, however, we never lost our focus and we used the moment to come together as we never have before. We weren't concerned about taking credit or scoring headlines, we got to work collaboratively and cooperatively. I think it's fair to say that:

Never before had Salem seen such cooperation between the Mayor, City Council, School Committee and city departments.

Never before had Salem seen its elected and appointed officials level with the public about our needs and talk straight about the long path back to fiscal stability.

And never before had Salem seen such a turnaround we can all be proud of. We streamlined myriad city departments, we professionalized our fiscal management systems and we have seen the fruits of our efforts.

We closed a multimillion dollar deficit, we balanced our budget by the end of Fiscal Year 2006 and have done so every year since, and we now have nearly \$2 million dollars in reserves. And that's not all. Some of this isn't sexy but it is important and it is meaningful:

We completed our third Comprehensive Annual Financial Report in accordance with the best national accounting standards and are poised to receive our first Distinguished Budget Award, this dual status puts us in an elite category, something that only a handful of other Massachusetts communities have achieved.

We initiated the city's first-ever five-year financial forecast, followed by a five year comprehensive Capital Improvement Plan and a Stabilization Fund Policy, each of which will ensure that we never again face the type of fiscal hurdles we had to deal with when I took office. A special thank you to Finance Director Rich Viscay and members of the Finance team for all the extra effort you have put into making our finances leaner, but stronger.

We have secured more from our neighbors – hundreds of thousands of dollars in PILOTS and SILOTS from NSMC, Salem State College and other non-profits, plus an additional \$250,000 per year from Dominion as part of a new three-year tax agreement with the Salem Harbor Power Plant.

We have completed successful contract negotiations with the majority of our 8 labor unions, while at the same time curtailing employee health insurance increases

Lastly, we have competitively bid a host of city services from trash contracts to liability insurance, reaping savings of hundreds of thousand of dollars per year.

The results are beyond question. When an agency like Standard & Poor's, the world's leading indicator of fiscal strength, upgraded our Fiscal Management Practices to the highest grade

offered, that should say something.

That is a stunning turnaround and I thank you for all the hard work and dedication it took righting our ship at such a critical time.

Now, are we out of the woods entirely? Absolutely not.

In an economic twist of fate of global proportions, we are preparing now for a new tempest. While our first crises were local in origin, these challenges started well beyond our borders.

We have seen economic activity diminish locally and tax receipts have already begun to dwindle. State leaders have warned us to prepare for cuts in local aid, possibly this year and certainly next year – likely as much as 10 percent - that's about \$2 million dollars to the city of Salem for Fiscal Year 2010.

Those kinds of cutbacks will not be easy to absorb and we will again have to work hard and smart to manage our way out of this crisis. But my optimism couldn't be greater because now we know we have the tools, we have the team and we have the wherewithal to succeed even in the most difficult financial challenges.

Throughout my first three years as Mayor, even in the midst of such challenges, I have refused to let our fiscal crisis be the sole focus of this administration. I knew that the people I met knocking on doors throughout the City in 2005 wanted Salem not just to get by - but to move forward, to grow and to get better. That sense of optimism and hope drove me every day and, working with all of you, we have been able to accomplish so much beyond just treading water.

And many of those accomplishments will help us throughout this national recession and make sure Salem is in position to bounce back before many other cities. Our waterfront area is primed to become a statewide model for revitalization, with ridership on the Salem Ferry up again this year - almost 100,000 passengers in only it's third year of operation, and final design and engineering nearing completion on the new Salem Wharf Project, a multi-modal pier facility that will serve not only the ferry, but cruise ships, whale watches, and commercial fishing operators.

And we've been cutting a lot of ribbons lately as our public road network has been strengthened – through the much-anticipated Bypass Road completion - which I still prefer to call the North River Greenway- a beautiful stretch of roadway which has made travel into and out of Salem much less congested, to upgrades on North Street which include historic period street lights and tree plantings, to the vastly improved citywide pavement management system which this year enabled us to repair and repave over 29,000 linear feet on 26 different roadways throughout Salem. Next on the list for a major overhaul is the Bridge Street/Route 1A corridor from the foot of the Salem-Beverly Bridge to the new Bypass Road. This long overdue project will offer residents of the Bridge Street Neck Neighborhood enhanced lighting, new tree plantings, bike lanes, paving and sidewalks.

Work on the long-awaited J. Michael Ruane Judicial Court Complex, a project so critical to the long term viability of our downtown, took a major step forward just days ago when the 200 year old First Baptist Church was painstakingly relocated to an adjacent site where it will be connected to the new building and serve as a law library. Just down the street, work continues

on the site of the former Salem News Building, yet another example of preservation and new construction coming together for the betterment of Salem's future. These two projects highlight only a few of our recent downtown successes, factors which led the American Planning Association to designate Downtown Salem as one of the top 10 neighborhoods in the country for 2008.

As our community continues to grow we must give great thanks to the hard work and dedication of our police and fire services. The public should feel safer and more secure than ever. We have a spanking new \$400,000 pump truck that is set to arrive at fire headquarters later this month and community policing efforts throughout Salem have been vastly improved, from officers patrolling on T-3 segway type vehicles to our highly successful Community Impact Unit or CIU, to new high end surveillance cameras installed downtown. We will continue our embrace of technology this year with the purchase of new auto plate recognition devices, providing our public safety officials with the most cutting edge equipment available to help protect our City.

In our schools, an area near and dear to the heart of any parent, we continue to show steady and solid achievement. Last year, a staggering 92% of graduating seniors moved on to some form of higher education and this past Fall, *Boston Magazine* ranked Salem High School 47th in cost efficiency and 64th in overall academic performance when compared to all public high schools in the Commonwealth. Add to that, the fact that 84% of Salem High students passed the recent MCAS Chemistry exams – a figure that exceeded the state average by 23% and you can see how our investments in education are paying off. And speaking of investments, the recently completed \$67 million dollar renovation of Salem High School means that this past September students began the school year in one of the best equipped secondary schools in the state, replete with new academic areas, upgraded technology such as smart boards, digital media feeds, and state of the art science labs. Our Salem grammar schools also continue to shine with strong enrollment demands for Kindergarten classes and a full array of learning opportunities from expanded day and school year programs, to a two way language program, a green school, a lab school and two K-8 school choices. Let's not leave out our middle school, named after a former mayor, Collins offers a small school learning environment and subscribes to the Coalition of Essential Schools principles, which offers students an opportunity to grow both personally and academically.

And in an area that is critically important to me, we have continued to foster an open and responsive local government. By re-establishing groups like the Neighborhood Improvement Advisory Council (NIAC) and the SSC Neighborhood Advisory Board, I believe critical communications between neighborhood groups and those of us who serve them has been markedly improved. We are blessed with an active citizenry and no where has that been more evident than in the opening of the application process for city boards and commissions. We have had an overwhelming response and continue to appoint new and talented members of our community to serve in these vital roles. Add to that our measures to keep the public informed about our progress on key initiatives and – more importantly – critical information via both our quarterly newsletter, *FYI Salem*, and through our rapid communication CTY phone and email alerts - neither of which was in place at the beginning of my term.

Whether it be the local gas station, a restaurant, a downtown business or any number of suppliers, we are aware of the great financial impact that is generated by our history. That is

why we took steps to reinvigorate Destination Salem to promote our city as one of New England's top tourist destinations. This year, with Halloween falling on a Friday we took on extra planning to manage the anticipated larger crowds. Thankfully, October was another safe and successful month and our Haunted Happenings continue to be a draw not just for tourist dollars and revenues for our businesses, but also for families young and old, throughout Salem and the North Shore looking to enjoy an exciting and festive Fall outing.

All of this is a testament to each and every one of you. We could not have done any of this without your partnership. To the City Council, the School Committee, the various boards and commissions, every hard-working employee in the city and the countless neighborhood volunteers, I say thank you and a job well done.

We have turned a page in Salem during my three years in office and we have begun our turnaround. But I will not rest until it is complete. It has been said that there is no elevator to success; you have to take the stairs. Well, it has been a pleasure marching steadily up those stairs with each of you. Our climb has been steep and we are well on our way to the top.

But now, now is not the time to slow down and relax. My sleeves roll up and I hope yours do too. We have so much to do this next year and, if I am so honored, into my second term as Mayor.

You see, now is a critical time for Salem and dare I say, for every city or town in Massachusetts. Communities such as ours that have survived by reducing budgets, down-sizing government and being efficient managers are now going to be tested by even greater challenges. We have to bridge our historic past and reach collectively for our future by paving new directions, by knocking down barriers to reforms and by working together no matter the challenge in our way. With funding cuts at the state level looming, our solid financial footing will be put to the test. And for this reason, it has never been more important than now for communities to search for creative ways to improve the delivery of municipal services. One way to do that is through regionalization. Funding challenges do not stop at city lines. Therefore, the way in which we deal with these challenges should not be confined to them. Salem has taken a leadership role in working with other North Shore communities to determine how best to deliver services in the most cost effective manner possible. To do this, we are analyzing ways that School and Health Departments in the region can collaborate and potentially consolidate services. The enforcement of the state sanitary code, the need to transport students to and from school, and the training and professional development of teachers does not stop at the city line or differ substantially between communities. Targeted regionalization could be an effective way to control costs and preserve services especially given today's economic climate. It deserves our attention and our encouragement.

Now while regionalization may be able to cure some of our ills, it doesn't replace the demand for certain city services. Our community needs and deserves a first class center to meet our obligation to the 8,000+ seniors who call Salem home. We have studied this issue and are wrapping up our due diligence on the short list of sites identified by both the senior center committee and the city council. Despite the tough fiscal times ahead, there is the means to finance a new facility with a combination of grants and other resources, and later this month I expect to make a recommendation to the Council on how best to proceed with a new senior community life center that will be poised to meet the needs of seniors today and for generations

to follow.

Well known anthropologist Margaret Mead, often touted as a woman who blended knowledge and action has an apt and familiar quote, many of you may know it, "Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

Well, while we will not be zealots, we will be bold and we will get things done in 2009 by following that same tried and true mantra that has worked the last three years – "plan the work and work the plan." This year, first and foremost, I intend to continue working cooperatively with the City Council and incoming Council President Paul Prevey on a proactive agenda for our city. Whether we are balancing budgets, upgrading a playground - and we have several in the works from Forest River to Franklin Street, or building a harbor walk - yes that's going to get done too, we'll be diligent in protecting the interests of Salem, while enhancing the quality of life for taxpayers.

Ours will be designed to continue to make Salem a government of the people, by the people and for the people by tapping into the brain-power and elbow grease of our citizens to help make Salem a better place to live, work and raise a family.

These are just some of my ideas. I need your ideas too. I need your best thoughts, your best visions and your best work.

As always, I pray that we are blessed with good fortune and I give you my unwavering promise that I will continue to work hard this coming year in the best interests of our community every day, every night.

Believe me, I am grateful and humbled by your continued support and confidence in me. Now let's get to work.