



CITY OF SALEM, MASSACHUSETTS

Dominick Pangallo
Office of the Mayor

May 9, 2024

Honorable Salem City Council
Salem City Hall
Salem, Massachusetts 01970

Dear Councillors:

Enclosed herewith is a request for an appropriation of Thirteen Thousand One Hundred Forty-Seven Dollars and Eighty-Seven Cents (\$13,147.53), be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146). This appropriation is necessary to fund the retirement buybacks of the following employees:

Name	Department	Amount
Elaine Cook	Treasurer's Office	\$13,147.53

I recommend passage of the enclosed Order and invite you to contact Human Resources Director Lisa Cammarata with any questions that you may have regarding it.

Sincerely,

Dominick Pangallo
Mayor
City of Salem



CITY OF SALEM

In City Council,

May 9, 2024

Ordered:

That the sum of Thirteen Thousand One Hundred Forty-Seven Dollars and Eighty-Seven Cents (\$13,147.53) be approved within the "Retirement Stabilization Fund-Vacation/Sick Leave Buyback" account (83113-5146) to be expended for the contractual buyback(s) listed below in accordance with the recommendation of His Honor the Mayor.

Name	Department	Amount
Elaine Cook	Treasurer's Office	\$13,147.53
		\$13,147.53



DOMINICK S. PANGALLO
MAYOR

LISA B. CAMMARATA
DIRECTOR OF HUMAN RESOURCES

CITY OF SALEM MASSACHUSETTS
HUMAN RESOURCES
98 WASHINGTON STREET, 3RD FLOOR
SALEM, MASSACHUSETTS 01970
TEL. 978-619-5630

MEMORANDUM

TO: Anna Freedman, Director of Finance
DATE: April 22, 2024
RE: Retirement Stabilization Fund

Attached you will find a retirement buyback for a former employee of the Treasurer's Department.

This former employee is entitled to the following amount of sick leave and vacation buyback.

Elaine Cook

315 sick hours @ \$31.10 per hour	\$9,796.50
107.75 vacation hours @ \$31.10 per hour	\$3,351.03
Total:	\$13,147.53

In accordance with the July 2008 Policy, I am requesting you verify the availability of the funds from the Retirement Stabilization Fund, prepare the Council Order, and continue the process in order that my staff can input the information in MUNIS and issue payments to this former employee upon Council approval.

Thank you for your cooperation, and if you should have any questions, please do not hesitate to contact me.

CITY OF SALEM
APPROVAL-SICK DAYS/VACATION BUY-BACK

From: Department Treasureis

Date 4/22/24

Authorized Signature: [Signature]
Department Head/City or Business Manager/School

NAME: Elaine Cook

CALCULATION

VACATION HOURS # 107.75 @ \$ 31.10 = \$ 3,351.03

SICK HOURS # 3/5 @ \$ 31.10 = \$ 9,796.50

PRO-RATED STIPENDS # _____ @ \$ _____ = \$ _____

OTHER # _____ @ \$ _____ = \$ _____

Total Amount Due: \$ 13,147.53

Please attach corresponding PAF or other backup to this sheet.

Reason: Retirement - 4/11/24

For Human Resources's Use Only:

- VACATION HOURS
- SICK HOURS
- PER ACCRUAL REPORT
- OTHER

Org and Object: 83113 - 5146

Recommendation:

Approved

[Signature]
HR Director/City or Superintendent/Schools



CITY OF SALEM, MASSACHUSETTS

Dominick Pangallo
Mayor

Office of the Mayor

May 9, 2024

Salem City Council
93 Washington Street
Salem, MA 01970

Dear Councillors,

I am proud to submit for your consideration the proposed FY2025 City budget and the associated ordinances and orders necessary to implement it. Budgets reflect the values and priorities of a community, and Salem's is no exception. In developing the coming year's budget our focus was on advancing the three pillars of the FY2025 Strategic Plan: livability, improving services, and transparency. Focusing on affordability, sustainability and resilience, and equity will help us ensure a more livable and vibrant community for all. We want to provide municipal services, policies, and projects that are forward-looking, open to innovation and new approaches, and delivered efficiently and effectively. And City actions should be open, honest, evidence-based, and inclusive.

The FY2025 proposed budget is \$204,106,637, an increase of 4.1% over the previous year's budget. Most of the budgetary increase is due to increases in fixed costs. Fixed costs on the City side of the budget are increasing in FY2025 by \$3,383,766, exceeding the historical average: excepting the FY2021 pandemic-impacted budget the average increase in fixed costs on the City portion of the budget over the last decade was \$2,612,920. In other words, fixed costs on the City budget are nearly 30% more than the historical average. Fixed costs include health and retirement benefits for employees, debt payments, charges by the state, costs obligated by prior contracts, and utility costs. Many fixed costs have been driven up substantially by inflationary impacts from earlier in FY2024 and while our energy services contract and related sustainability work for City buildings and vehicles have lessened the impact of energy cost spikes (and will hopefully continue to do so), those overall costs have increased. Our largest single fixed-cost increase, however, is in health insurance for our employees, which will go up in FY2025 by \$1,655,721, almost 10% over FY2024. On the School side of the budget, fixed costs are increasing by \$3,156,472. Combined with the City amount, the total increase in fixed costs is \$6,540,238, which represents 81.4% of total budget increase. Put another way, for every dollar the budget increases, around 81-cents of that are from costs that are fixed and must be paid.

This is no doubt a challenging year for Salem and for many communities across Massachusetts. Balanced against these increases in fixed costs, the impacts of inflation, and rapidly increasing cost of personnel to ensure competitive wages and benefits, one-time revenues derived from federal funding related to the pandemic are ending. Salem wisely took steps earlier in FY2024 to mitigate the effects of that to an extent, but we will continue to feel some consequences from it into FY2025, particularly related to pandemic funding for public schools. The proposed FY2025 budget accounts for and manages these changes strategically and without compromising our focus on critical services and programs for our community and for our schools.

While the pressures are significant in this coming fiscal year, along with uncertainties related to local aid from the state – which is not finalized by the legislature at the time this budget is being filed – and the on-going negotiations for new contracts with five of our City’s eight public employee unions, there are reasons for optimism.

A strong local economy has bolstered revenue projections for a number of our local receipts and receipts reserved categories, and we are estimating a conservative, but positive, change in new growth for FY2025. Growth of our tax base is critical to mitigating the impact on existing property taxpayers and must remain a shared priority for City government. For context, our anticipated new growth is just slightly less than the increase in our health insurance costs alone. Without growth, fixed cost increases such as that will fall to existing property taxpayers.

The combination of high interest rates and large federal allocations in City accounts generated healthy levels of investment income in FY2024; while this is not a recurring revenue source, it is aiding us in reducing the impact that would come from abruptly ceasing ARPA and ESSER funded programs as those federal funding sources conclude. Lastly, a debt analysis exercise by the Finance Department has identified opportunities to redirect unused bond authorizations and remaining ARPA dollars to shovel-ready capital projects. That will greatly reduce the amount of borrowing necessary for the FY2025 capital program, helping the City avoid the impact of higher interest rates for debt (even with our record bond rating from Standard & Poor’s reaffirmed earlier this year, overall interest rates remain challenging), reduce future years’ debt payments, and potentially favorably impact water/sewer rates in the years ahead.

The proposed FY2025 budget includes a number of changes and additions worth highlighting. With changes in leadership in three departments – Public Services, Engineering, and Information Technology – those three departments are undertaking minor internal reorganizations. Those new structures are reflected in the Public Services and IT department budgets, but Engineering is still underway and will be revised in the coming months. Public Services and Engineering are accomplishing their reorganizations without any net increase in their personnel costs; IT is shifting some personnel costs to their expense budget through their restructuring. In other words, none of these administrative changes will bring a net increase in the overall City budget.

We are proposing a total addition of four new full-time positions (an increase in full-time personnel of 1.0%) and two new part-time positions an increase in part-time personnel of 1.2%) on the City (non-School) portion of the budget. To ensure we are meeting our goal of delivering services equitably, affordably, and efficiently, all of these positions are funded through the

proposed changes to local fees reflected in ordinances filed with this budget or previously filed with you this year, or through anticipated grants.

Department	Position	Revenue Off-Set
Health	Code Enforcement Officer (FT)	Short-term rental fee adjustment (administrative fee)
Inspectional Services	Local Building/Code Enforcement Compliance Inspector (FT)	Permit fee adjustment (enclosed)
Electrical	Journeyman Electrician (FT)	Permit fee adjustment (enclosed)
Finance	Grants Coordinator/Budget Analyst (FT)	Anticipated grants
Solicitor	40U Hearing Officer (PT)	MGL 40U fines
Solicitor	Enforcement Officer (PT)	Public guide fee adjustment (previously filed)

As mentioned above, we are currently negotiating successor contracts with five of our collective bargaining units. As such, there may be additional FY2025 personnel costs that will require a future City Council vote to appropriate. Funding to manage those future costs is being budgeted within the City's existing Salary Reserve account. That account also carries funds for a forthcoming accomplishment-based salary exercise for exempt employees. There are approximately 166 exempt (that is, non-union) City positions, including department heads. To more objectively ensure we are fairly compensating the employees in these positions, earlier this fiscal year we began a formal compensation study with an outside consultant. The FY2025 budget builds on the early results of that study, which is still on-going, by providing a cost-of-living adjustment and an added incremental adjustment to certain positions to begin moving them closer to a competitive salary range. The final report will outline a long-term classification plan to provide a roadmap for future adjustments to ensure a competitive workforce and improve employee retention, as well as a structure for accomplishment-based increases for exemplary employees. For FY2025, those merit-based increases will be funded out of the Salary Reserve, subject to City Council appropriation in early FY2025. For future years, exempt employee salary adjustments will be structured based on a COLA, the classification plan, and an accomplishment-based review conducted by department heads and the Mayor starting in February, so those changes can be fully reflected in the budget filed with the City Council in May.

Also new in the FY2025 proposed budget is funding to carry out the newly issued Language Access Policy. This policy sets standards for City departments for the translation of public-facing documents into Spanish, which was supported initially by an allocation from our ARPA funding. On an on-going basis, we are proposing to provide stipends to bilingual employees who pass a certification test and provide bilingual translation and interpretation to those contacting departments. This is similar to a policy utilized successfully by Salem Public Schools and we are

proud to be able to extend it to municipal departments now, as well.

Our schools' budget is \$74,592,616, an increase of \$3,438,474 or 4.83%, over the FY2024 school budget. This does not include school-related costs that appear elsewhere in the budget, such as school employee health insurance increases, unemployment costs, and debt for school building projects. It also does not include charter school tuition assessments or our assessment for the Essex North Shore Agricultural and Vocational Technical High School, which are also education-related expenditures by the City. When those factors are included, a substantial amount of Salem's budget is tied to our schools and our students, easily the largest single area of spending. The direct appropriation increase proposed for FY2025, however, \$3,438,474, is 72% more than the average increase over the past decade. The 4.83% boost to the City's appropriation to our schools exceeds the average increase of 3.26% of the previous decade and reflects our commitment to our public schools, our educators, and, most importantly, our students.

The enterprise fund budgets will increase by \$382,654, or 1.88%, over the FY2024 enterprise funds budget, due to increases in assessments for these services and the need for ongoing infrastructure maintenance and upgrades. Ordinances have been submitted to you establishing the water and sewer rates necessary to fund these budgets.

The FY2025 Capital Improvement Plan (CIP) is also included as part of this budget, as are the associated bond orders to fund these capital investments. I am proud that we continue to offer forward-looking capital plan in our budget each year, as a responsible and transparent way of planning for future obligations while meeting present-day needs to best serve Salem residents. The CIP reflects projects across most City departments and our public schools, and is funded through a wide diversity of funding sources, including bonds, short-term capital, grants and rebates, receipts, retained earnings, and more. As outlined above, for FY2025, we have sought to minimize debt costs by leveraging other funding sources for capital projects, in order to reduce future debt payment amounts and ease rate increases for water and sewer users. For example, the proposed FY2025 CIP derives \$8,028,761 from general fund and enterprise fund bonding, which is \$15,353,239 less than the total derived from bonding for the FY2024 CIP. The FY2025 CIP additionally aligns with our on-going energy service plan implementation to improve the sustainability of City facilities. These facts reflect the City's goal of investing in our critical capital needs to ensure a vibrant, resilient, and accessible community, but doing so in a strategic, thoughtful, and efficient manner.

The FY2025 CIP includes a multitude of important new projects, but to highlight just a few:

- Continuation of the smart traffic signal installations at Congress Street, Derby Street, and Hawthorne Boulevard (\$100,000).
- \$2,132,548 in both local and state funds for road paving and sidewalks.
- Continuation of the Boston Street corridor project to advance the design from the current 75% to 100% (\$625,000).
- Efficiency and accessibility projects and repairs to fire stations (\$110,305).
- Replacement of police and fire vehicles (\$426,000).
- An overhaul of the City website to provide easier and more accessible public engagement to critical information (\$70,000).

- \$434,365 for substantial upgrades to wireless and internet service at Collins Middle School and Salem High School.
- New and more efficient lighting and control system in the Salem Public Library (\$54,135).
- New electric vehicle charging stations at the Community Life Center (\$258,000).
- Three new vans for the Council on Aging, including two electric ones (\$65,619).
- Final phase of local funding of \$500,844 for the Salem Willows Pier signature park project.
- \$1,010,000 for the Jefferson Avenue/Willson Street intersection safety project.
- \$325,000 to design safety improvements for the Essex Street/Cambridge Street intersection.
- Improvements and repairs to public property adjacent to Salem Wharf on Blaney Street and the City's deep-water berth, and design phase for the new Ferry Terminal building (\$511,410).
- Phase 2 of the Salem Willows Signature Park Project (\$421,750).
- Phases 2-4 of the Dickson Chapel historic preservation and restoration project (\$350,000).
- Creation of a preservation and management plan for Fort Lee (\$32,000).
- Begin design of a multi-use path network along Highland Avenue (\$40,000).
- Finalize design for the Curtis Park improvement project (\$90,813).
- Advance development goals for Church Street parking lots through public engagement and technical analysis (\$25,000).
- Artist Row roof replacements (\$222,500).
- Phase 2 of the Old Town Hall restoration and renovation project, focused on exterior preservation and improvement work, including additional accessibility and sustainability elements (\$2,000,000).
- \$200,000 for replacement of the emergency backup generator at the Salem Police Department and \$170,000 to replace the one at Witchcraft Heights Elementary School.
- Installation of a Level 1 fast charger for the Salem Police Department's increasing number of electric vehicles (\$217,608) and a second one for other municipal departments utilizing electric vehicles (\$250,000).
- Installation of an emergency speaker system downtown (\$100,000).
- Efficiency and accessibility projects and repairs at the police station (\$360,801).
- Begin installation of permanent street sweeping signage (\$25,000).
- Begin Citywide sidewalk small repair initiative (\$750,000).
- \$500,000 to repair and refresh the Bates Elementary School pre-K playground.
- \$1,764,328 for a variety of efficiency and improvement projects at Salem Public Schools buildings aligned with the City's energy services plan.
- Continuation of public engagement and outreach work related to Resilient Together: El Punto (\$50,000).
- Update to the City's Hazard Mitigation Plan (\$50,000).

Salem should be proud of our record stabilization levels, bond rating, and considerable levy capacity. We have also enjoyed a low average tax bill increase relative to our region. In our budgeting practices, the taxpayers of Salem should be foremost in mind. This budget recognizes

and respects the impact of property taxes on residents. Salem's average tax bill change over the last decade has been well below the average for our region and bolstered by the adoption of as many exemptions and abatements as practical, particularly focused on our neediest taxpayers, including lower income residents, seniors, veterans, and those living with disabilities, as well as through increasing the share of the cost burden being exported to visitors and non-residents through fees and excises. We continue to tax below our allowable levy limit; for FY2025, we will continue to maintain excess levy capacity – in the amount of \$7,816,157 – a further demonstration of our prudence and care with taxpayer dollars.

The financial challenges presented by fixed cost centers and the many externalities pressuring our fiscal conditions are very real and have a very real effect on our budget. Despite those pressures, I am proud that the FY2025 budget maintains our dedication to fiscal responsibility while making important investments to strengthen our community. Our fiscal practices have resulted in not only affirmation of our historic high AA bond rating for the last eleven years in a row, but also our regular receipt – for sixteen years in a row – of recognitions and awards from the Government Finance Officers' Association, a national agency that provides professional guidelines for government budgets and fiscal practices. In its affirmation of the AA bond rating, S&P Global Ratings specifically cited Salem's "strong financial management environment with a focus on long-term financial and capital planning...to support stable finances."

Lastly, another key factor in enhancing our local economy and contributing to new revenues to help meet our budgetary needs are the public and private investments we continue to see in our community. These projects enhance our short- and long-term economic growth, create much needed housing, add to our tax base, and generate jobs. We are projecting the value increase of new growth for FY2025 at \$1 million. That is \$1 million less burden on existing Salem taxpayers. Without responsible new growth we cannot provide the services and improvements that our constituents rightly demand and deserve. Given the reliable increase in fixed costs to the City and the financial challenges of the past year, a reflexively anti-growth position is equivalent to endorsing substantial tax increases on Salem homeowners and reduction in critical City services like public safety, public schools, and public works. With appropriate new growth comes much needed housing, commercial enterprises with jobs, and new revenues to support the needs of Salem taxpayers and the ability of local government to deliver critical services.

In FY2025 we will continue to strive to exceed the service level expectations of our constituents, while simultaneously ensuring fiscal prudence in all expenditures. The mission of City government in Salem is to provide open, honest, and pro-active services effectively and efficiently, focusing on the needs of today, with a vision for the future. To accomplish this, the proposed budget aligns operations with strategic goals and objectives, while maintaining necessary fiscal controls and careful attention to our financial forecasts in our budgeting.

I appreciate the hard work and cooperation our department heads have put into the preparation of this year's budget. I cannot say enough about the efforts made by our Finance Department especially. The department's work ensured that the budget was ready for submission and in compliance with the high standards we set for ourselves pursuant to GFOA Distinguished Budget guidelines. This year the department was tasked with having the budget prepared earlier in May than usual, to afford Councillors as much time as possible to review this important

document. This goal, which the department achieved, put added pressure on the staff in that office and they stepped up to the challenge with incredible professionalism and dedication.

Salem is one of only a handful of Massachusetts communities who annually qualify for both a Certificate of Excellence for our Comprehensive Annual Financial Report and a Distinguished Budget Presentation Award from the GFOA. In furtherance of the GFOA's prioritization of improving transparency in public budgets, we are proud to offer a "Budget in Brief" summary that quickly highlights the most important parts of the FY2025 City budget.

The proposed FY2025 budget represents a strong commitment to the people we are fortunate enough to have been elected to serve. It continues our balanced and responsible approach to City finances. It invests in the critical services that make Salem a vibrant city and one with schools in which we can all take pride – in short, a livable, equitable, and vibrant city, with excellent municipal services and a commitment to transparency. I recommend adoption of the proposed FY2025 budget, CIP, and other associated budgetary measures and I look forward to working with you in the coming days to enact this proposed spending plan to continue ensuring that Salem is a financially strong and professionally administered community.

Sincerely,



Dominick Pangallo
Mayor
City of Salem

CC: Department heads
Salem School Committee members
State Senator Joan Lovely



City of Salem FY2025 Budget in Brief

July 1, 2024 – June 30, 2025



A City that Works for All

The City of Salem's FY2025 budget lays out an optimistic and forward-looking vision that extends from the City's existing fiscal strength and its commitment to core public services. It is based on the City government's mission statement, **"to provide open, honest, and pro-active services effectively and efficiently, focusing on the needs of today, with a vision for the future."**

The FY2025 budget is centered around **livability, improving services, and transparency**. Focusing on affordability, sustainability and resilience, and equity will help ensure a more livable and vibrant community for all. Municipal services, policies, and projects must be forward-looking, open to innovation and new approaches, and delivered efficiently and effectively. And City actions should be open, honest, evidence-based, and inclusive.



The FY2025 budget builds on the City's strong existing foundation and will help continue to make Salem a City that works for all.

The Budget in Brief...Briefly

A City's budget reflects its values and its vision for the future. More than just a technical compendium of numbers, a budget should tell the story of the community that it serves.

Because the budget is such a centrally important document for understanding a City's values and vision, **Salem consistently strives to find new ways to make its budget accessible, transparent, and more understandable.**

This Brief is intended to provide a key overview of the FY2025 budget. You can find the full FY2025 budget online at salemma.gov/fy25 and send any questions to mayor@saalem.com.

Budget Snapshot

Salem has received the **Distinguished Budget Presentation award** from the Government Finance Officers Association for the last 14 years in a row, in recognition of the budget document's clarity and level of detail.



FY2025 Key Priorities - 1



Affordable

- Make Salem a more livable community for people of all means.
- We do this by (1) advancing policies and initiatives to address housing affordability and attainability, (2) strengthening the City's internal efforts on neighborhood stability, safety, and social services, and (3) maintaining and building on sound fiscal practices to deliver City services and projects as efficiently as possible.



Resilient

- Continue commitments to prepare for the climate crisis and lessen our contribution to it.
- We do this by (1) advancing the offshore wind port, (2) investing in projects and programs that meet the goals of the Resilient Together plan, and (3) continuing and expanding efforts to reduce passenger vehicle trips and make alternative methods of transportation safer, ordinances and projects to reduce building emissions, and programs to increase renewable power supply.

FY2025 Key Priorities - 2



Equitable

- Build on Salem's efforts to create a more welcoming and inclusive city for all.
- We do this by (1) supporting the Director of Diversity, Equity, and Inclusion in training City staff, (2) interrogating City policies and programs to ensure they are equitable, and (3) structuring services to serve and support historically under-served populations through engagement and language access.



Forward Looking

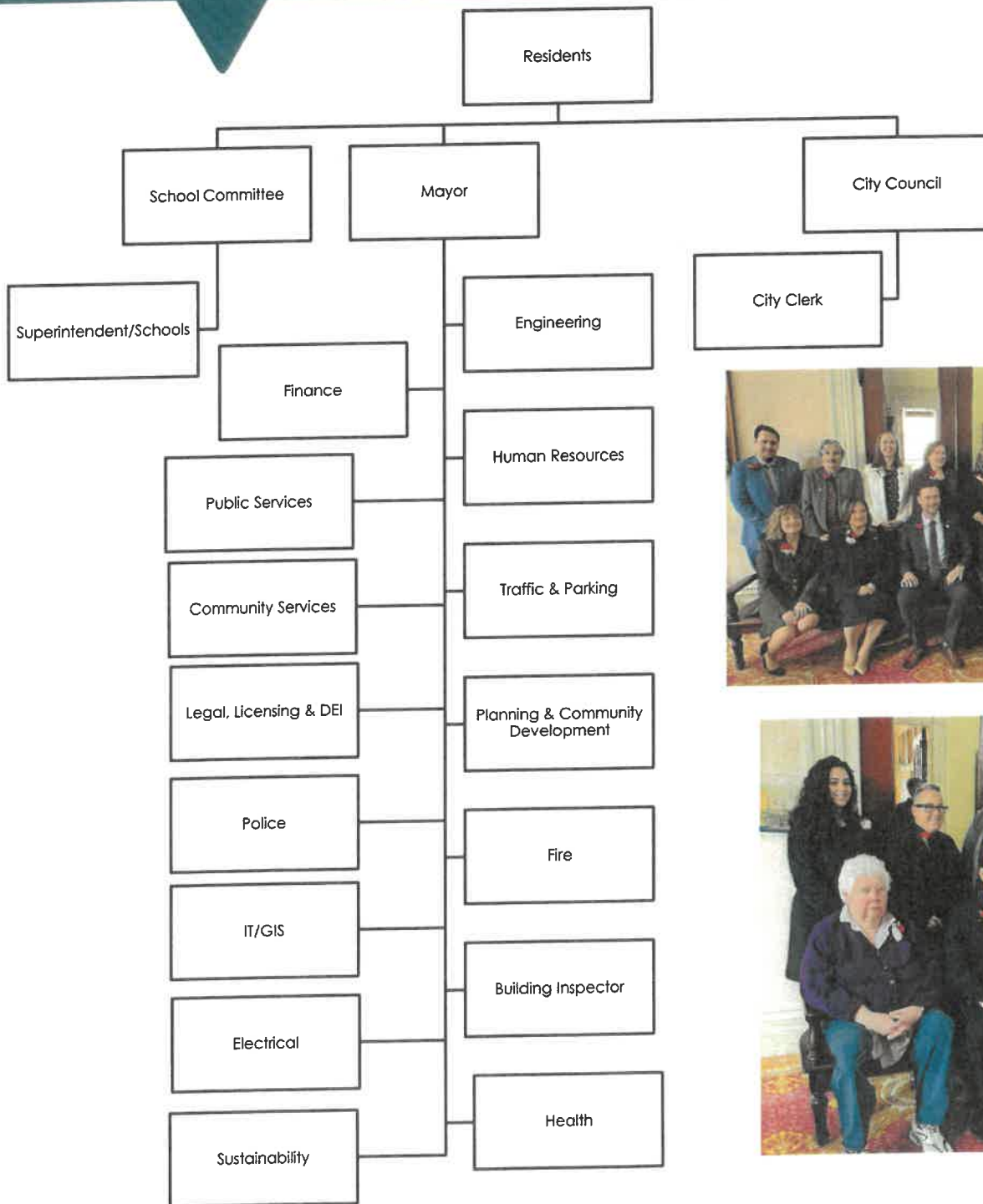
- Instill a long-term and forward-looking vision in the City's plans and actions.
- We do this by (1) remaining focused on capital projects and investments that meet our existing plans and our Salem 400+ goals, (2) aligning department investments with the City and School's strategic plans, and (3) engaging in innovative approaches to service delivery and outreach.

About Salem



- **Population:** 44,722
- **Total employment:** 29,757
- **People who live elsewhere and commute into Salem for work:** approx. 17,000
- **Median household income:** \$79,196
- **Persons in poverty:** 13.9%
- **Median home value:** \$644,680
- **Median condo value:** \$492,579
- **Median rent:** \$2,791
- **Housing units:** 20,349
- **Bachelor's degree or higher:** 48.2%
- **Students in Salem Public Schools:** 3,887
- **Salem High School graduation rate:** 88.1%
- **Economically disadvantaged students:** 64%
- **Non-White students:** 62%
- **Non-White City population:** 23%
- **Speak a language other than English at home:** 21.6%
- **Under 18 years of age:** 15.6%
- **Over 65 years of age:** 16.4%
- **Square miles:** 8.0
- **Road miles:** 115.3
- **Public parks and open spaces:** 43

Structure of Salem's City Government



Forming the Budget

Budget Timeline

- January: Budget message sent by Mayor to Department heads and Superintendent of schools.
- January - February: Department heads develop budget requests.
- March - April: Department heads meet with Mayor to review budgets and capital requests.
- April: School Committee votes on requested budget.
- May: Budget filed with City Council.
- May-June: Council's Administration & Finance Committee holds budget hearings; Council votes on the budget.
- July 1st: New fiscal year begins.
- December: City Council sets tax rate.

Sections of the Budget

- Section 1: Mayor's budget message
- Section 2: Overview of the City of Salem
- Section 3: Overview of the budget
- Section 4: Schools budget
- Section 5: Enterprise Funds budget
- Section 6: Financial forecast, plans, and policies
- Section 7: Capital plan
- Section 8: Department budgets



Budget Snapshot

An **enterprise fund** is a separate accounting mechanism for services for which a fee is charged by the City and for which the revenues and spending are not comingled with the general budget. Salem has four enterprise funds: water, sewer, trash, and cable access.

What's the Budget based on?

The budget in Salem is shaped by six sources of information:

1. Department requests aligned with objectives and the City and Schools' strategic plans.
2. Mayor and City Council priorities reviewed at the annual strategic planning retreat and throughout the year.
3. School Committee requested budget based on Superintendent and district input.
4. Resident feedback gathered throughout the year.
5. Existing plans →
6. Fixed costs.



Some Existing Plans that Shape the FY2025 Budget

- Imagine Salem
- Open Space & Recreation Plan Update
- Race Equity Task Force Plan
- Salem for All Ages Action Plan
- Resilient Together Climate Action Plan
- Pavement Management Plan
- Salem Public Schools Strategic Plan
- Historic Preservation Plan
- Emergency Management Plan
- Housing Roadmap
- Bicycling Master Plan
- Public Art Master Plan
- School Facilities Master Plan
- Energy Services Audit
- Hazard Mitigation Plan

Revenues for Salem's Budget - 1

○ Property Taxes

- The amount raised by property taxes cannot increase over the previous year's amount by more than 2.5% plus the amount of new growth.
- To do so requires a "Proposition 2-1/2 override" vote by the community, which Salem has never needed.
- If the amount that is raised in property taxes is less than the amount that can be raised, the community has "excess levy capacity," which is seen as a measure of fiscal health. Salem's excess levy capacity in FY2025 will be \$7.8 million, which is considered strong.
- The more new growth a community has, the less it must rely on taxes from existing taxpayers.



○ Local Receipts

Salem has nearly 20 different types of local receipts, which include things like motor vehicle excise, meals excise, license and permit fees, and so forth.

○ Enterprise Funds Revenues

These are payments made by users of enterprise services (water, sewer, trash). Some communities do not include enterprise fund revenues and expenditures in their budget document, however Salem does so to ensure greater transparency.

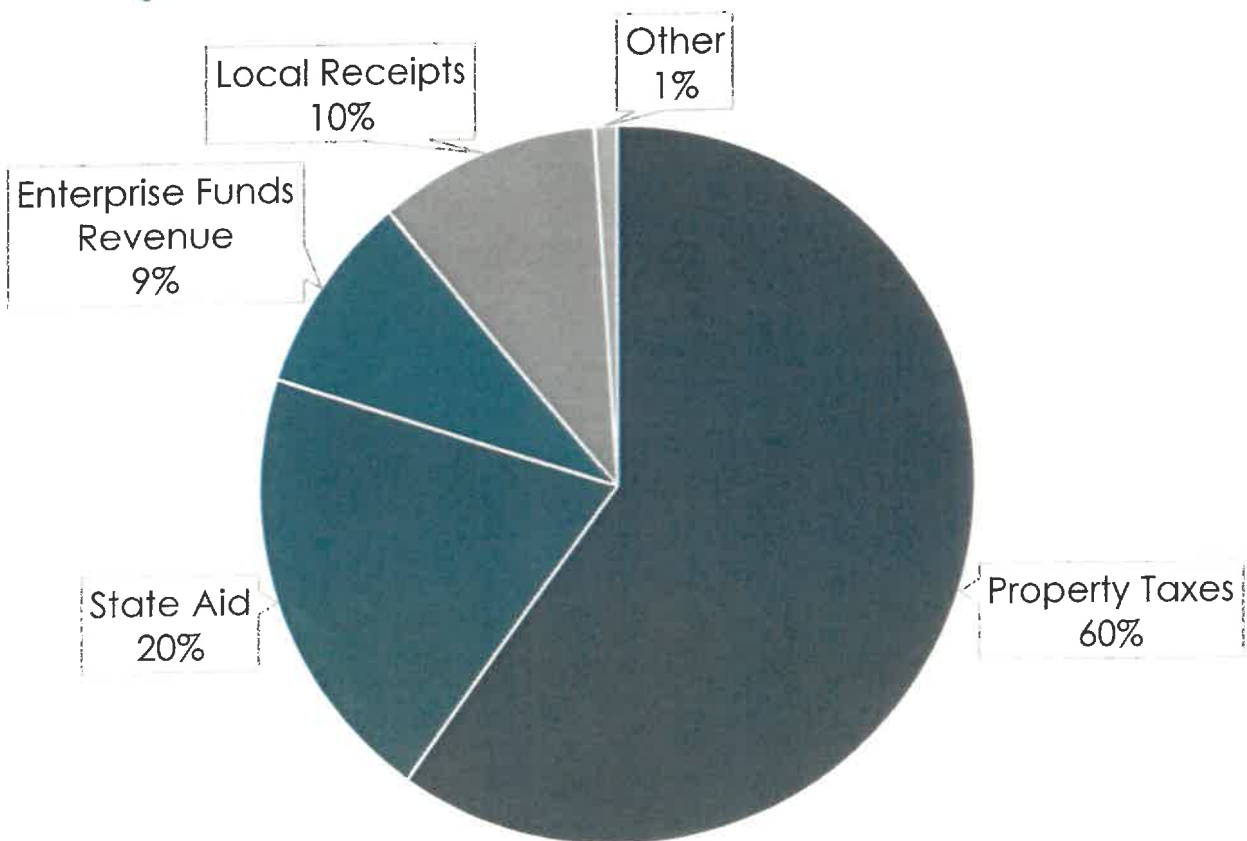
○ State Aid

The largest category of state aid is for schools, however there are other smaller categories of state funding that the City receives, as well.

○ Other

Salem uses excess receipts from City programs like the Witch House and Golf Course to help fund the budget and reduce the amount that must be raised through property taxes.

Revenues for Salem's Budget - 2

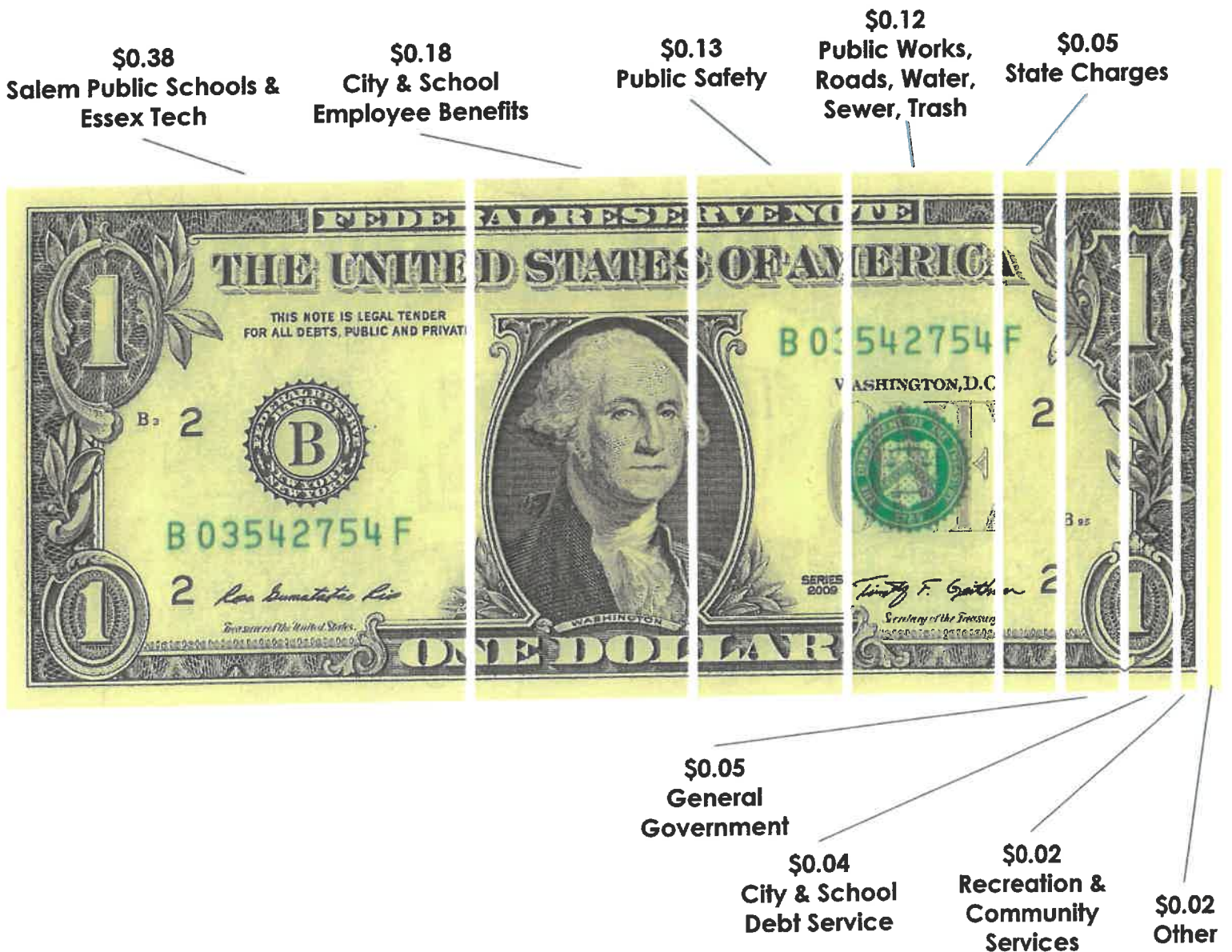


Budget Snapshot

By law, Salem's City budget must be **balanced**. That means that the planned expenditures must be equal to the anticipated revenues. Financial forecasting and revenue projections help estimate what the expected funds will be for the coming year.

Where your tax dollars go

The FY2025 budget totals \$204,106,637, a 4.1% increase over last year's. The City budget is increasing 4.1%, the Schools budget is increasing 4.8%, and the Enterprise Funds budget is increasing 1.9%.



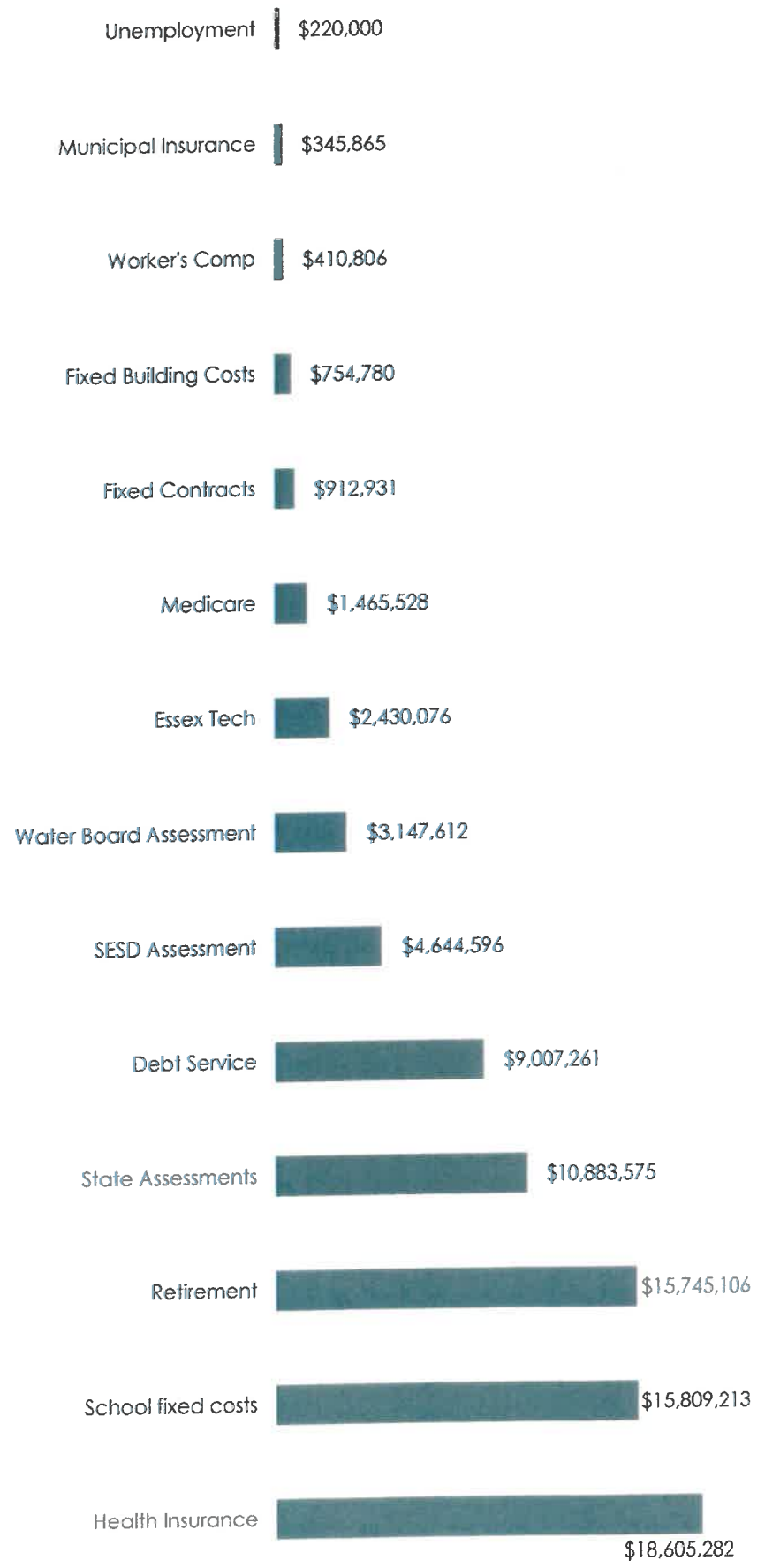
Fixed Costs in Salem's Budget

Fixed costs include debt service, retirement, insurance, and health insurance charges, assessments by the state and other governmental bodies, and contractually required payments. These costs are "fixed" because the City does not have discretion to reduce them.

Fixed costs comprise roughly \$84 million, which is 41% of the City's total budget – in other words, about \$0.41 of every \$1 spent in the budget is on a fixed cost.

In FY2025, changes in fixed costs account for about 81% of the budget's overall increase over the previous fiscal year, the largest amount in over a decade.

FY25 Fixed Costs

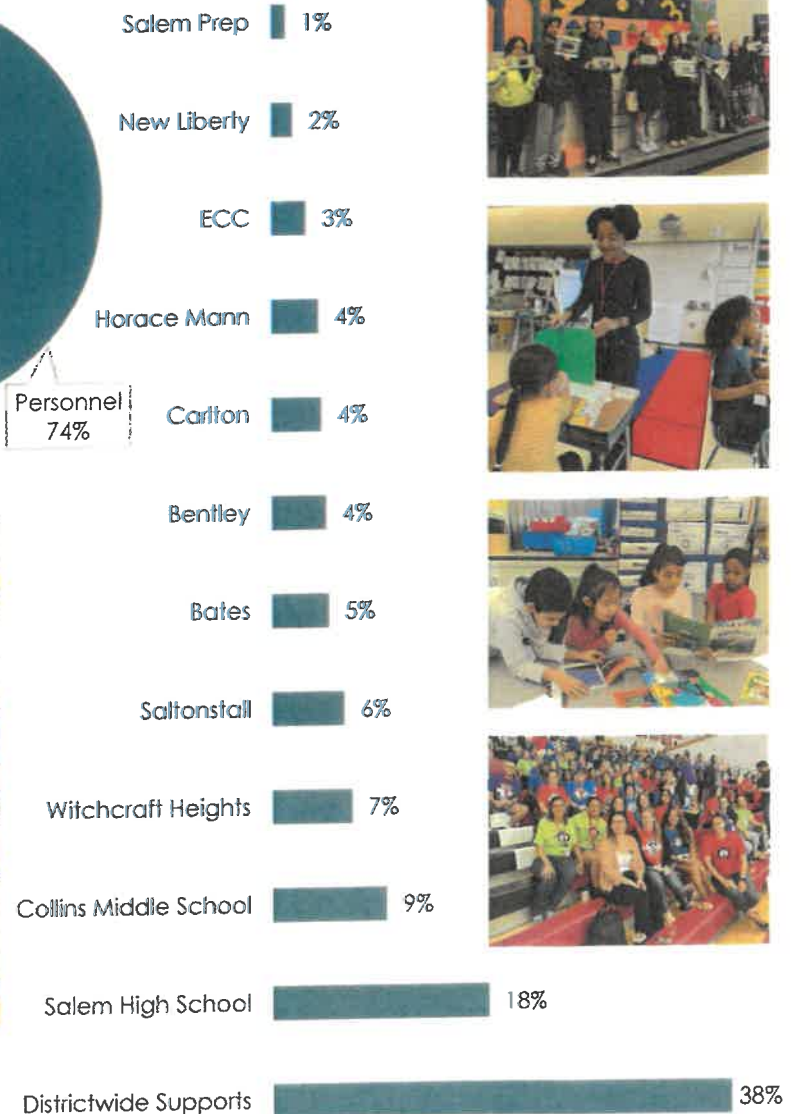
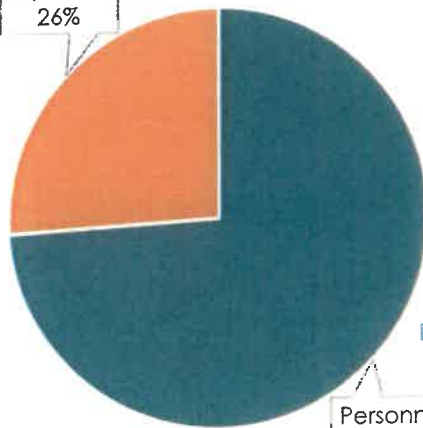


FY2025 Salem Schools Budget

For FY2025, Salem's school budget is \$80,158,896. This does not include school-related costs that are carried on the "City side" of the budget, like school building project debt, health insurance for teachers and other school employees, and so forth.



Expenses
26%



Budget Snapshot

Around 64 cents of every \$1 Salem spends on schools comes from taxes. The next largest source of **school funding** is state aid, which comprises about 27 cents of every \$1. Over the previous decade, the City's appropriation for Salem's schools increased an average of 3.1% per year, but in FY25 it will increase by 4.8%.



FY2025 Capital Budget

The capital plan section of the budget, Section 7, outlines capital expenditures for FY2025, as well as those planned for future years, how they are being paid for (borrowing, receipts, grants, etc.), and what their long-term impact is projected to be on the regular budget.

Capital Project Highlights

- Signature Park projects
- Boston Street design
- Police/Fire/DPW vehicles
- ADA upgrades
- Road paving and sidewalks
- EV charging stations
- Historic preservation work
- Willows Pier & Ferry Terminal
- Artists Row & Old Town Hall
- Playground upgrades
- Building energy efficiencies
- Stormwater system improvements
- Coastal resilience
- New City website
- Water system upgrades
- Trails and safe streets projects



Budget Snapshot

Capital are tangible assets or projects with a value of \$25,000 or more and a depreciable life of 5 or more years.

Capital projects and equipment are largely funded from **bonds** (borrowing). General capital bonds are paid by tax dollars and water/sewer capital bonds are paid by water and sewer ratepayers. Salem currently has its highest bond rating in its history, meaning its interest rates for capital debt is low. This is counterbalanced, however, by rising inflation and material costs.

FY2025 Departmental Budgets



Budget Snapshot
 The budget presented to the City Council is usually considerably less than the amount originally requested by departments. Each year the administration pares requests down to a level that will ensure a balanced budget based on projected revenues.





CITY OF SALEM, MASSACHUSETTS

Dominick Pangallo
Mayor

May 9, 2024

Salem City Council
93 Washington Street
Salem, MA 01970

Dear Councillors,

Enclosed please find supporting Orders and Ordinances necessary for the adoption of the FY2025 City budget. These items include:

1. Council Order appropriating from short-term capital.
2. Council Order appropriating from free cash.
3. Council Order appropriating from Water/Sewer retained earnings.
4. Council Order appropriating from PEG Access retained earnings.
5. Council Order appropriating from Golf Course receipts.
6. Council Order establishing the Charlotte Forten Park Revolving Fund.
7. Council Order authorizing the revolving funds.
8. Bond Order for general fund capital.
9. Bond Order for water/sewer capital.
10. Ordinance for water rate.
11. Ordinance for sewer rate.
12. Ordinance for solid waste fees.
13. Ordinance for Building Inspector fees.
14. Ordinance for Electrical Department fees.
15. Ordinance for bulk item pick-up fee.
16. Ordinance for Fire Prevention fees.

One or two additional items are anticipated to be ready for filing for the May 23, 2024, City Council meeting. I recommend adoption of the enclosed Orders and Ordinances as part of the FY2025 budget process and welcome questions you may have regarding them during the forthcoming Administration and Finance Committee meetings.

Sincerely,

Dominick Pangallo
Mayor
City of Salem



CITY OF SALEM

In City Council,

Ordered:

May 9, 2024

Ordered:

That the sum of \$3,253,363 be and hereby is appropriated as part of the FY 2025 Capital Improvement Plan to be expended as listed below in accordance with the recommendation of His Honor the Mayor.

Department	Description	Account	Amount
Building	Annual Priority Small Repairs, Upgrades, FF&E & Associated Improvements	20002522-5846HQ	\$ 50,000
Building	ADA Compliance and Associated Improvements	20002522-5846HR	\$ 30,000
Electrical	Traffic Light Infrastructure Improvements/Updates	20002508-5846HS	\$ 60,000
Electrical	Smart Signal Project Phase 3	20002508-5846HT	\$ 100,000
Electrical	ADA Walk Signal Buttons	20002508-5846HU	\$ 10,000
Engineering Municipal	Furlong Park - Lot A	20002529-5846HV	\$ 200,000
Engineering Municipal	McGrath Park Remediation	20002529-5846HW	\$ 250,000
Fire	Lighting System Improvements - Four Fire Stations	20002510-5846HX	\$ 39,366
Fire	Fire Station Weather Infiltration Reduction	20002510-5846HY	\$ 12,953
Fire	Replace 22 year old Rescue Squad Truck	20002510-5846HZ	\$ 80,000
Fire	Annual Priority Small Repairs, Upgrades, FF&E & Associated Improvements	20002510-5846IA	\$ 30,000
Fire	ADA Compliance and Associated Repairs	20002510-5846IB	\$ 12,000
IT	Website upgrade	20002507-5846IC	\$ 70,000
IT	IT Lifecycle Management (City)	20002507-5846ID	\$ 200,000

Library	Lighting System Improvements & Controls	20002514-5846IE	\$ 48,925
Library	ADA Improvements and Associated Repairs at Library	20002514-5846IF	\$ 12,000
Library	Annual Priority Small Repairs, Upgrades, FF&E & Associated Improvements	20002514-5846IG	\$ 50,000
Park & Recreation	Vans for the Council on Aging	20002517-5846IH	\$ 65,619
Park & Recreation	Park and Recreation ADA Compliance and Related Repairs	20002517-5846II	\$ 10,000
Traffic & Parking	Bicycle Infrastructure Design, Implementation & Repairs/Improvements	20002518-5846IJ	\$ 100,000
Traffic & Parking	Garage Improvements - Annual Repairs & ADA Compliance	20002518-5846IK	\$ 50,000
Traffic & Parking	Parking Infrastructure Improvements, EV, and Equipment Install/Maintenance	20002518-5846IL	\$ 150,000
Traffic & Parking	Traffic Calming Capital Improvements	20002518-5846IM	\$ 200,000
Planning	Highland Avenue Area Trail Plan	20002520-5846IN	\$ 40,000
Planning	Church Street Lots Development Goals	20002520-5846GIO	\$ 25,000
Planning	Artists' Row Roof Replacement Project	20002520-5846IP	\$ 222,500
Planning	Planning, Policy, and Zoning Studies and Implementation	20002520-5846IQ	\$ 50,000
Police	Cameras - Community/Police	20002521-5846IR	\$ 40,000
Police	Salem Police Headquarters General Repairs, Upgrades, FF&E, Studies, and Associated Replacements	20002521-5846IS	\$ 175,000
Public Services	Lead Service Inventory	20002523-5846IT	\$ 200,000
Public Services	ADA Improvements and Associated Repairs- DPS & Cemeteries	20002523-5846IU	\$ 20,000
Public Services	Szetela Lane - Mitigation	20002523-5846IV	\$ 100,000
Public Services	Street Sweeping Annual Signage Replacement	20002523-5846IW	\$ 25,000
Public Services	Annual Small Repairs, DPS Building Studies - DPS & Cemeteries	20002523-5846IX	\$ 30,000
Schools	Safety & Security	20002525-5846IY	\$ 225,000
Schools	IT Life cycle Management Student Devices	20002525-5846IZ	\$ 250,000
Schools	ADA and Associated Repairs Schools	20002525-5846JA	\$ 20,000
TOTAL CAPITAL OUTLAY FUND			\$ 3,253,363



CITY OF SALEM

In City Council,

Ordered:

May 9, 2024

That the sum of One Hundred Thousand Dollars (\$100,000.00) is hereby transferred from the General Fund Balance Reserved for Free Cash and appropriated in the Capital Improvement Fund (2000) for the FY2025 capital improvement plan projects as listed below in accordance with the recommendation of His Honor the Mayor

FY2025 CIP-Funded from Free Cash		
20002520-5846IB (Sustainability)	Resilient Together – The Point/El Punto	\$ 50,000.00
20002520-5846IC (Sustainability)	Hazard Mitigation Plan Update	\$ 50,000.00
Total:		\$ 100,000.00



CITY OF SALEM

In City Council,

Ordered:

May 9, 2024

That the sum of Four Hundred Thirty-Five Thousand Dollars (\$435,000.00) is hereby appropriated from the "Retained Earnings – Water/Sewer Fund" account (6000-3120) to the following accounts for the FY2025 capital improvement plan projects as listed below in accordance with the recommendation of His Honor the Mayor.

FY2025 CIP-Funded from Water/Sewer Fund Retained Earnings		
Sewer – 600132-5879A	Stormwater Utility Study	\$ 50,000.00
Sewer – 600132-5879B	Derby St. Interceptor Sewer Cleaning and Evaluation	\$ 260,000.00
Sewer – 600132-5879C	Sewer Infrastructure Repair	\$ 50,000.00
Water – 610032-5879D	Water Infrastructure Repair and Replacement	\$ 75,000.00
	Total:	\$ 435,000.00



CITY OF SALEM

In City Council,

Ordered:

May 9, 2024

That the sum of Sixty-Three Thousand One Hundred Fifty-Five Dollars (\$63,155.00) is hereby appropriated from the "Retained Earnings – PEG Access Fund" account (6300-3120) to the following account for the FY2025 capital improvement plan project as listed below in accordance with the recommendation of His Honor the Mayor.

FY2025 CIP-Funded from PEG Access Retained Earnings		
IT – 630132-5879E	Switches and Wireless Upgrades (E-Rate)	\$ 63,155.00
Total:		\$ 63,155.00



CITY OF SALEM

In City Council,

Ordered:

May 9, 2024

That the sum of Eighty-Five Thousand Dollars and Zero Cents (\$85,000.00) be hereby appropriated from the following "Receipts Reserved for Appropriation" account, to be transferred to the Park & Rec – Golf Course "Equipment" account 16512-5860 for costs associated with the replacement of the Groundmaster4300 mower in accordance with the recommendation of His Honor the Mayor.

Description	Amount
Receipts Reserved – Golf Course	\$ 85,000.00
Total	\$ 85,000.00



City of Salem, Massachusetts

Finance Department
93 Washington Street
Salem, MA 01970
www.salem.com

Dominick Pangallo, Mayor

Anna Freedman, Finance Director

May 9, 2024

The Honorable Dominick Pangallo
Mayor of Salem
93 Washington Street
Salem, Massachusetts 01970

RE: Establish Charlotte Forten Park Revolving Fund

Dear Mayor Pangallo:

Please find enclosed a proposed order for the City Council's consideration that would create, pursuant to Massachusetts General Law Chapter 44, Section 53E½, a Charlotte Forten Park Revolving Fund for the City of Salem. A revolving fund allows fees, charges or other receipts received in connection with a departmental program or activity to be applied directly, without further appropriation, to support that program or activity.

A departmental revolving fund is suitable in budgeting and providing for special programs or activities where the necessary level of expenditure fluctuates directly in relation to demand, and the demand may prove difficult to predict. For this type of program or activity, a departmental revolving fund offers the flexibility to operate on an "as needed" basis by allowing the department head to apply all receipts directly to program expenses.

Revenues deposited into this Charlotte Forten Park Revolving Fund shall be for programming contracts, vendor fees, and event rentals. As with other revolving funds, the creation of this fund shall be accounted for separately; proceeds deposited into the fund may be used for utility costs and maintenance costs for Charlotte Forten Park.

Sincerely,

Anna Freedman
Finance Director



CITY OF SALEM

In City Council,

Ordered:

May 9, 2024

That the City of Salem hereby requests the adoption of a Charlotte Forten Park revolving account in accordance with M.G.L. Chapter 44, Section 53E ½ which authorizes special purpose revolving accounts in accordance with the recommendation of His Honor the Mayor



City of Salem, Massachusetts

Finance Department
93 Washington Street
Salem, MA 01970
www.salem.com

Dominick Pangallo, Mayor

Anna Freedman, Finance Director

May 2, 2024

The Honorable Dominick Pangallo
Mayor of Salem
93 Washington Street
Salem, Massachusetts 01970

RE: Revolving Funds

Dear Mayor Pangallo:

Massachusetts General Law Chapter 44 Section 53E ½ allows for a city the annually authorized the use of revolving funds by departments which shall be accounted for separately from all other monies in the city. The revenues collected for each program are credited to individual accounts and the expenditures made from these funds can be made without further appropriation in connection with the program that each revolving fund supports.

The City Council shall vote each year prior to the respective fiscal year for the authorization of such account. Attached is a summary of the revolving funds of the City that lists the department, fund name, fund account number, program and purpose, type of receipt credited, and the maximum dollar spending allowance from each revolving fund.

This annual process is part of the budget process, and, as such, I recommend that we authorize all accounts as listed on the attached council order.

Respectfully yours,

A handwritten signature in blue ink, appearing to read "Anna Freedman".

Anna Freedman
Finance Director



CITY OF SALEM

In City Council,

In City Council, May 9, 2024

Ordered:

ORDERED: That the Salem City council vote, pursuant to the provisions of MGL Chapter 44, Section 53E ½ to authorize the establishment of the revolving funds for fiscal year 2025 has herein described. Expenditures from said funds shall not exceed the amount of funds received in the respective accounts or as authorized as stated, shall come from any funds received by respective boards for performing services, shall be used solely for the purpose of implementing the programs delineated and shall be approved by a majority vote of any respective boards in accordance with His Honor the Mayor.

Dept.	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2025 Budget Request Maximum Annual Expenditures
COA	COA Programs	2374	To defray program costs including instructors, presenters, entertainment, decorations, food, etc.	Revenues and fees charged for programs	COA Director and Mayor	40,000.00
Electrical	Telecom	2376	To fund public information technology, telecommunication and electrical initiatives and projects	Application fees and rental revenue from telecommunications attachments pursuant to sections 12-125 and 12-170 of the City Ordinances	City Electrician and Mayor	50,000.00
Fire	R/A Local Emergency Planning Comm	2433	Training and special equipment needed to respond to hazardous materials incidents per CH 21E	Fees charged to persons spilling or releasing hazardous materials	Fire Chief and Mayor	40,000.00
Harbormaster	R/A WI STORAGE	2368	To Fund Capital items for Harbormaster, maintenance costs of equipment and maritime access projects.	Fees charged for Boat and Float Storage at Winter Island and Kernwood Marina	Harbormaster and Mayor	55,000.00
Health Dept	Health Clinics	2364	To support vaccination program and other Health Promotion activities of the Health Department	Reimbursements from vaccination programs	Health Agent and Mayor	20,000.00
Mayor	Special Events	2361	To cover expenses for Fireworks, bands, portable potties and other unanticipated expenditures	Revenue from RFP's for services from vendors, and from misc sponsorships.	Mayor	275,000.00

Dept.	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2025 Budget Request Maximum Annual Expenditures
Recreation	Winter Island Store	2362	To increase and replenish store inventory as needed and to enhance and maintain Winter Island Store & Facilities.	Revenue from sale of inventory/services at Winter Island.	Recreation Director and Mayor	40,000.00
Recreation	Proctor's Ledge	2384	For Maintenance of Proctor's Ledge site	Revenue of 25 cents from the sale of each ticket at the Witch House.	Recreation Director and Mayor	12,000.00
Recreation	Road Race Fees	2385	For Park Maintenance	Field rental fees and five percent of race and event registration fees.	Recreation Director and Mayor	35,000.00
Recreation	Dog Park	2435	Renovations and Maintenance of Dog Park at Leslie's Retreat Park.	Fee charged for pass to use dog park (pooch pass). \$25. annually for pass.	Recreation Director and Mayor	5,000.00
Recreation	Park & Rec Public Access	2452	To be used for the operation and maintenance of Winter Island and McCabe Marina	Parking and launch fees charged at McCabe Marina & Winter Island	Recreation Director and Mayor	50,000.00
Recreation	Salem Willows Meters	2459	Renovations and Maintenance of Willows Park.	Money generated from Willows Meters	Recreation Director and Mayor	30,000.00
Recreation	Witch House	2499	To support Salem Award committee and the Salem Witch Trial Memorial	25 cent surcharge to tickets beginning in May 2009	Recreation Director and Mayor	10,000.00
Planning & Community Development	Old Town Hall	2373	Maintenance costs of old town hall	Rental revenue of old town hall	Director of Planning and Mayor	50,000.00
Planning & Community Development	Derby Square/Artists' Row	2375	Improvements for Derby Square and Artists' Row including outdoor furniture, signage, lighting, public art, marketing and stipends for performers	Vendor fees from Derby Square Flea/Salvage Art Market, Rent and Vendor Fees at Artists Row	Director of Planning and Mayor	50,000.00
Sustainability/ Planning & Community Development	Utility Energy Credit Fund	2377	To be used for City projects or programs that reduce utility costs, use, and/or emissions. This may include personnel costs associated with participation in the programs that generate the credits.	Credits or payments received for City projects or programs that specifically result in reduction in utility costs, use, or emissions.	Director of Planning and Mayor	400,000.00
Planning & Community Development	Bike Sharing	2383	To receive and expend revenue from bike share program for system operation and promotion	Revenue from rentals and annual memberships	Director of Planning and Mayor	50,000.00

Dept.	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2025 Budget Request Maximum Annual Expenditures
Planning & Community Development	Salem Ferry/Salem Wharf Operational	2453	Fund operational costs of the Salem Ferry and operating, maintenance, capital repairs, security, utilities related to Salem Wharf	Fees received during the season for leasing of the Salem Wharf, MBTA Salem Passes, and fuel reimbursements	Director of Planning and Mayor	500,000.00
Planning & Community Development	Charlotte Forten	NEW	Utility costs and maintenance costs for Charlotte Forten Park	Revenue from programming contract, vendor fees, event rentals	Director of Planning and Mayor	20,000.00
Insp Services	Abandoned Prop Maintenance	2371	To maintain abandoned and foreclosing residential and commercial properties	Registration fees (\$300.00) for vacant and/or foreclosing residential properties.	Inspectional Services Director and Mayor	85,000.00
Public Services	Tree Replacement	2330	To replace trees removed during construction as directed by the Tree Warden or Planning Board	Revenue from contributions per the Tree Ordinance or Planning Board decision	Director of Public Services And Mayor	30,000.00
Engineering	Traffic Island	2439	Projects related to City beautification events including Traffic Island, Beautification, and special events	Primarily from: Traffic Island Sponsorships, Special Events Revenues, Event and Beautification effort sponsors	City Engineer and Mayor	20,000.00
Treasurer	Tax Title	2388	Costs incurred for legal fees associated with tax title process	Any fees, charges and costs incurred under sections 15, 55, 62, 65, 68 or 79 of M.G.L. Chapter 60 and collected upon the redemption of tax titles and sales of real property acquired through foreclosures of tax titles	Treasurer and Mayor	40,000.00
					Totals	1,992,000.00



CITY OF SALEM

In City Council,

Ordered:

Fiscal Year 2025 General Fund Capital Improvement Program Funded from Bond Authorization as amended below:

Ordered:

That the sum of \$5,828,761 be and hereby is appropriated to pay costs of the following capital equipment and capital improvement projects listed under the heading FY25 CIP- Funded from BOND AUTHORIZATION and for the payment of all costs incidental and related thereto, and that to meet said appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow said sum under M.G.L. Chapter 44, Sections 7 and 8, or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor.

FY2025 CIP-Funded from BOND AUTHORIZATION			
Engineering Municipal	Citywide Roads, Sidewalks, and Crosswalk Improvements (Non-Chapter 90)		\$ 1,300,000
Engineering Municipal	Boston Street Improvements		\$ 625,000
Traffic & Parking	Essex at Cambridge Crosswalk Improvements		\$ 325,000
Planning	Dickson Chapel Exterior Restoration Phases 2-4		\$ 350,000
Planning	Old Town Hall Restoration and Renovation - Phase 2: Exterior		\$ 850,000
Police	Vehicle Replacement Plan - Patrol and Non Patrol		\$ 346,000
Public Services	DPS Sidewalk Implementation		\$ 750,000
School	Lighting (Energy Efficiency)		\$ 591,388
School	Weatherization/Infiltration Reduction (Energy Efficiency)		\$ 134,396
School	Controls (Energy Efficiency)		\$ 556,977
TOTAL BOND AUTHORIZATION:			\$ 5,828,761

Be it further

Ordered:

That the Mayor and the Treasurer are each authorized to file an application to qualify under Chapter 44A of the Massachusetts General Laws any and all bonds of the City issued under and pursuant hereto, and to provide such information and execute such documents as may be required in connection therewith.



CITY OF SALEM

In City Council,

Ordered:

Fiscal Year 2025 Water and Sewer Capital Improvement Program Funded from Bond Authorization as amended below:

Ordered:

That the sum of \$2,200,000 be and hereby is appropriated to pay costs of the following capital equipment and capital improvement projects listed under the heading FY25 CIP – Funded from BOND AUTHORIZATION and for the payment of all costs incidental and related there to, and that to meet said appropriation the Treasurer, with the approval of the Mayor, is authorized to borrow said sum under M.G.L. Chapter 44, Sections 7 and/or 8, or pursuant to any other enabling authority, and to issue bonds or notes of the City therefor.

FY2025 CIP-Funded from BOND AUTHORIZATION			
Water	Citywide Flushing, Valve Repair/Maintenance, Leak detection, GIS		\$ 400,000.00
Water	Water Distribution Main System Improvements		\$ 800,000.00
Water	Water Transmission Main System Improvements		\$ 1,000,000.00
TOTAL BOND AUTHORIZATION:			\$ 2,200,000

Be it further Ordered:

That the Mayor and the Treasurer are each authorized to file an application to qualify under Chapter 44A of the Massachusetts General Laws any and all bonds of the City issued under and pursuant hereto, and to provide such information and execute such documents as may be required in connection therewith.

CITY OF SALEM

In the year Two Thousand and Twenty-Four

An Ordinance to amend an Ordinance relative to Rates for Use of Water

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

Chapter 46, Section 66 is hereby amended by deleting subparagraph (b) in its entirety and replacing it with the following:

“(b) The rate for all water furnished by meter measurements effective July 1, 2024, shall be as follows:

- (1) Residential, per 100 cubic feet \$4.42
- (2) Nonresidential, per 100 cubic feet \$5.99

Section 2. Chapter 46, Section 66 is hereby further amended by deleting subparagraph (e) in its entirety and replacing it with the following:

“(e) The minimum rate for residential metered water for each quarter shall be \$44.20 per 1000 cubic feet effective July 1, 2024.

The use of all water and sewer funds and SESD funds shall be excluded from all private development projects.”

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

CITY OF SALEM

In the year Two Thousand and Twenty-Four

An Ordinance to amend an Ordinance relative to Sewer User Charges

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

Chapter 46, Section 230 is hereby amended by deleting subsection (c) in its entirety and replacing it with the following:

“(c) The rates for sewer use charges effective July 1, 2024, shall be as follows:

Residential, per 100 cubic feet...	\$ 8.04
Nonresidential, per 100 cubic feet up to 25,000 cubic feet per month	\$12.18
Nonresidential, per 100 cubic feet for 25,000 cubic feet and greater per month	\$15.60

The use of all water and sewer funds and SESD funds shall be excluded from all private development projects.”

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

City of Salem

In the year Two Thousand and Twenty-Four

An Ordinance to amend an ordinance relative to solid waste management.

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

Section 1.

1) Chapter 36, Section 36-6 Collection fee for certain residences is hereby amended by deleting the fee of "\$21.12" as it appears in paragraph (a) and replacing it with the fee of "\$21.86" and further amending this paragraph (a) by deleting the fee of "\$134.16" and replacing it with a fee of "\$138.86".

2) Chapter 36, Section 36-8 Collection fee for certain commercial establishments is hereby amended by deleting the fee of "\$30.64" and replacing it with the fee of "\$31.71".

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



City of Salem

In the year Two Thousand and Twenty-four

An Ordinance to amend Chapter 12 Building, Electricity and Plumbing Regulations

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

Section I. Amend Sec. 12-2 *Additions* by

a) Deleting paragraph numbered (b)(2) in its entirety and replacing it with the following:

“(2) For solid fuel burning appliance, a fee of \$75.00 shall be charged. A minimum fee of \$75.00 shall be charged for all building permit applications, including new construction, alterations, repairs, remodeling, and all swimming pool and sign construction. The exact fee shall consist of \$15.00 per one thousand for residential (1 or 2 family) and \$20.00 per one thousand for commercial and multifamily.”

b) Deleting paragraph numbered (b)(3)c in its entirety

c) Replacing the fee of \$10 as it appears in paragraph number (b)(3)d to \$20 for a replacement permit.

d) Re-lettering all paragraphs in section (b)(3)

e) Deleting paragraph (c)(1) in its entirety and replacing it with the following:

“(c) (1) A building or structure shall not be used or occupied in whole or in part until a certificate of use and occupancy shall have been issued by the inspector of buildings. Where fees are not established by the code, the following schedule shall be applied to determine the applicable fee for each certification:

Existing construction: \$150

Fees for initial certificates of occupancy for new construction of single- and two-family residences shall be deemed to have been included in the building permit fee.”

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



City of Salem

In the year Two Thousand and Twenty-four

An Ordinance to amend Chapter 12 Building, Electricity and Plumbing Regulations

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

Section I. Delete Sec. 12-163 *Blanket permits or election to contract to pay for inspection services: fees* in its entirety.

Section II. Delete Sec. 12-164. *General permit fees* in its entirety and replace it with the following:

“Sec. 12-164 *General permit fees*

The general schedule of electrical permit fees shall be as follows:

- (1) Minimum fee for any electrical work performed in all types of property, which includes city buildings \$30.00
- (2) Per thousand on building permit valuation—renovations, new work, which includes city buildings \$3.00
- (3) Installation of gas/oil burner per burner \$30.00
- (4) For any electrical work connected with swimming pools (building permit required) or similar installations \$30.00
- (5) Installation of each pump used at a gasoline service station \$50.00
- (6) Installation of each electric sign \$50.00
- (7) Installation of temporary, new service or renewed service up to 200 amperes \$40.00
Additional meters - \$10.00 each
Installation of a sub feeder \$30
- (8) Installation of temporary, new service or renewed service up to 400 amperes \$70.00
Additional meters—\$10.00 each
Installation of a sub feeder \$30.00
- (9) Installation of temporary, new service or renewed service up to 800 amperes \$150.00

- Additional meters—\$10.00 each
 Installation of a sub feeder \$30.00
- (10) Installation of temporary, new service or renewed service up over 800 amperes \$250.00
 Additional meters—\$10.00 each
 Installation of a sub feeder \$30.00
- (11) Change service panel from fuses to circuit breakers or any change \$40.00
- (12) Installation of HVAC and or control wiring per unit, without a building permit \$50.00
- (13) Installation of smoke detectors, burglar alarm systems and interior fire alarm systems, voice/data, computer, or telephone cable wiring per unit \$50.00
 Over 25 outlets and or devices—\$.50 each
- (14) Re-inspection all types of property \$30.00
- (15) Certificate of occupancy—all buildings \$50.00
- (16) Installation of traffic lights \$100.00
- (17) Vendors use of electricity at Salem common and on other city sites \$35.00
- (18) Vendors use of additional electrical equipment requiring special installation \$200.00
- (19) Penalty fee for tampering with city master fire alarms without prior notification for plug outs \$200.00
- (20) For the initial timing and connection to the city terminals (as designated by the city electrician) of a privately owned F/A master box by the electrical department \$200.00
- (21) Industrial permits by licensed staff personnel in house wiring \$200.00
- (22) Installation of a generator up to 15,000 K.W. \$75.00
 Installation of a generator over 15,000 K.W. \$200.00
- (23) Lighting retrofits—\$2.00 each
- (24) Electric Car Charging Station \$30/each
- (25) Solar Panels – per thousand on building permit valuation \$3”

Section III. Delete Sec. 12-165 *Maximum fee for installation in existing city buildings* in its entirety and replace it with the following:

“Sec. 12-165 *Maximum fee for installation in existing city buildings*

A maximum filing fee of \$15.00 will be assessed for all electrical installations on existing city buildings.”

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

Sec. 12-164. General permit fees.

The general schedule of electrical permit fees shall be as follows:

- (1) Minimum fee for any electrical work performed in all types of property, which includes city buildings ~~\$15.30.00~~
- (2) Per thousand on building permit valuation—renovations, new work, which includes city buildings ~~\$3.00~~
- (3) Installation of gas/oil burner per burner ~~15~~\$30.00
- (4) For any electrical work connected with swimming pools (building permit required) or similar installations ~~\$30.00~~
- (5) Installation of each pump used at a gasoline service station ~~\$350.00~~
~~For each additional~~\$5.00
- (6) Installation of each electric sign ~~\$350.00~~
- (7) Installation of temporary, new service or renewed service up to 200 amperes ~~\$340.00~~
Additional meters—~~\$105.00 each~~\$5.00
Installation of a sub feeder ~~20.00~~ \$30
- (8) Installation of temporary, new service or renewed service up to 400 amperes ~~\$670.00~~
Additional meters—~~\$105.00 each~~\$5.00
Installation of a sub feeder ~~\$230.00~~
- (9) Installation of temporary, new service or renewed service up to 800 amperes ~~\$1250.00~~
Additional meters—~~\$510.00 each~~\$5.00
Installation of a sub feeder ~~\$230.00~~
- (10) Installation of temporary, new service or renewed service up over 800 amperes ~~\$2500.00~~
Additional meters—~~\$105.00 each~~\$5.00
Installation of a sub feeder ~~\$230.00~~
- (11) Change service panel from fuses to circuit breakers or any change ~~\$240.00~~
- (12) Installation of HVAC and or control wiring per unit, without a building permit ~~\$50.00~~
- (13) Installation of smoke detectors, burglar alarm systems and interior fire alarm systems, voice/date, computer, or telephone cable wiring per unit ~~\$3550.00~~
Over 25 outlets and or devices—~~\$1.50 each~~\$0.50
- (14) Reinspection all types of property ~~\$230.00~~
- (15) Certificate of occupancy—all buildings ~~\$5035.00~~
- (16) Installation of traffic lights ~~\$10050.00~~
- (17) Vendors use of electricity at Salem common and on other city sites ~~\$235.00~~
- (18) Vendors use of additional electrical equipment requiring special installation ~~\$200.00~~
- (19) Penalty fee for tampering with city master fire alarms without prior notification for plug outs ~~\$200.00~~

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- (20) For the initial timing and connection to the city terminals (as designated by the city electrician) of a privately owned F/A master box by the electrical department \$200.00
 - (21) Industrial permits by licensed staff personnel in house wiring \$200.00
 - (22) Installation of a generator up to 15,000 K.W. \$7550.00
Installation of a generator over 15,000 K.W. \$200.00
 - (23) Lighting retrofits—\$2.00 each 2.00
 - (24) Electric Car Charging Station \$30/each
 - (25) Solar Panels – per thousand on buiding permit valuation \$3

(Code 1973, § 11-54; Ord. of 3-14-2002, § 1; Ord. of 3-27-2003, § 1)

Sec. 12-165. Maximum fee for installation in existing city buildings.

A maximum filing fee of \$315.00 will be assessed for all electrical installations on existing city buildings.

(Code 1973, § 11-55)



City of Salem

In the year Two Thousand and Twenty-four

An Ordinance to amend an Ordinance relative to Pickup of Large items/fee.

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

SECTION I: Chapter 36. Sec. 36-4. Pickup of large items/fee is hereby amended by deleting paragraph (d) in its entirety and replacing it with the following:

"(d) Residents are responsible to pay the fee charged for the collection of each bulky item, mattress or box spring, which shall be paid directly to the city's collection contractors."

SECTION II. This Ordinance shall take effect as provided by City Charter.



City of Salem

In the year Two Thousand and Twenty-four

An Ordinance to amend an Ordinance relative to business licenses and fees

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

Section 1. Amend Section 14-40 Fees for granting permits and certificates by head of fire department by deleting this section in its entirety and replacing it with the following:

Sec. 14-40. Fees for granting permits and certificates by head of fire department.

The fee schedule for granting of permits by the head of the fire department under the provisions of M.G.L.A. c. 148, § 10A, 13, 23, 38A and 39A, and city fire code shall be established as follows:

Description	Fee	Duration
Smoke detectors/fire alarm systems new construction		
Permit to install; includes plan review and on site location spotting, per site	\$60.00	per project
Smoke detectors/fire alarm systems existing construction		
On site inspection and issuance of certificate of compliance; per unit	60.00	per project
Chapter 148, sec. 26F smoke detector compliance (resale)		
Includes inspection and issuance of certificate of compliance for one-family/condominium; per unit	50.00	per compliance
Includes inspection and issuance of certificate of compliance for two-family; per unit	100.00	per compliance
Includes inspection and issuance of certificate of compliance for three-family to six-family; per unit	150.00	per compliance
Includes inspection and issuance of certificate of compliance for more than six-family; per unit	300.00	per compliance
Review of plans & specifications under 7,500 sq. ft. (fire department approval for building permit)		
Includes placement of smoke detector locations and/or review of fire alarm system design	60.00	per project

Includes review of fire alarm system project 7,500 to 12,500 s.f.	125.00	per project
Includes review of fire alarm system project 12,501 to 25,000 s.f.	200.00	per project
Includes review of fire alarm system project 25,001 to 52,000 s.f.	300.00	per project
Includes review of fire alarm system project 52,001 or more s.f; in addition to hiring a city-authorized independent consultant	500.00	per project
Installation of sprinkler and/or standpipe system		
Includes plans review, site inspection(s) and witness of acceptance test for projects 7,500 to 12,500 s.f.	125.00	per project
Includes plans review, site inspection(s) and witness of acceptance test for projects 12,501 to 25,000 s.f.	200.00	per project
Includes plans review, site inspection(s) and witness of acceptance test for projects 25,001 to 52,000 s.f.	300.00	per project
Includes plans review, site inspection(s) and witness of acceptance test for projects 52,001 or more s.f; in addition to hiring a city-authorized independent consultant	500.00	per project
Installation of fixed fire extinguishing system (restaurant)		
Permit to install fixed extinguishing system to include plans review, on-site inspection and final testing and acceptance of system	60.00	per project
Installation of fixed fire extinguishing system (self-service gasoline station)		
Permit to install fixed extinguishing system to include plans review, on-site inspection and final testing and acceptance of system	60.00	per project
Installation of storage of LP Gas		
Issue application for permit to install includes on-site inspection	75.00	per installation
Underground storage tank removal		
Permit to remove/transport includes issuance of permit and on-site inspection(s) of site and tank(s)	150.00	per project
Installation of underground storage tank		
Permit to install includes plan review and site visit(s)	150.00	per project
Removal of underground storage tank (500 gallons and above)		
Permit to remove and transport includes issuance of permit and on-site inspection of site(s) and tank(s)	100.00	per tank
Removal of above ground storage tank (under 500 gallons)		
Permit to remove and transport	60.00	per tank
Oil burner permit & permit to store fuel oil		

Permit/application to install and certificate of completion. Includes on-site inspection and issuance of permit to store	60.00	per installation
Fireworks or theatrical pyrotechnics display		
Includes review of display plan and site visit(s)	75.00	per display
Blasting permit		
Includes on-site inspection and review of site plans	60.00	per project
Storage of flammable fluids (annual renewable)		
Includes site visit if required	60.00	annual
Storage of black or smokeless powder (annual renewable)		
Includes site visit if required	60.00	annual
Welding and/or cutting (annual renewable)		
Includes site visit if required	60.00	annual
Operation of repair garage (annual renewable)		
Includes site visit if required	60.00	annual
Tar kettle operation (annual renewable)		
Includes site visit if required	60.00	annual
Underground storage tank registry (Mass form FP290)	10.00	per registration
Tank truck inspection		
Includes inspect of vehicle at fire prevention and issuance of permit and decal	60.00	per inspection
Transfer tank vehicle inspection		
Includes inspection of vehicle at fire prevention and issuance of permit and decal for contractor with pickup/service truck (single user)	60.00	per inspection
Carpet or fabric approval		
Includes issuance of permit and review of use plan	30.00	per approval
Chapter 21E site assessment report		
Includes research and issuance of report	100.00	per report
Copy of fire report		
Includes research and issuance of report(s)	5.00	per report
Inspection of summer camp (annual)	30.00	per inspection
Pre-demolition permit including site visit	60.00	Per project
Keep and store paint for spray booths	60.00	Per project
Permit to install spray booth	60.00	Per project

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

Sec. 14-40. Fees for granting permits and certificates by head of fire department.

The fee schedule for granting of permits by the head of the fire department under the provisions of M.G.L.A. c. 148, § 10A, 13, 23, 38A and 39A, and city fire code shall be established as follows:

Description	Fee	Duration
Smoke detectors/fire alarm systems new construction		
Permit to install; includes plan review and on site location spotting, per site	3060.00	per project
Smoke detectors/fire alarm systems existing construction		
On site inspection and issuance of certificate of compliance; per unit	2060.00	per project
Chapter 148, sec. 26F smoke detector compliance (resale)		
Includes inspection and issuance of certificate of compliance for one-family/condominium; per unit	2050.00	per compliance
Includes inspection and issuance of certificate of compliance for two-family; per unit	<u>100.00</u>	per compliance
Includes inspection and issuance of certificate of compliance for three-family to six-family; per unit	<u>150.00</u>	per compliance
Includes inspection and issuance of certificate of compliance for more than six-family; per unit	<u>300.00</u>	per compliance
Review of plans & specifications under 7,500 sq. ft. (fire department approval for building permit)		per compliance
Includes placement of smoke detector locations and/or review of fire alarm system design	3060.00	per project
Review of plans & specifications over 7,500 sq. ft. (fire department approval for building permit)		
Includes review of fire alarm system project 7,500 to 12,500 s.f.	50125.00	per project
Includes review of fire alarm system project 12,501 to 25,000 s.f.	<u>200.00</u>	per project
Includes review of fire alarm system project 25,001 to 52,000 s.f.	<u>300.00</u>	per project
Includes review of fire alarm system project 52,001 or more s.f; in addition to hiring a city-authorized independent consultant	<u>500.00</u>	per project
Installation of sprinkler and/or standpipe system		
Includes plans review, site inspection(s) and witness of acceptance test for projects 7,500 to 12,500 s.f.	50125.00	per project
Includes plans review, site inspection(s) and witness of acceptance test for projects 12,501 to 25,000 s.f.	<u>200.00</u>	per project
Includes plans review, site inspection(s) and witness of acceptance test for projects 25,001 to 52,000 s.f.	<u>300.00</u>	per project
Includes plans review, site inspection(s) and witness of acceptance test for projects 52,001 or more s.f; in addition to hiring a city-authorized independent consultant	<u>500.00</u>	per project
Installation of fixed fire extinguishing system (restaurant)		
Permit to install fixed extinguishing system to include plans review, on-site inspection and final testing and acceptance of system	5060.00	per project
Installation of fixed fire extinguishing system (self-service gasoline station)		
Permit to install fixed extinguishing system to include plans review, on-site inspection and final testing and acceptance of system	5060.00	per project
Installation of storage of LP Gas		
Issue application for permit to install includes on-site inspection	3075.00	per installation

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Underground storage tank removal		
Permit to remove/transport includes issuance of permit and on-site inspection(s) of site and tank(s)	100 150.00	per project
Installation of underground storage tank		
Permit to install includes plan review and site visit(s)	100 150.00	per project
Removal of underground storage tank (500 gallons and above)		
Permit to remove and transport includes issuance of permit and on-site inspection of site(s) and tank(s)	100.00	per tank
Removal of above ground storage tank (under 500 gallons)		
Permit to remove and transport	30 60.00	per tank
Oil burner permit & permit to store fuel oil		
Permit/application to install and certificate of completion. Includes on-site inspection and issuance of permit to store	30 60.00	per installation
Fireworks or theatrical pyrotechnics display		
Includes review of display plan and site visit(s)	5075.00	per display
Blasting permit		
Includes on-site inspection and review of site plans	5060.00	per project
Storage of flammable fluids (annual renewable)		
Includes site visit if required	2560.00	annual
Storage of black or smokeless powder (annual renewable)		
Includes site visit if required	2560.00	annual
Welding and/or cutting (annual renewable)		
Includes site visit if required	2560.00	annual
Operation of repair garage (annual renewable)		
Includes site visit if required	2560.00	annual
Tar kettle operation (annual renewable)		
Includes site visit if required	2560.00	annual
Underground storage tank registry		
(Mass form FP290)	10.00	per registration
Tank truck inspection		
Includes inspect of vehicle at fire prevention and issuance of permit and decal	5060.00	per inspection
Transfer tank vehicle inspection		
Includes inspection of vehicle at fire prevention and issuance of permit and decal for contractor with pickup/service truck (single user)	5060.00	per inspection
Carpet or fabric approval		
Includes issuance of permit and review of use plan	30.00	per approval
Chapter 21E site assessment report		
Includes research and issuance of report	30 100.00	per report
Copy of fire report		
Includes research and issuance of report(s)	5.00	per report
Inspection of summer camp (annual)	30.00	per inspection
Pre-demolition permit including site visit	60.00	Per project
Keep and store paint for spray booths	60.00	Per project
Permit to install spray booth	60.00	Per project

(Code 1973, § 15-11.1; Ord. of 5-17-99, § 1

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(Supp. No. 27, Update 1)