

Budget Calendar - FY 2022

Mayor & City Finance	Start Date	End Date	Mayor & School Committee	Start Date	End Date
Finance Director send out CIP requests to Departments.	1/30/2022		Finance Director send out CIP requests to Departments.	1/30/2022	
Departments submit completed CIP requests to Finance Department	2/15/2022		CIP Review - Superintendent, SBM, Principals, Directors	1/30/2022	
Mayor & Finance Director review CIP requests.	January	March	Finance Director, SBM & Super review CIP requests.	January	March
Finance Director prepares initial Revenue/Expenditure (FY18 RECAP) figures	January		Superintendent & SBM give Budgets to Principals	January	
Mayor issues BUDGET requests to departments with budget instructions, and City's long/short term goals	1/23/2021		Budget workshops with SBM, Principals & Directors.	January	
Budget salary workshops with Finance & Depts.	1/23/2022	to 2/7/2022	Principals compile budget & submit to School Business Office	2/4/2022	to 2/22/2022
Departments compile BUDGETS & submit to Finance	1/23/2021	to 2/7/2022	Budget & CIP Review - Super, SBM, Principals, Directors	2/22/2022	to 3/15/2022
Budgets Entered in MUNIS by Finance	2/7/2022	to 2/22/2022	Budge/CIP Review - Super, SBM, City Finance	February	March
Budget Review-Mayor, Finance, Department Heads	2/25/2022	to March	School Budget Submitted to School Committee & CIP Budget Submitted to Finance Director	March	
Budge & CIP Review By Mayor & Finance Director	2/25/2022	to March	School Committee Budget Review Meetings	March	to April
School Committee Approves School Budget	5/6/2022		School Committee Approves School Budget		
School Budget to City Finance Department for processing for City Council	5/6/2022		School Budget To City Finance Dept	6/2/2022	
Finance Director Finalizes FY2022 Revenue/Expenditures - Balanced Budget to Mayor	5/9/2022				
Finance Department Prepares Final Budget for City Council	5/10/2022	to 5/21/2022			
City Council					
Capital Improvement Plan submittted to City Council			5/26/2022		
Budget Submitted to City Council			5/27/2022		
City Council Administration & Finance budget review process			5/27/2022	to 6/10/2022	
City Council Vote on FY 2022 Capital Improvement Plan			6/10/2022	and 6/24/2022	
City Council Vote on FY 2022 City Budget			6/24/2022		

Fiscal Year 2022 Overview & Timeline Narrative

In January the Finance Department sent out budget packages to each non-school department requesting that they prepared a FY 2020 budget based on the following:

- Level funded non-personnel budget - utilities should be funded to reflect any anticipated increase or decrease in charges or use a 3 year average.
- Level service personnel budget should be funded to include contractual increases. AFSCME 1818 and Police Patrol Union contracts have not been settled. Firefighters and Police Superiors have been settled.
- The Mayor requested that the School Department submit a level service budget.

The departments were required to complete their FY 2022 Mission Statement and Goals, Budget Detail Reports, Revolving Fund budgets (if applicable) and Capital Requests. Pictures are submitted each year by departments which are put in the Mission Statements and throughout the budget.

The FY 2022 budget requests were entered into the cities computerized system by the finance department using the figures submitted by each department. Copies of the department budget requests were printed for each department. A complete copy of the proposed budgets was prepared for the Mayor, Chief Administrative Aide, Finance Director, and the Assistant Finance Director.

The Finance Director prepared the five-year forecast, capital improvement plan for FY 2022, as well as a preliminary FY 2022 budget using the Governor proposed state aid figures, estimated local revenue, Real Estate & Personal Property tax revenue estimates, and the budget figures submitted by the departments. During February, March and April, the Mayor, Chief Administrative Aide, Finance Director, and the Assistant Finance Director met with each department head to discuss their budgets and their capital improvement needs.

Once the budget was balanced, the Finance Department then prepared the proposed FY 2022 budget for the City Council. All information is reviewed carefully for accuracy and consistency to ensure that the budget contained all of the information that was necessary for the City Council to make an informed decision regarding the finances and the budget of the City of Salem for the FY 2022.

In April the School Committee met with the School Superintendent, School Business Manager and School Department Heads to review and approve the School budget for submission to the City Council. The final vote of the school committee was held in May.

In late May, the FY 2022 budget was submitted to the City Council for their review and approval along with the FY 2022 Capital Improvement Projects. The budget will be sent to the Committee of Administration and Finance for their review and approval. During the months of June, the City Council subcommittee on Administration and Finance met with each department head, Mayor, Chief of Staff, and Finance Director to review each departmental budget.

PROPERTY TAX “101” - A TAXPAYERS GUIDE – FY 2022

Introduction

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

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

Assessed Value & Tax Rate

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

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

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

Now on a five-year basis and undertaken for 2021, subject to the dictates of the Commissioner of Revenue, the City is required to undergo a “recertification” procedure. This is commonly known as a “revaluation year”. In past years, it was at this time that property owners usually saw the greatest change in their property assessments. With the use of computerized mass appraisal systems, most communities, including Salem, now adjust their property assessments on a yearly basis. These assessments closely follow the fluctuations in the marketplace and reflect a property value on the 1st of January prior to the bill on which the new assessed value first appears.

How is Property Value Determined?

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

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

In periods when residential property sales information indicates an increase in property value, it is important to understand that your fiscal year assessment is based on sales information that took place more than a year before the new assessment appears on your bill. For instance, the FY2018 assessments are meant to reflect the value of your property on January 1st, 2017 and were derived from sales information obtained in calendar year 2016. They do not reflect the property's current value. The influence of the market place is always a year behind your annual property assessment. Unlike many "appraisals" that are meant to reflect current value, "assessments" are retrospective and look back in time to "arms length sales" that have already taken place.

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

What Makes a Tax Bill Go Up or Down?

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

These factors could also contribute to an increase:

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

These factors could contribute to a decrease:

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

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

What about Proposition 2 ½?

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

What is “Growth” and Why is it Important

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

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

What is the “Power Plant” Agreement

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

Salem had an agreement with Dominion lasting from 1997 until 2014 with yearly reduction in payments down to \$4.75 million and further reduced with the closure of the power plant on June 30, 2014.

In the fall of 2011, the Mayor negotiated a “Hold Harmless Agreement” with the Department of Energy Resources (DOER), the group that oversees pollution control for the energy industry in Massachusetts, to keep the remittance for the Power Plant site at \$4.75 million through fiscal 2019. In September 2012 Footprint Power Salem became the new owner of the Salem Power Plant, continuing the use of the old plant until its closure on July 1, 2014. Footprint Power Salem started construction for a new power plant in 2015 and has now completed the new plant which is now fully operational. In December 2014, the Mayor, City Council and Footprint negotiated an 18 year agreement that started in 2015. In accordance with the “Hold Harmless Agreement”, the Commonwealth will be making up any balance below the \$4.75 million paid through the Department of Energy Resources until fiscal 2020 when the new gas fired facility will be fully operational and on an increasing taxable plan established via the PILOT agreement. Starting in July

2019, (the start of FY 2020) the plant will pay \$5,002,000 to the city for Real Estate taxes. The tax amount will escalate 2.25% from 2020 to 2023, 2.50% from 2024 to 2027 and 2.75% 2028 to 2032 which is the end of the negotiated current PILOT with Footprint Power Salem.

Summary

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

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

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

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

WHAT IS VOTED BY CITY COUNCIL - BUDGET vs RECAP- FY 2022
Breakdown of Tax Recapitulation Report

		DATE VOTED
FY 2022 BUDGET - MAJOR FUNDS		Budget Meetings
General Fund Budget Appropriations Submitted by Mayor		
City - Includes Charter School Transfers Out	93,812,638	
School - Does not include Bentley Charter	66,597,919	
Total General Fund Appropriations:	160,410,557	
Enterprise Fund Appropriations Submitted by Mayor:		June
Sewer	8,329,470	
Water	6,478,342	
Trash	3,962,444	
Peg Access	691,250	
Total Enterprise Fund Appropriations:	19,461,506	
Total Budget to be voted - June (Submitted by Mayor)	179,872,063	

Other RECAP Items Voted at Tax Rate Setting - December		Tax Rate Meeting
Cherry Sheet Offsets	380,749	
Snow & Ice Deficit - Estimated	800,000	
Overlay - Allowance for Abatements - Estimated	850,000	
Other		
Total Other Items on RECAP voted - December	2,030,749	November/December
Total RECAP Expenditures	181,902,812	

Other Votes By Council - Major & Non-Major Funds		Regular Council Meetings
Revolving Funds	2,398,000	
Capital Improvement Projects - General Fund -Capital Outlay/Grants & OFS/Bonding	9,819,000	
Capital Improvement Projects - Enterprise Funds - Retained Earnings/Grants & OFS/Bonding	4,429,000	

Total Operating Budget, Capital and Debt Service ---->	194,120,063
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RECAP SHEET FY 2022 Budget

	Actual	RECAP	Budgeted	Change	% change
	FY2020	FY2021	FY2022	FY21-22	FY21-22
REVENUES					
PROPERTY TAXES					
PRIOR FISCAL YEAR LEVY LIMIT	99,208,797	107,591,472	111,930,861	4,339,389	4.03%
2 1/2% Increase	2,480,220	2,689,787	2,798,272	108,485	4.03%
Current New Growth (Footprint shift from Local Recpt	4,000,000				
Current New Growth (Value increases from new building)	1,902,454	1,649,602	2,053,113	403,511	24.46%
LEVY LIMIT Subtotal (from DOR levy limit sheet)	107,591,471	111,930,861	116,782,246	4,851,385	4.33%
TAX LEVY Real & Personal Actual RECAP - Estimates on Current FY	103,616,867	107,301,006	110,173,970	2,872,964	2.68%
Excess Levy Capacity	3,974,604	4,629,855	6,608,275	1,978,420	42.73%
LOCAL RECEIPTS					
Motor Vehicle	4,379,374	4,100,000	4,450,000	350,000	8.54%
Hotel Motel Tax	978,595	350,000	650,000	300,000	85.71%
Meals Tax (Local Options)	1,074,851	400,000	800,000	400,000	100.00%
Boat Excise Tax	573,595	530,000	30,000	(500,000)	-94.34%
Cannibis Excise	742,899	400,000	900,000	500,000	125.00%
Interest On Taxes	527,615	400,000	500,000	100,000	25.00%
Urb Revev CH121A	541,187	500,000	500,000	-	0.00%
In Lieu Of Taxes	753,198	700,000	700,000	-	0.00%
Marijuana Dispensary	1,288,454	500,000	1,200,000	700,000	140.00%
Charges For Services	2,405,034	1,600,000	2,300,000	700,000	43.75%
Parking Fees	2,913,363	1,500,000	2,450,000	950,000	63.33%
Licenses And Permits	500,935	172,500	300,000	127,500	73.91%
Fines And Forfeits	1,092,649	600,000	800,000	200,000	33.33%
Investment Income	491,574	171,750	150,000	(21,750)	-12.66%
Medicaid	568,944	450,000	450,000	-	0.00%
Miscellaneous Recurring Income	-	-	100,000	100,000	0.00%
Miscellaneous Non-Recurring Income	730,139	230,000	0	(230,000)	-100.00%
Local Receipt Revenue Subtotal (pg. 2 recap IIIb. 1)	19,562,406	12,604,250	16,280,000	3,675,750	29.16%
ENTERPRISE FUNDS REVENUE					
Sewer	10,043,076	10,165,959	10,547,323	381,364	3.75%
Water	6,840,200	5,795,306	5,729,664	(65,642)	-1.13%
Trash	903,409	899,925	899,925	-	0.00%
Peg Access Cable	509,133	691,250	691,250	-	0.00%
Enterprise Funds Revenue Subtotal (pg. 2 recap IIIb. 3)	18,295,818	17,552,440	17,868,162	315,722	1.80%
OTHER REVENUES AND FINANCING SOURCES					
Cherry Sheet Revenue (Pg. 2 Recap LIIa. 1)	34,506,150	34,399,470	35,244,772	845,302	2.46%
Massachusetts Sba Payments (Pg. 2 Recap LIIa. 2)	732,824	-	0	-	0.00%
Free Cash Used For:					
Level The Tax Rate (Pg. 2 Recap LIId. 1B.)	-	500,000	1,000,000	500,000	100.00%
Overlay Surplus					
Ofs-To Reduce Tax Rate (Pg. 2 Recap LIId. 4)					
R/Res - Witch House	298,516	175,000	406,195	231,195	132.11%
R/Res - Golf Course	710,000	600,000	725,000	125,000	20.83%
R/Res - Harbormaster	230,000	200,000	230,000	30,000	15.00%
Estimated State + Other Revenue Subtotal	36,477,490	35,874,470	37,605,967	1,731,497	4.83%
TOTAL REVENUES	177,952,581	173,332,166	181,928,099	8,595,933	4.96%

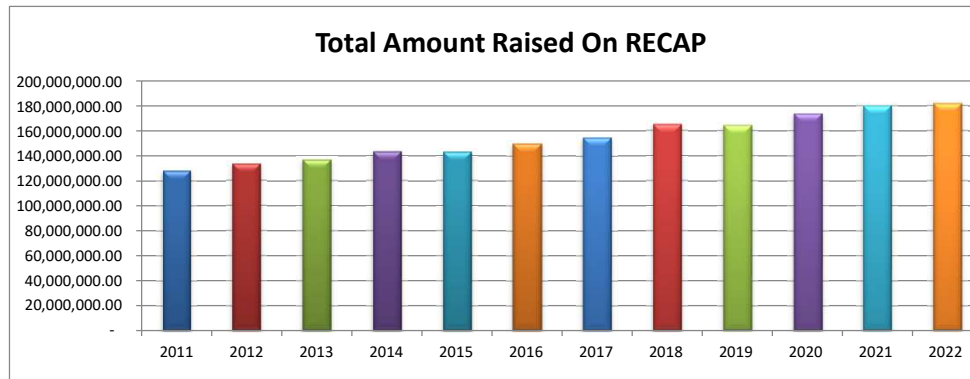
RECAP SHEET FY 2022 Budget

EXPENDITURES

	Actual	RECAP	Budgeted	Change	% change
	FY2020	FY2021	FY2022	FY21-22	FY21-22
General Government	8,020,629	7,752,464	9,163,410	1,410,946	18.20%
Public Safety	21,878,617	22,042,166	23,072,889	1,030,723	4.68%
Public Works And Facilities	5,192,233	3,747,358	4,097,953	350,595	9.36%
Human Services	1,522,274	1,640,930	1,800,728	159,798	9.74%
Cultural And Recreational	2,863,197	3,024,885	3,382,603	357,718	11.83%
Debt Service - General Fund Including Schools	7,407,257	7,627,024	7,408,350	(218,674)	-2.87%
Assessment-Essex Ns Agricultural & Vocational Tech	2,262,449	2,637,453	2,602,989	(34,464)	-1.31%
Assessment-Cherry Sheet	9,147,827	9,049,302	9,430,263	380,961	4.21%
Employee Benefits:					
Salem Retirement Board Assessment	12,100,050	12,778,085	13,687,118	909,033	7.11%
Non-Contributory Pensions	8,033	10,034	10,315	281	2.80%
Workman'S Compensation	433,944	491,305	528,270	36,965	7.52%
Unemployment Compensation	148,292	300,000	300,000	-	0.00%
Group Insurance - City, School & Retired Teachers	11,892,499	15,427,036	16,022,048	595,012	3.86%
Medicare	1,030,455	1,262,407	1,278,187	15,780	1.25%
P&C Insurance - City Only (School In Edu. Bdgt.)	285,657	292,384	373,500	81,116	27.74%
Budget Transfers Out:					
Retirement Anticipation Fund 8311 (City And School)	600,000	600,000	600,000	-	0.00%
Bentley Elementary School*	3,277,144	-	0	-	0.00%
Salem 2026 Fund	50,000	25,000	50,000	25,000	100.00%
City Expenditure Subtotal	88,120,558	88,707,833	93,808,623	5,100,790	5.75%
Education - Public Schools	58,479,049	63,449,649	66,597,919	3,148,270	4.96%
Education Subtotal	58,479,049	63,449,649	66,597,919	3,148,270	4.96%
GENERAL FUND SUBTOTAL	146,599,606	152,157,482	160,406,542	8,249,060	5.42%
Sewer Enterprise Fund Budget (Net- Indirect Costs)	10,123,207	8,017,900	8,329,470	311,570	3.89%
Water Enterprise Fund Budget (Net-Indirect Costs)	6,840,181	6,449,189	6,478,342	29,153	0.45%
Trash - Enterprise Fund Budget	3,633,572	3,876,199	3,962,443	86,244	2.22%
Peg Access Cable	471,155	691,250	691,250	-	0.00%
ENTERPRISE SUBTOTAL	21,068,114	19,034,538	19,461,505	426,967	2.24%
SUBTOTAL - GENERAL FUND + ENTERPRISE FUND	167,667,720	171,192,020	179,868,047	8,676,027	5.07%
ADD - OTHER EXPENDITURES:					
OTHER - Cherry Sheet Offset (pg. 2 Ilb5 of recap)	182,628	278,134	376,580	98,446	35.40%
Snow and Ice Deficit (pg. 2 Ilb9 of recap)	848,602	398,577	771,892	373,314	93.66%
Overlay (Allowance For Abatements)	706,640	832,919	911,581	78,662	9.44%
SUBTOTAL - OTHER EXPENDITURES	1,737,870	1,509,630	2,060,052	550,422	36.46%
TOTAL EXPENDITURES	169,405,590	172,701,650	181,928,099	9,226,449	5.34%
Revenue vs Expenditures (Negative represents revenue deficit)	8,546,991	630,516	0		

TAX RATE RECAPITULATION (RECAP) SUMMARY BY FISCAL YEAR

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022 Est.
Total Estimated Receipts and other revenue from RECAP	55,634,447	61,675,449	61,913,528	66,267,289	63,823,509	68,788,229	69,263,807	75,296,544	74,431,631	70,424,621	73,017,188	71,728,841
Tax Levy	72,532,237	71,788,367	74,879,216	76,981,209	79,058,306	81,200,463	85,600,551	89,868,125	95,083,826	103,616,867	107,301,006	110,173,970
Total Amt Raised on RECAP	128,166,684	133,463,816	136,792,744	143,248,498	142,881,816	149,988,692	154,864,358	165,164,669	169,515,457	174,041,488	180,318,194	181,902,811
Prior FY Levy Limit	70,134,978	72,993,129	75,492,988	77,955,293	80,587,732	83,270,410	86,548,205	90,563,116	95,321,556	99,208,798	107,591,472	111,930,861
Amended Growth									3,204			
2.5% allowable Increase	1,753,374	1,824,828	1,887,325	1,948,882	2,014,693	2,081,760	2,163,705	2,264,078	2,383,119	2,480,220	2,689,787	2,798,272
New Growth (Footprint shift for LR)												
New Growth	1,104,777	675,031	574,980	683,557	667,984	1,196,035	1,851,206	2,494,362	1,500,919	5,902,454	1,649,602	2,053,113
FY Levy Limit	72,993,129	75,492,988	77,955,293	80,587,732	83,270,410	86,548,205	90,563,116	95,321,556	99,208,798	107,591,472	111,930,861	116,782,245
RE & PP Total Value	4,115,970,775	3,973,785,748	3,927,232,741	3,962,936,296	4,208,675,856	4,534,079,631	4,710,256,289	5,067,583,077	5,470,468,285	6,125,184,869	6,608,838,388	7,118,656,790
Levy Ceiling (2.5% Total Value)	102,899,269	99,344,644	98,180,819	99,073,407	105,216,896	113,351,991	117,756,407	126,689,577	136,761,707	153,129,622	165,220,960	177,966,420
Equalized Value (EQV) as of 1/1	4,568,374,700	4,568,374,700	4,256,808,900	4,256,808,900	4,256,808,900	4,232,985,800	4,232,985,800	5,405,036,100	5,405,036,100	5,405,036,100	5,405,036,100	5,405,036,100



Revenue Overview

General Fund Budget Summary

A key component of the budget development process is the identification of revenue assumptions and projections to determine the range of choices that the Mayor can make in allocating resources. The City's revenue plans attempt to balance the desire to reduce the impact of government cost on the taxpayer, to provide for a relatively stable and diversified revenue portfolio that is not highly subject to economic fluctuations, and to equate the cost of services to the revenues received. Because of the critical nature of this information the revenue analysis and the revenue projections are monitored, updated and presented to the Mayor on a monthly basis. If significant changes in revenue streams were to present the potential for shortfalls, this process would allow for the action(s) to be made in time to maintain fiscal stability.

The City does not have the statutory ability to change rates and formulas for many of its revenue sources. The rates and/or formulas for property tax and certain fines, for example, are set by the State. The City may set user fees, permits and licenses. In 1980, the voters approved a statewide property tax initiative, Proposition 2 1/2. Prop. 2 1/2 established, among several restrictions, a "2 ½ percent cap" on property taxes increases in all local taxing districts in the State.

City revenues are divided into six basic categories recommended by the National Committee on Governmental Accounting. The categories are taxes, charges for services, licenses and permits, fines and forfeits, intergovernmental revenue, and miscellaneous revenue. The following pages discuss in detail the City's projections for those categories in the upcoming fiscal years.

Some of the taxation terminology used throughout the revenue section can be confusing to the average taxpayer. Below are descriptions of a few of those terms. More information can be found in the glossary section in the back of this book.

Levy - The amount of taxes, special assessments, or service charges imposed by a governmental unit.

Levy Ceiling - The limit imposed by Proposition 2 ½ that equals 2 ½ % of the total full and fair cash value of all taxable property.

Levy Limit - The amount that a municipality may raise in taxes each year which is based on the prior year's limit plus 2 ½% increases on that amount plus the amount certified by the State that results from "new growth".

New Growth – The additional tax revenue generated by new construction, renovations, and other increases in the property tax base during a calendar year.

Proposition 2 ½ - Is the law which became effective on December 4, 1980. The two main components of the tax law relating to property taxes are: 1) the tax levy cannot exceed 2 ½ % of the full and fair cash value, and 2) for cities and towns at or below the above limit, the tax levy cannot exceed the maximum tax levy allowed for the prior by more than 2 ½ % (except in cases of property added to the tax rolls and for valuation increases of at least 50% other than as part of a general revaluation).

Equalized Valuations (EQV) – The commissioner of Revenue, in accordance with MGL CH. 58 Section 10C, is charged with the responsibility of biannually determining an equalized valuation for each city and town in the Commonwealth. EQVs present an estimate of fair cash value of all taxable property in each city and town as of January 1 of each year (MGL CH. 58, Sections 9 & 10C). The EQV is a measure of the relative property wealth in each municipality. Its purpose is to allow for comparisons of municipal property values at one point in time, adjusting for differences in local assessing practices and revaluation schedules. EQVs have historically been used as a variable in the allocation of certain state aid distributions, the calculation of various state and county assessments to municipalities, and the determination of municipal debt limits. EQVs are used in some distribution formulas so that communities with lower property values receive proportionately more aid than those with higher property values. In some assessment formulas they are used so that those with lower property values assume proportionately less of the cost than communities with higher property values. The local aid receipt programs using EQV are: Public Libraries, Chapter 70, and School Construction Aid. The assessments using EQV are: Boston's Metropolitan Transit Districts, the Count Tax, Mosquito Control Projects and Air Pollution Control Districts. A municipality's annual EQV is the sum of estimated fair market value for each property class plus an estimate of new growth, resulting in values indicative of January 1.

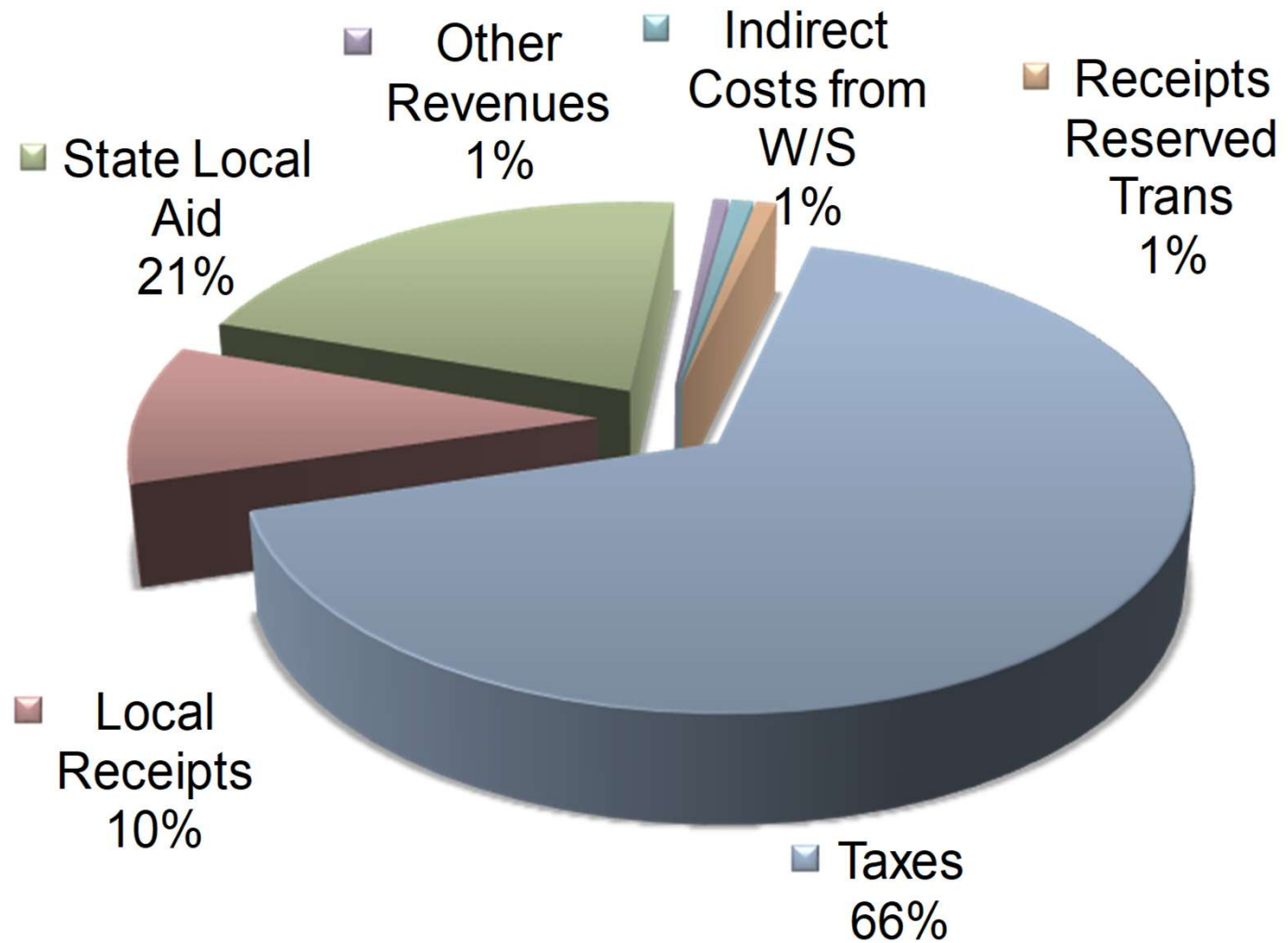
Tax Rate - The amount of tax stated in terms of a unit of the tax base. Prior to a 1978 amendment to the Massachusetts Constitution, a single tax rate applied to all of the taxable real and personal property in a City or town. The 1978 amendment allowed the legislature to create three classes of taxable property: 1) residential real property, 2) open space land, and 3) all other (commercial, industrial, and personal property). Within limits, cities and towns are given the option of determining the share of the levy to be borne by the different classes of property. The share borne by residential real property must be at least 65% of the full rate. The share of commercial, industrial, and personal property must not exceed 150% of the full rate. Property may not be classified until the State Department of Revenue has certified that all property has been assessed at its full value.

The following chart is a summary of the EQV, Tax Levy, Levy Ceiling, Levy Limit, 2 ½% increase, and New Growth by fiscal year.

CITY OF SALEM
REVENUE SUMMARY - GENERAL & ENTERPRISE FUNDS

	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY2020	RECAP FY2021	Budgeted FY2022	Increase % FY21 vs. FY22`	Increase \$ FY21 vs. FY22
GENERAL FUND										
REAL AND PERSONAL Tax Levy	79,058,306	80,963,871	85,390,895	89,441,832	95,083,826	103,616,867	107,301,006	110,173,970	2.7%	2,872,964
MOTOR VEHICLE	3,914,582	4,027,081	4,270,422	4,423,714	4,100,000	4,379,374	4,100,000	4,450,000	8.5%	350,000
HOTEL EXCISE	474,568	560,959	663,968	755,910	640,000	978,595	350,000	650,000	85.7%	300,000
MEALS TAXES	887,789	980,941	1,019,605	1,089,955	1,000,000	1,074,851	400,000	800,000	100.0%	400,000
VESSEL EXCISE	30,761	30,153	30,000	32,323	30,000	573,595	530,000	30,000	-94.3%	(500,000)
CANNIBIS EXCISE						742,899	400,000	900,000	125.0%	500,000
INTEREST ON TAXES	437,539	493,211	460,601	491,762	440,000	527,615	400,000	500,000	25.0%	100,000
IN LIEU OF TAXES & CH 121A	1,043,782	1,322,806	1,082,164	1,457,409	1,200,000	1,294,385	1,200,000	1,200,000	0.0%	0
MEDICAL MARIJUANA		82,856	248,370	288,826	190,000	1,288,454	500,000	1,200,000	140.0%	700,000
CHARGES FOR SERVICES	2,102,749	1,899,470	2,901,242	2,203,611	2,350,000	2,405,034	1,600,000	2,300,000	43.8%	700,000
PARKING FEES	2,393,621	2,468,115	2,612,136	2,637,742	3,100,000	2,913,363	1,500,000	2,450,000	63.3%	950,000
LICENSES AND PERMITS	504,856	535,225	509,915	533,820	500,000	500,935	172,500	300,000	73.9%	127,500
FINES AND FORFEITS	1,167,427	882,008	823,329	1,004,571	800,000	1,092,649	600,000	800,000	33.3%	200,000
INVESTMENT INCOME	202,893	215,624	263,963	246,422	200,000	491,574	171,750	150,000	-12.7%	(21,750)
MISCELLANEOUS INCOME	160,902	265,325	302,121	343,221	100,000	568,944	450,000	450,000	0.0%	0
MEDICAID INCOME	716,092	815,622	906,605	1,075,129	800,000	0	-	100,000	-	100,000
MEDICAID PART D REIMBURSEMENT	242,778	0	0	0	0	0	230,000	-	-100.0%	(230,000)
NON RECURRING (Hold Harmless Money)	5,271,156	5,256,547	4,657,229	4,004,856	3,750,000	730,139		-	-	0
TOTAL LOCAL RECEIPTS	19,551,495	19,835,943	20,751,670	20,589,271	19,200,000	19,562,406	12,604,250	16,280,000	29.2%	(8,147,420)
NET MA CHERRY SHEET ASST.	29,323,109	30,158,750	30,129,354	29,798,847	30,468,308	34,506,150	34,508,782	35,244,772	2.1%	735,990
MSBA REIMBURSEMENTS	732,824	732,824	732,824	732,824	732,824	732,824	732,824	0	-100.0%	(732,824)
R/RES REDUCE TAX RATE	1,050,452	1,116,347	1,238,398	1,295,034	1,337,058	1,238,516	1,238,676	2,361,195	90.6%	1,122,519
OFS/TRANSFERS IN	700,000	1,700,000	1,300,000	941,452	1,900,000	-	1,800,000	-	-100.0%	(1,800,000)
Indirect Costs	1,501,654	1,424,095	1,482,718	1,304,900	1,345,221	1,431,996	1,431,996	1,469,176	2.6%	37,180
TOTAL OTHER RECEIPTS	33,308,039	35,132,016	34,883,294	34,073,057	35,783,411	37,909,486	39,712,278	39,075,143	-1.6%	4,828,984
GENERAL FUND TOTAL	131,917,840	135,931,830	141,025,859	144,104,160	150,067,237	161,088,759	159,617,534	165,529,113	3.7%	5,911,579
ENTERPRISE FUND										
SEWER RATES	8,898,048	8,960,699	8,669,477	8,599,462	9,698,976	9,902,960	10,182,959	10,547,323	3.6%	1,513,482
Other				63,355	-					
OFS/Retained Earnings			-	-						
TOTAL SEWER	8,898,048	8,960,699	8,669,477	8,662,817	9,698,976	9,902,960	10,182,959	10,547,323	3.6%	1,513,482
WATER RATES	4,765,691	5,821,420	4,666,970	4,741,210	5,251,131	5,481,367	5,695,306	5,729,664	0.6%	1,028,336
Other				-	-	-	-	-	0.0%	0
WATER TRANS/OFS	-	-	1,464,097	2,133,713	-	-	100,000	1,523,153	1423.2%	100,000
TOTAL WATER	4,765,691	5,821,420	6,131,067	6,874,923	5,251,131	5,481,367	5,795,306	7,252,817	25.1%	(335,761)
TRASH FEES	699,082	820,890	877,785	856,879	869,713	903,408	899,925	899,925	0.0%	22,140
OFS/Retained Earnings	1,583,215	2,049,482	2,118,620	2,071,694	2,359,895	2,730,164	2,836,362	3,062,518	8.0%	717,742
TOTAL TRASH	2,282,297	2,870,372	2,996,405	2,928,573	3,229,608	3,633,572	3,736,287	3,962,443	6.1%	739,882
ENTERPRISE FUND TOTAL	15,946,036	17,652,491	17,796,949	18,466,313	18,179,715	19,017,899	19,714,552	21,762,583	10.4%	1,917,603
GRAND TOTAL	147,863,876	153,584,321	158,822,808	162,570,473	168,246,952	180,106,658	179,332,086	187,291,696	4.4%	20,509,278

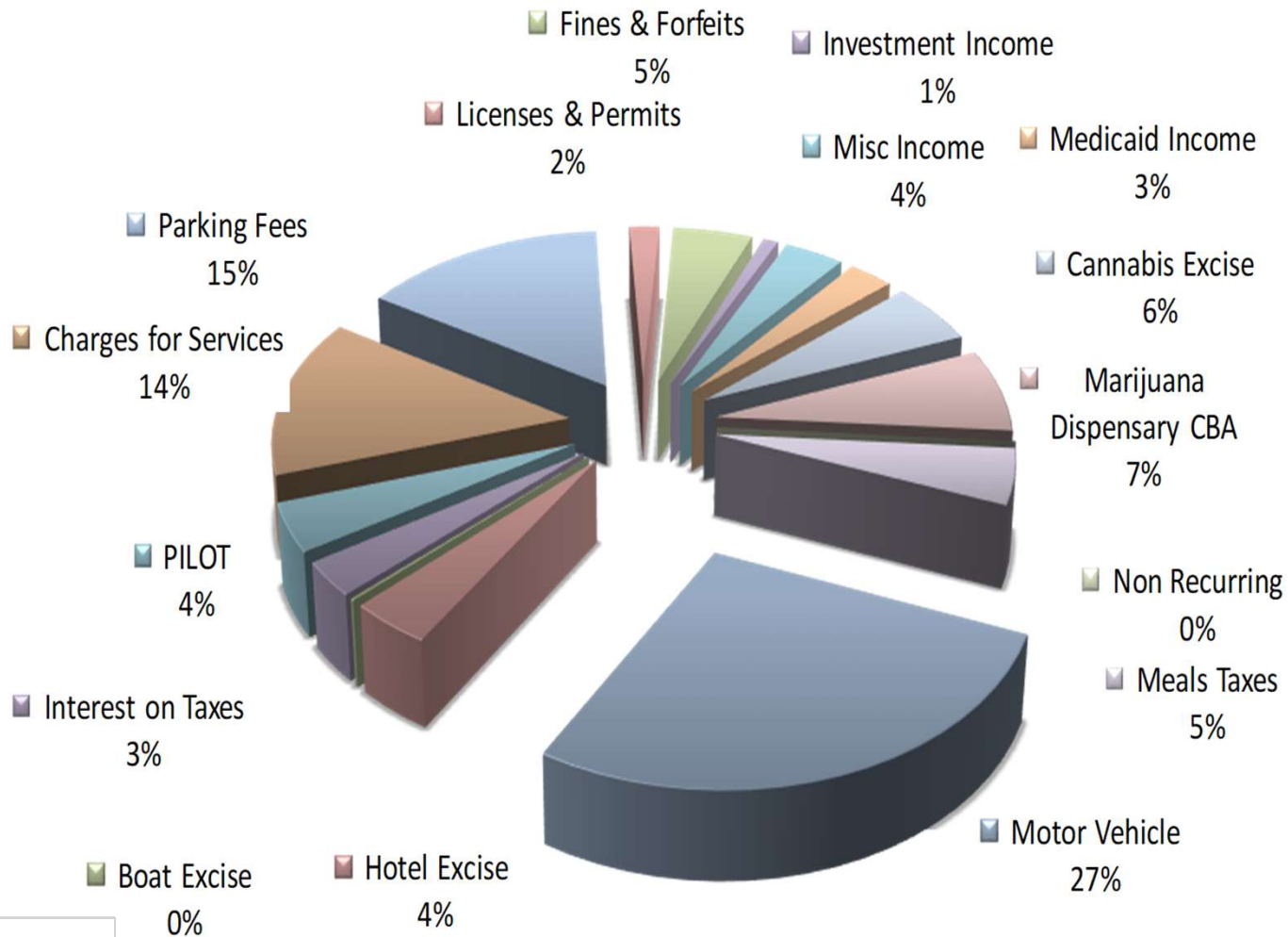
ESTIMATED REVENUES GENERAL FUND



FY 2022

Total	165,528,186
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ESTIMATED LOCAL RECEIPTS GENERAL FUND



FY 2022

TOTAL	16,280,000
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GENERAL FUND REVENUE DETAIL

I. TAXES

Real and Personal Property Tax

The primary source of revenue for most municipalities in the Commonwealth is real and personal property taxes; however, the property tax as a percentage of all revenues can greatly differ from community to community. For purposes of taxation, real property includes land, buildings and improvements erected or affixed to land and personal property consists of stock, inventory, furniture, fixtures and machinery. The City's Board of Assessors determines the value of all taxable land, which is revalued at fair market value every three years and updated every year. The City of Salem revalued all real property in FY10 adjusting property values to within 90%-100% of market value. The City's Board of Assessors is also responsible for determining the value of personal property through an annual review process.

Factors influencing property taxes:

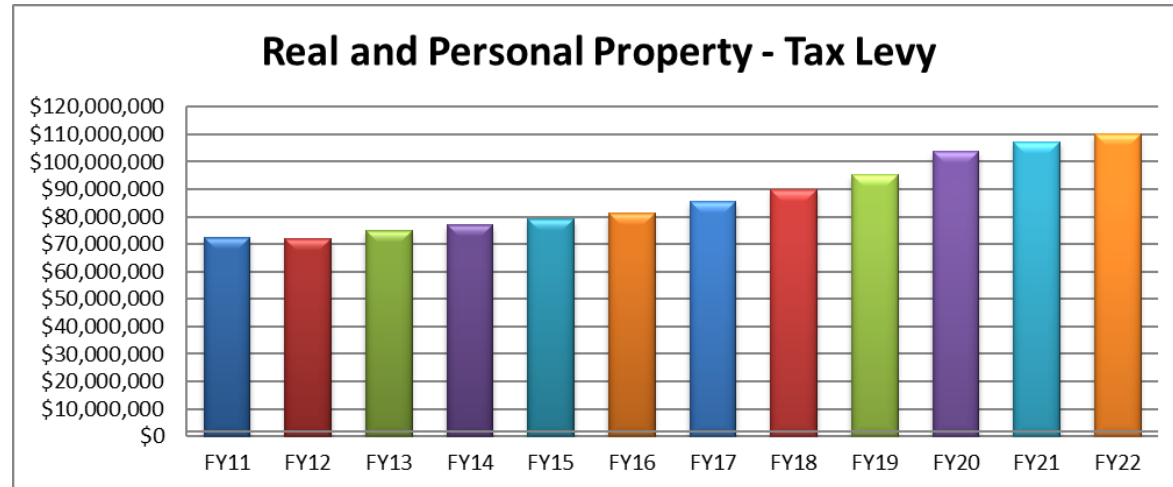
There are three major factors that influence the amount of revenue generated by real and personal property taxes:

- 1. Automatic 2.5% Increase (Prop 2 ½)** – The levy limit is the maximum amount that can be collected through real and personal property taxes by the municipality. Each year, a community's levy limit automatically increases by 2.5% over the previous year's levy limit. This increase does not require any action on the part of local officials.
- 2. New Growth** – A community is able to increase its tax levy limit each year to reflect new growth in the tax base. Assessors are required to submit information on growth in the tax base for approval by the Massachusetts Department of Revenue as part of the tax rate setting process.
- 3. Overrides/Exclusions** – A community can permanently increase its levy limit by successfully voting an override. Debt and Capital exclusions, on the other hand, are temporary increases in a community's levy limit for the life of the project or debt service. Only a Debt or Capital exclusion can cause the tax levy to exceed the levy limit.

The levy limit for FY2022 is estimated to be \$116,229,133. The actual amount of revenue raised through the tax levy will be determined when the tax rate is set in the fall. The Tax Levy for FY2022 is estimated to be \$110,173,970 which is an increase of 2.68% over FY2021.

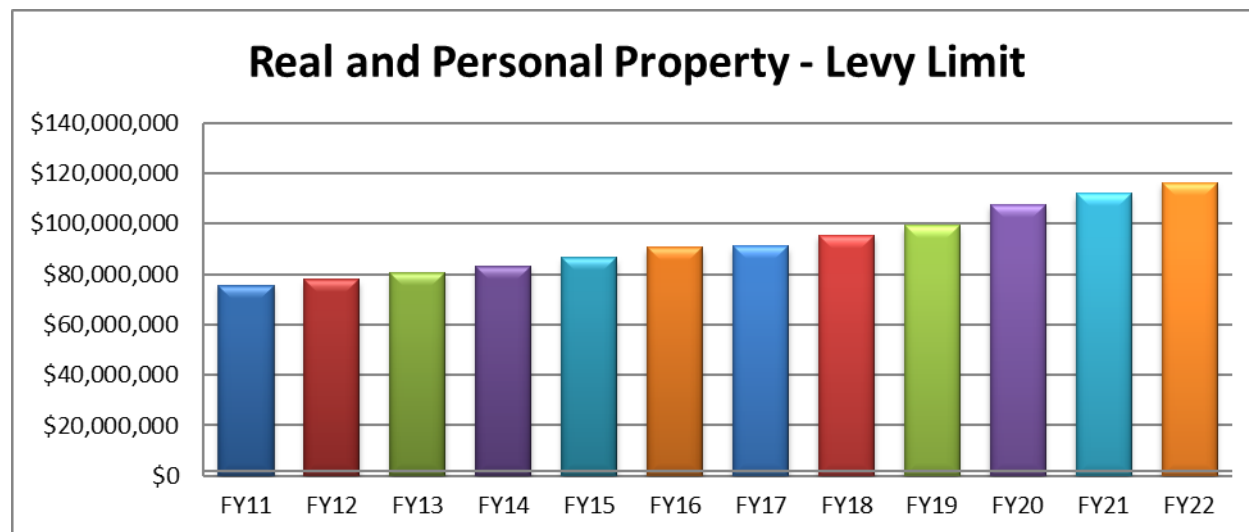
Real & Personal Property – Tax levy – The amount of taxes, special assessments, or service charges imposed by a governmental unit.

Real and Personal Property – Tax Levy		
Fiscal Year	Revenue	
2011	72,532,237	
2012	71,788,366	
2013	74,879,216	
2014	76,981,209	
2015	79,058,306	
2016	81,200,463	
2017	85,390,895	
2018	89,868,125	
2019	95,083,826	
2020	103,616,867	
2021	107,301,006	
2022	110,173,970	Estimated
% Change FY21 vs. FY22		2.68%



Real & Personal Property – Levy Limit – The amount that a municipality may raise in taxes each year which is based on the prior year’s limit plus 2 ½ % increase on that amount plus the amount certified by the State that results from “new growth”.

Real and Personal Property – Levy Limit		
Fiscal Year	Revenue	
2011	75,492,988	
2012	77,880,313	
2013	80,587,733	
2014	83,270,307	
2015	86,548,205	
2016	90,563,116	
2017	91,206,273	
2018	95,321,556	
2019	99,208,797	
2020	107,591,471	
2021	111,930,861	
2022	116,782,246	Estimated
% Change FY21 vs. FY22		4.33%

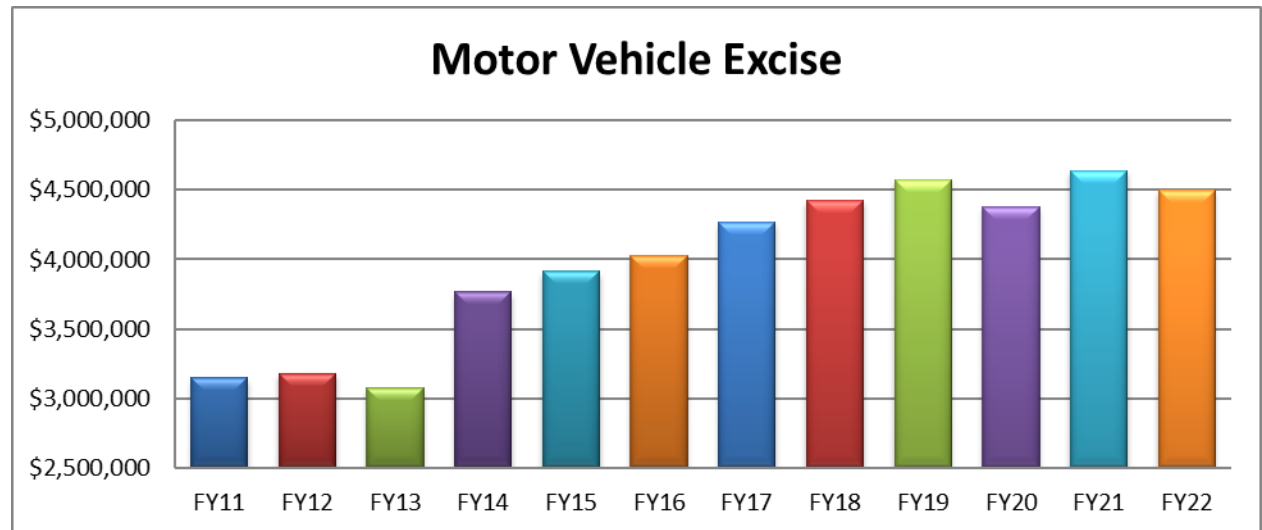


II. LOCAL RECEIPTS

Motor Vehicle Excise Tax Receipts – Massachusetts General Law (MGL) Chapter 60A, Section 1 sets the motor vehicle excise rate at \$25 per \$1000 valuation. The City collects this revenue based on data provided by the Massachusetts Registry of Motor Vehicles (RMV). The Registry, using a statutory formula based on a manufacturer's list price and year of manufacture, determines valuations. The City or Town in which a vehicle is principally garaged at the time of registration collects the motor vehicle excise tax.

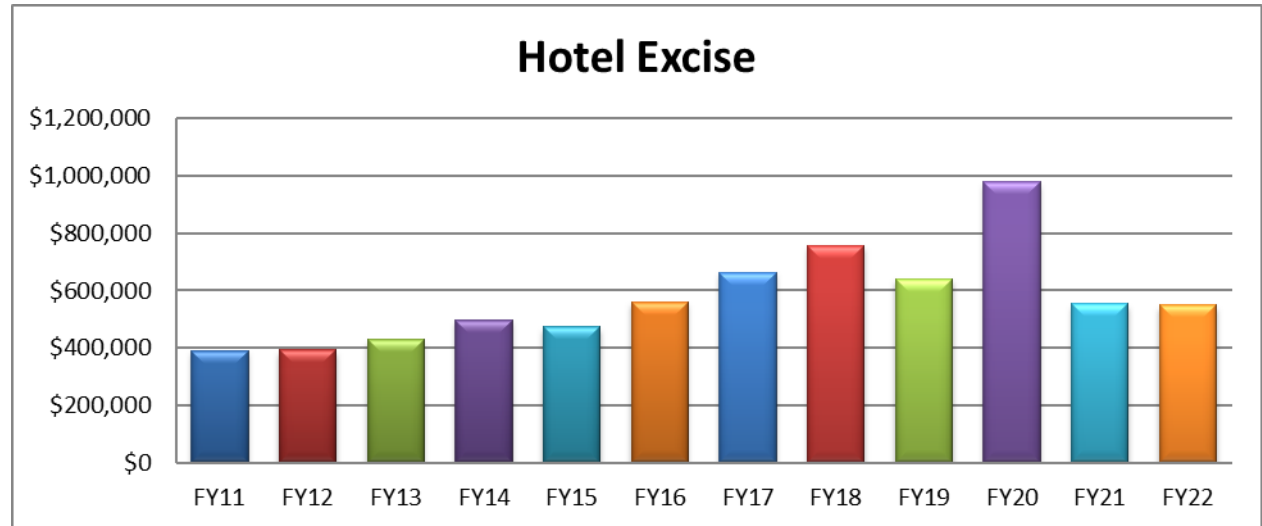
Those residents who do not pay their excise taxes in a timely manner are not allowed to renew registrations and licenses through a 'marking' process at the RMV. The City of Salem notifies the Registry of delinquent taxpayers, through its deputy collector, who prepares excise delinquent files for the Registry of Motor Vehicles. We are projecting collections for FY 2022 based on prior fiscal year trends and averages, as well as any continuing impacts of COVID-19 on the economy.

Motor Vehicle Excise		
Fiscal Year	Revenue	
2011	3,147,826	Actual
2012	3,179,764	Actual
2013	3,080,014	Actual
2014	3,767,518	Actual
2015	3,914,582	Actual
2016	4,027,082	Actual
2017	4,270,422	Actual
2018	4,423,714	Actual
2019	4,573,366	Actual
2020	4,379,374	Actual
2021	4,638,752	Actual
2022	4,500,000	Estimated
% Change FY21 vs. FY22		-3.0%



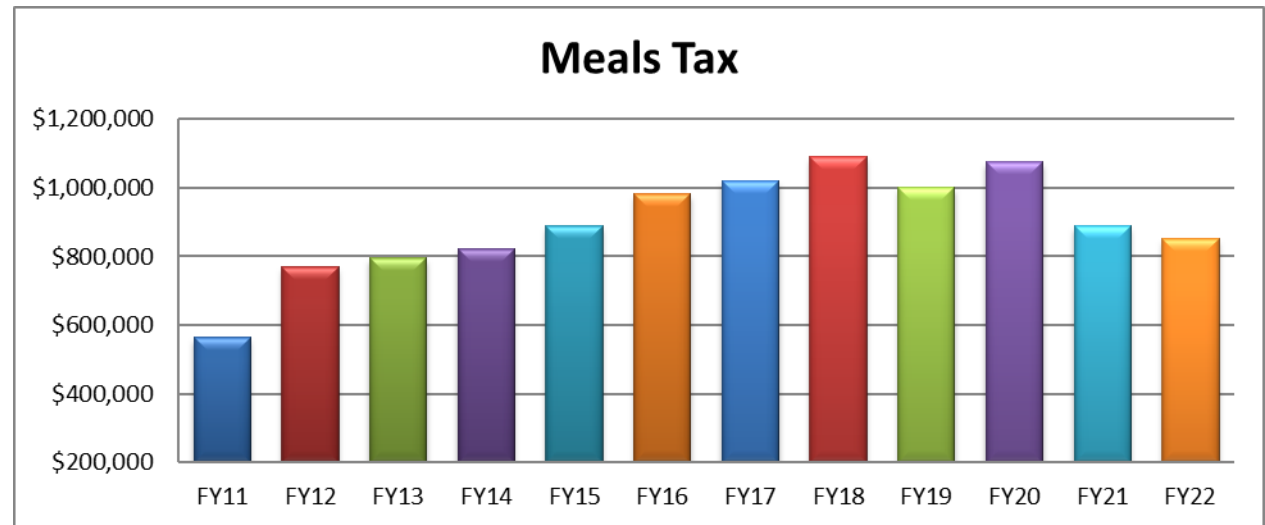
Hotel Excise – (Room Occupancy Excise - MGL Chapter 64G) This category includes taxes received through the state that are collected from all hotels, motels, and other lodging houses within the City at a rate up to, but not exceeding, 6% of the total amount of rent for each such occupancy. On April 22, 2010 the City Council approved by a 6-5 vote to pass the local options tax increases of .75% on meals and 1% on Hotel/Motels. In FY 2016 the hotel tax was increased from 5% to 6%. In FY 2022 we estimate approximately level receipts based on economic recovery post COVID-19. FY2021 estimates were lower than recent trends due to travel restrictions.

Hotel Excise		
Fiscal Year	Revenue	
2011	392,295	Actual
2012	392,974	Actual
2013	429,544	Actual
2014	497,784	Actual
2015	474,568	Actual
2016	560,959	Actual
2017	663,968	Actual
2018	755,910	Actual
2019	640,000	Actual
2020	978,595	Actual
2021	553,706	Actual
2022	550,000	Estimated
% Change FY22 vs. FY21		-0.7%



Meals Tax – (MGL CH27 §60 and 156 of the Acts of 2009). This revenue was established in FY2011 as allowed by the Commonwealth of Massachusetts in FY 2010. We are anticipating a continued recovery in meals tax for FY2022 as restrictions from COVID-19 have been lifted.

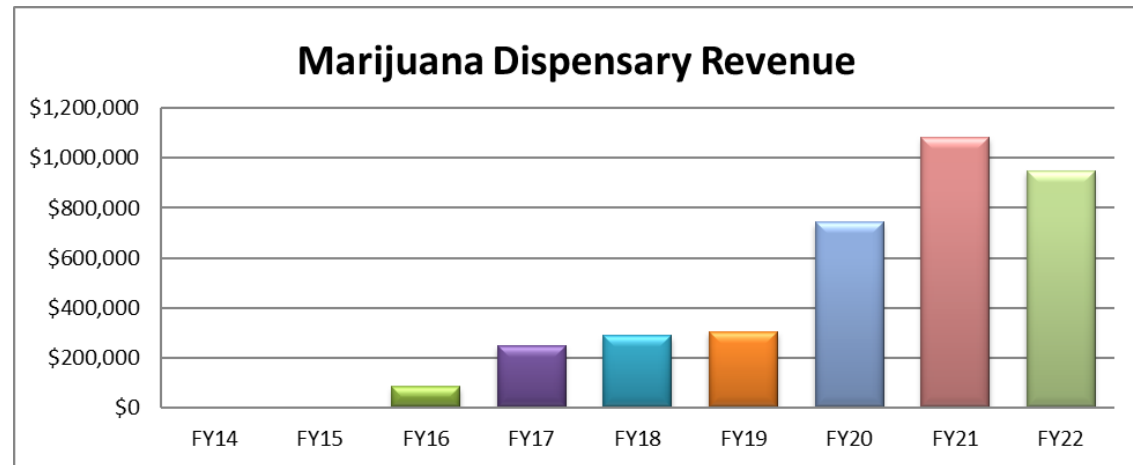
Meals Tax		
Fiscal Year	Revenue	
2011	562,797	Actual
2012	768,032	Actual
2013	795,305	Actual
2014	821,634	Actual
2015	887,789	Actual
2016	980,941	Actual
2017	1,019,605	Actual
2018	1,089,955	Actual
2019	1,000,000	Actual
2020	1,074,851	Actual
2021	889,035.42	Actual
2022	850,000.00	Estimated
% Change FY21 vs. FY22		-4.4%



ATG - Medical Marijuana Dispensary Revenue – The City of Salem has entered into a Community Benefits Agreement with Alternative Therapies Group (ATG) of Massachusetts which is a Registered Marijuana Dispensary (RMD) to receive revenue from sale of medicinal marijuana. Funds received by communities per agreements with medical marijuana dispensaries belong to the community's General Fund under G.L.c.44, §53. These funds cannot be separately appropriated as available funds.

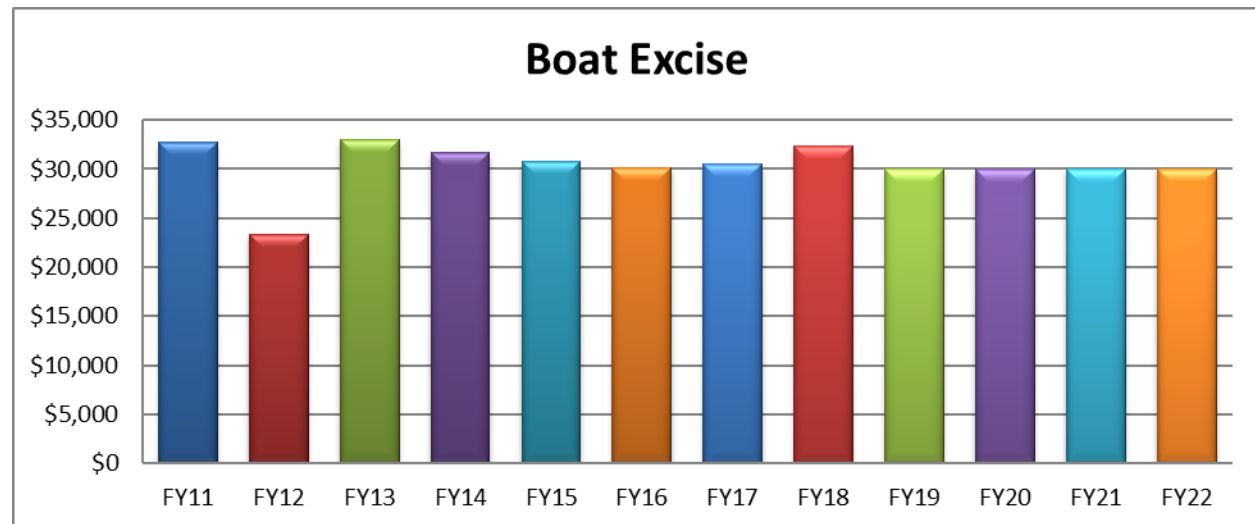
The city receives an annual payment equal to 1.25% of the total gross annual sales of the RMD for the first two years after it opens. On year three and after, the city will receive 2% of all gross annual sales. ATG opened in June 2015 and the city anticipated approximately \$50,000.00 in year one of the agreement. In FY2022 we remain conservative in our projections on the agreements with dispensaries while monitoring trends revenue trends.

Marijuana Dispensary Revenue		
Fiscal Year	Revenue	
2014	-	
2015	-	
2016	82,856	Actual
2017	247,894	Actual
2018	288,826	Actual
2019	303,565	Actual
2020	742,899	Actual
2021	1,084,324	Actual
2022	950,000	Estimate
% Change FY22 vs. FY21		-12.4%



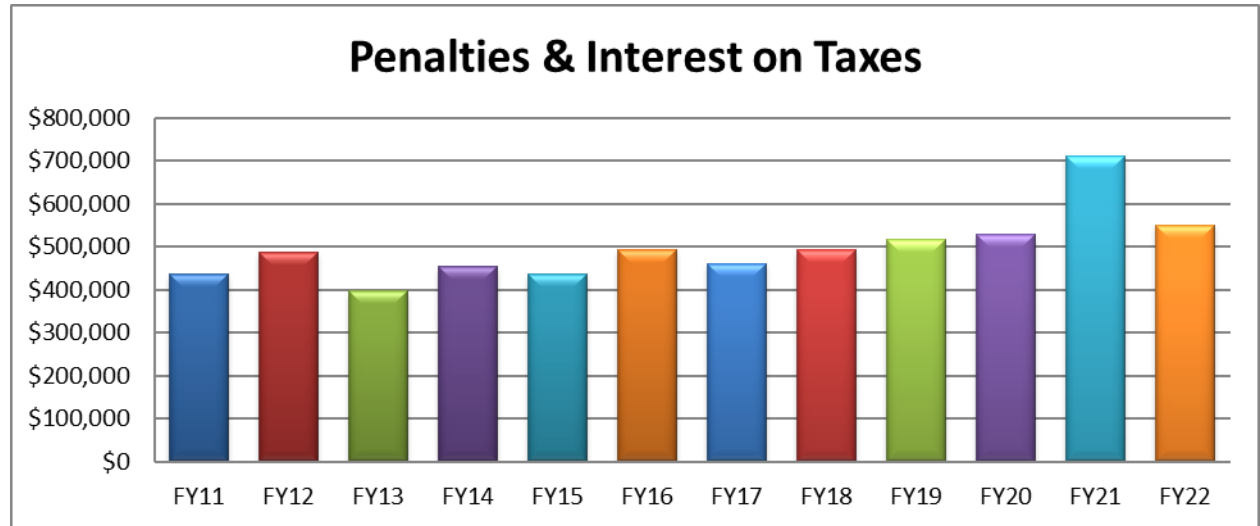
Boat Excise – As per MGL Chapter 60B Section 2, boat excise tax is levied by each city and town in each fiscal year on every vessel, and its equipment, for the privilege of using the waterways of the Commonwealth. We anticipate little to no increase in FY2022.

Boat Excise		
Fiscal Year	Revenue	
2011	32,726	Actual
2012	23,358	Actual
2013	33,044	Actual
2014	31,661	Actual
2015	30,761	Actual
2016	30,153	Actual
2017	30,476	Actual
2018	32,323	Actual
2019	30,000	Actual
2020	30,000	Actual
2021	30,000	Actual
2022	30,000	Estimated
% Change FY22 vs. FY21		0.0%



Penalties & Interest on Taxes - This category includes delinquent interest and penalties on all taxes and tax title accounts. It also contains demand fees on real and personal property taxes as well as demands and warrants on late motor vehicle excise taxes and boat excise taxes. Demand fees were increased from \$15.00 to \$30.00 in FY2018. We anticipated collections in line with historical trends for FY2022.

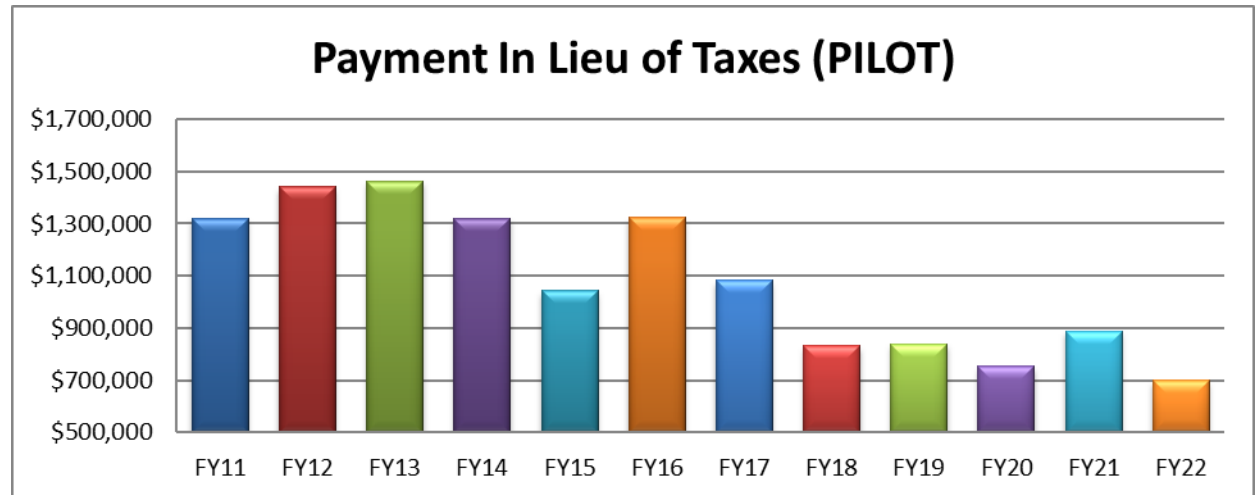
Penalties & Interest on Taxes		
Fiscal Year	Revenue	
2011	437,282	Actual
2012	487,843	Actual
2013	396,661	Actual
2014	453,971	Actual
2015	437,539	Actual
2016	493,211	Actual
2017	460,601	Actual
2018	491,762	Actual
2019	517,248	Actual
2020	527,615	Actual
2021	712,224	Actual
2022	550,000	Estimated
% Change FY21 vs. FY22		-22.8%



Payment In Lieu Of Taxes (PILOT) - Many communities, Salem included, are not able to put all the property within its borders to productive, tax generating uses. Federal, state and municipal facilities, hospitals, churches and colleges are examples of uses that are typically exempt from local property tax payments. The City currently has PILOT agreement with several entities, including the South Essex Sewerage District, North Shore Medical Center, and the Salem Housing Authority, Northeast Animal Shelter, as well as some Urban Redevelopment Corporations (MGL Chapter 121A).

Estimates for FY2022 are based on current PILOT agreements.

Payment in Lieu of Taxes (PILOT)		
Fiscal Year	Revenue	
2011	1,319,079	Actual
2012	1,440,185	Actual
2013	1,462,691	Actual
2014	1,321,060	Actual
2015	1,043,782	Actual
2016	1,322,806	Actual
2017	1,082,164	Actual
2018	830,534	Actual
2019	837,861	Actual
2020	753,198	Actual
2021	888,010	Actual
2022	700,000	Estimated
% Change FY21 vs. FY22		-21.2%

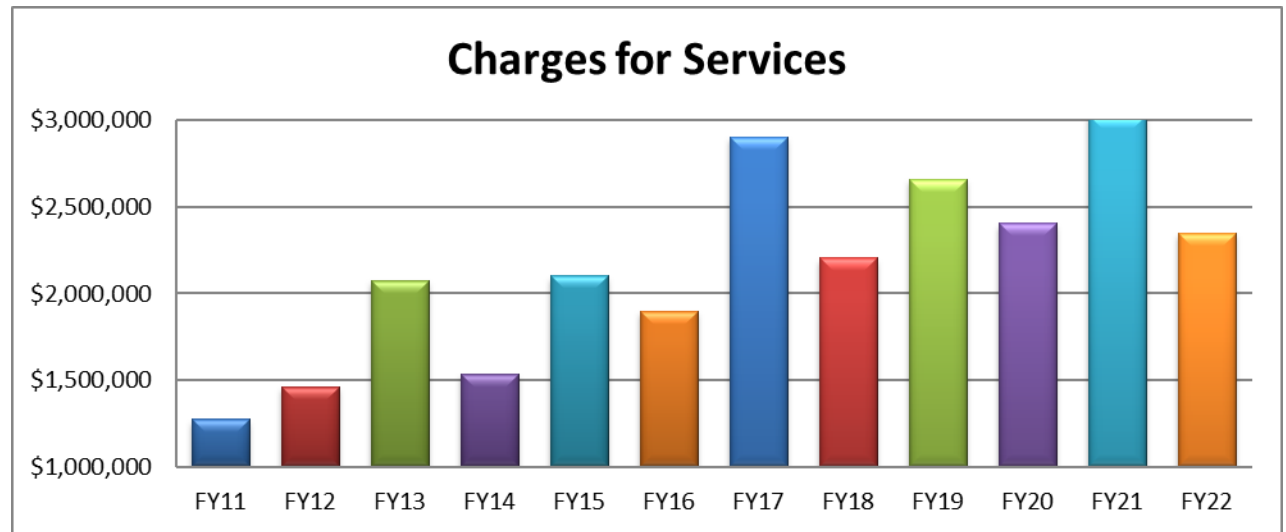


CHARGES FOR SERVICES

Services / Charges / User Fees – Charges for services are a revenue source to assist municipalities to offset the cost of certain services provided to the community. Some of the fees within this category are board of health fees, building and plumbing permits, electrical fees, engineering inspections as well as park and recreational fees. In FY 2007 the trash fee was also added to this category as well as passport and ferry fees. In FY08 the trash fee was moved to an enterprise fund, however police and fire administrative fees for detail work were added as a new revenue source.

FY2022 estimates reflect continued strong performance recent building projects, which appear to have increased during COVID-19, while being more in line with recent years as FY2021 is likely to be an outlier in collections. This revenue number is variable and can fluctuate up and down, based on a number of external factors.

Charges for Services		
Fiscal Year	Revenue	
2011	1,274,446	Actual
2012	1,464,056	Actual
2013	2,073,901	Actual
2014	1,535,118	Actual
2015	2,102,749	Actual
2016	1,899,470	Actual
2017	2,901,242	Actual
2018	2,203,611	Actual
2019	2,657,299	Actual
2020	2,405,034	Actual
2021	3,026,130	Actual
2022	2,350,000	Estimated
% Change FY21 vs. FY22		-22.3%



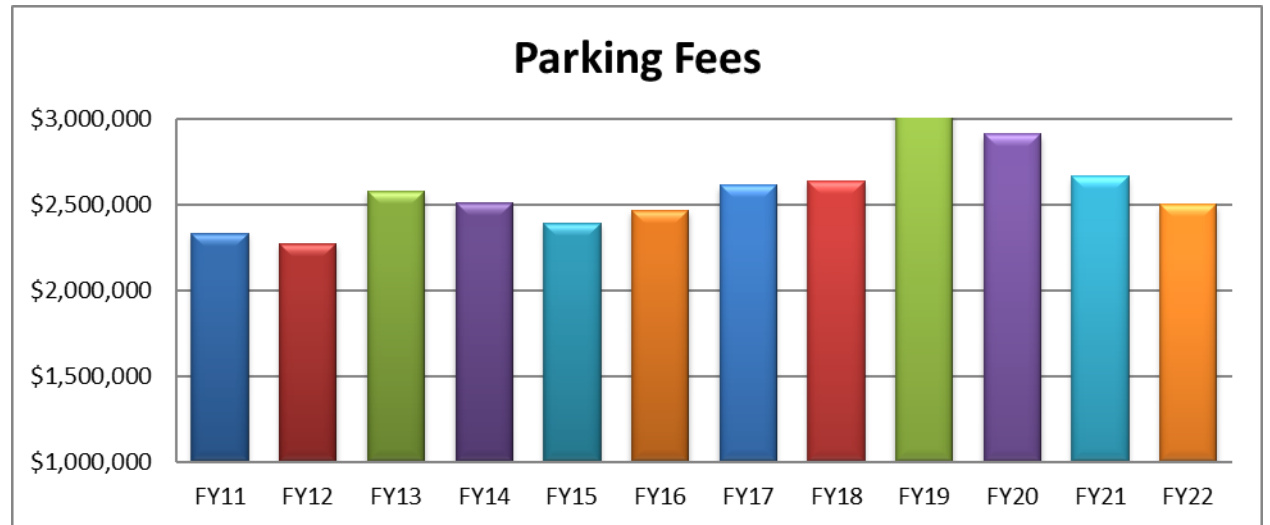
PARKING FEES

Parking Fees – Parking revenues are from fees charged for parking at the Museum Place Mall Parking Garage, South Harbor Parking Garage, Church Street Lot, and all metered parking. Parking revenues are set by City Ordinance.

Revenue increase are anticipated from these adjustments to assist with ongoing maintenance and improvements of these facilities. In FY 2018 the Traffic and Parking director and staff worked with the Traffic and Parking Commission to review all parking rates, which have been largely unchanged for eight years, and utilization levels in the downtown area. It was determined that rates were low and should be increased in certain locations to better reflect value and utilization of parking.

In FY19, the City of Salem adopted a new parking fee structure of many key components of the parking department; including increases from \$1.00/hr. to \$1.50/hr. in the Museum Place Garage, from \$.25/hr. to \$.75/hr. in the South Harbor Garage, at the Church Street parking lots from \$1.00 per hour to \$1.50 per hour and other lots throughout the city from .50 to \$1.00-\$1.50. Residents are provided lower rates in many areas. In addition to the garage rates and meter changes, the price for a monthly parking pass in the Riley Plaza parking lot changed to \$35.00 per month, effective September 22, 2018.

Parking Fees		
Fiscal Year	Revenue	
2011	2,334,422	Actual
2012	2,274,469	Actual
2013	2,580,261	Actual
2014	2,510,838	Actual
2015	2,393,621	Actual
2016	2,468,115	Actual
2017	2,612,136	Actual
2018	2,637,742	Actual
2019	3,405,988	Actual
2020	2,913,363	Actual
2021	2,664,368	Actual
2022	2,500,000	Estimated
% Change FY21 vs. FY22		-6.2%



LICENSES AND PERMITS

Licenses & Permits - License and permit revenue arises from the City's regulation of certain activities (e.g., selling alcoholic beverages). A person or organization pays a license fee to engage in the activity for a specified period. The primary licensing agency in the City is the City Council. All fees are set by one of three methods: State law, City By-Law or Licensing Body.

Liquor Licenses - Under Chapter 138 of the General Laws of Massachusetts, the City is empowered to grant licenses regulating the sale of alcoholic beverages. License fees vary depending upon the type of establishment, closing hours, number of days open, and whether the license is for all alcohol or beer and wine. All licenses issued by the City Council, with the exception of short-term and seasonal liquor licenses, have a maximum fee set by State statute. In FY 2011 Liquor license fees for all restaurants impacted by the increase in meals tax were reduced by 25%.

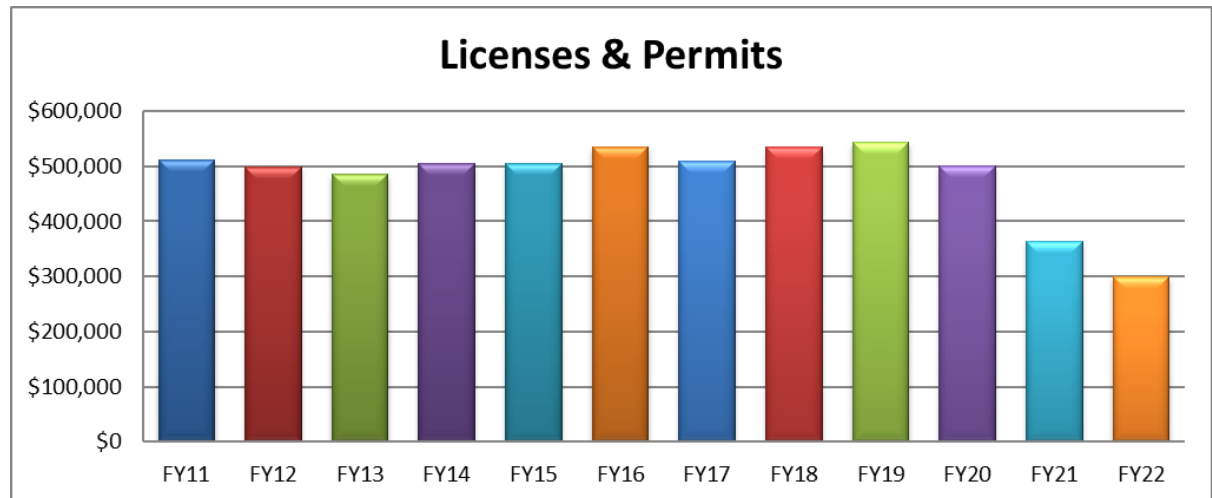
Entertainment - Entertainment licenses are issued for live performances, movie theaters, automatic amusement machines, billiard tables, bowling alleys, and several other forms of entertainment.

City Clerk Licenses & Permits - The City Clerk issues licenses and permits primarily relating to marriages, births, deaths and dog registrations.

Other Departmental Permits - Other Departments issue various permits including smoke detector, LP gas, firearms, and constable fees.

FY2022 projections reflect recent trends due to the impact of COVID-19.

Licenses & Permits		
Fiscal Year	Revenue	
2011	510,375	Actual
2012	499,048	Actual
2013	484,183	Actual
2014	505,128	Actual
2015	504,856	Actual
2016	535,225	Actual
2017	509,465	Actual
2018	533,820	Actual
2019	543,169	Actual
2020	500,935	Actual
2021	364,074	Actual
2022	300,000	Estimated
% Change FY21 vs. FY22		-17.6%



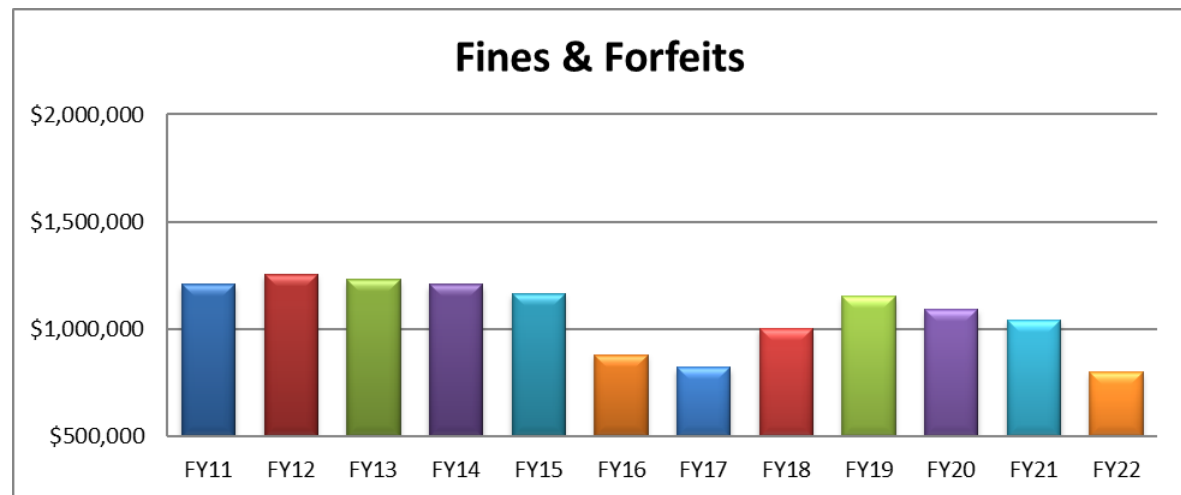
FINES AND FORFEITS

Court Fines – Non-parking offenses result in fines for moving violations. Responding to the community’s desires and public safety concerns, the police department has been focused on enforcing speed limits in local neighborhoods. Other moving violations that are included in this category are driving while intoxicated, passing in the wrong lane, and failing to stop at the traffic signal. These fines, collected by the District Court, are distributed to the City on a monthly basis.

Parking Fines - The collection of outstanding parking fines continues to be an important source of revenue to the City. The timely collection of fines has been aided by automation, and by State law that violators are prohibited from renewing their driver’s licenses and registrations until all outstanding tickets are paid in full. Like Motor Vehicle Excise, those individuals who do not pay their parking tickets in a timely manner are not allowed to renew registrations and licenses through a ‘marking’ process at the RMV. The City of Salem notifies the Registry of delinquent fine payers, through its deputy collector, who prepares parking ticket delinquent files for the Registry of Motor Vehicles.

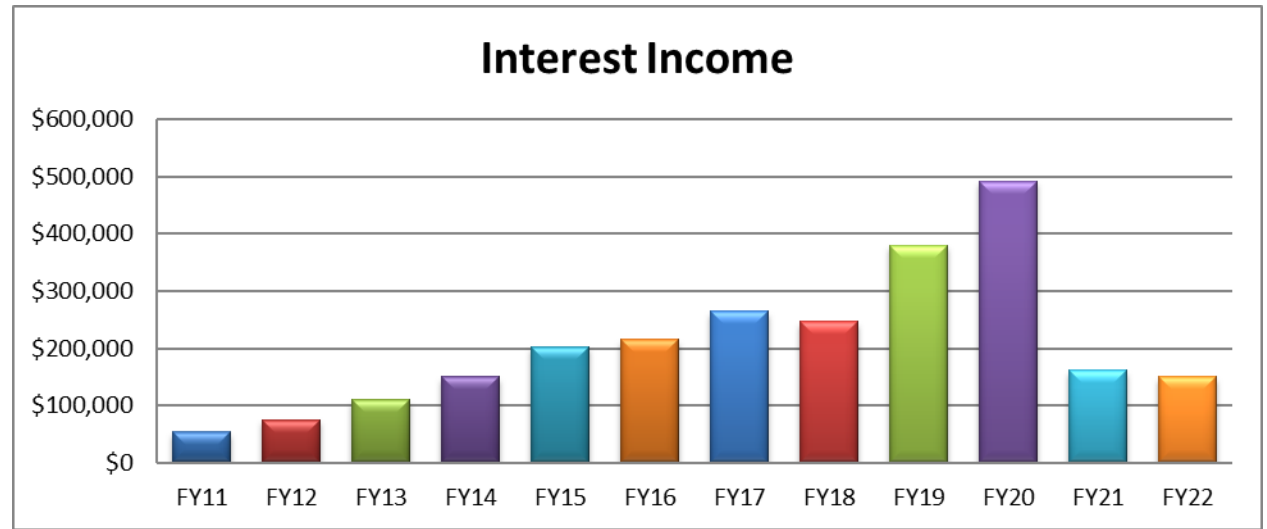
As part of the 2011 parking study, the City has changed both the time limits and the overtime fine for parking meters. The limits will increase from two (2) hours to four (4) hours, which will certainly decrease the amounts of overtime violations written by the meter enforcement division. However, the increase of the overtime fine will offset some of the decrease in the volume of tickets written. Furthermore, the sharply reduced rates in the City’s parking garages will certainly decrease the volume of cars parking curbside (where the tickets are written) and increase the volume of cars parking in the garage, where there will be virtually no tickets written (except for handicap violations, which go into a separate account).

Fines & Forfeits		
Fiscal Year	Revenue	
2011	1,208,272	Actual
2012	1,255,894	Actual
2013	1,230,761	Actual
2014	1,208,544	Actual
2015	1,167,427	Actual
2016	882,008	Actual
2017	823,329	Actual
2018	1,004,571	Actual
2019	1,151,517	Actual
2020	1,092,649	Actual
2021	1,043,048	Actual
2022	800,000	Estimated
% Change FY21 vs. FY22		-23.3%



Interest Income - Under Chapter 44 Section 55B of the Mass. General Laws, all monies held in the name of the City which are not required to be kept liquid for purposes of distribution shall be invested in such manner as to require the payment of interest on the money at the highest possible rate reasonably available. The investment decision must take into account safety, liquidity and yield. The City Treasurer looks to maximize our earning potential by evaluating investing options.

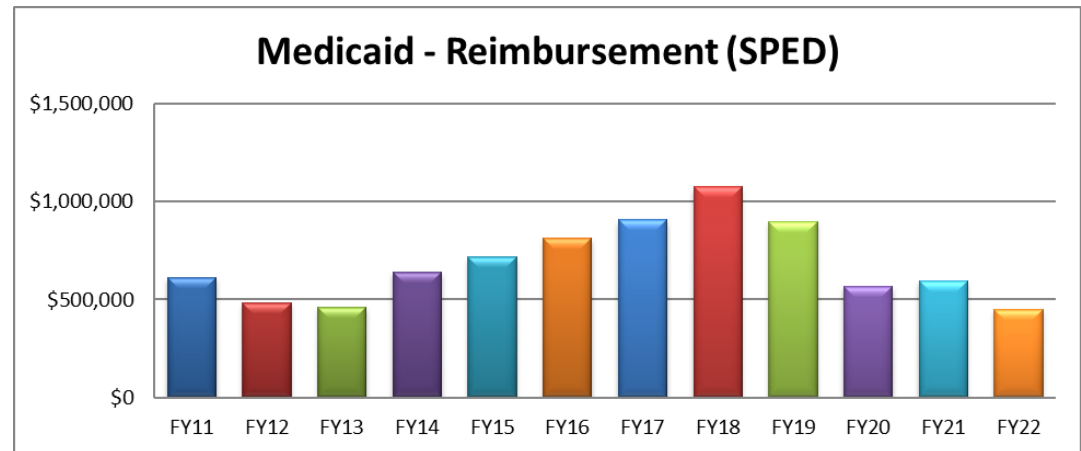
Interest Income		
Fiscal Year	Revenue	
2011	53,792	Actual
2012	74,956	Actual
2013	110,033	Actual
2014	150,400	Actual
2015	202,893	Actual
2016	215,624	Actual
2017	263,963	Actual
2018	246,422	Actual
2019	379,496	Actual
2020	491,574	Actual
2021	161,258	Actual
2022	150,000	Estimated
% Change FY21 vs. FY22		-7.0%



MISCELLANEOUS

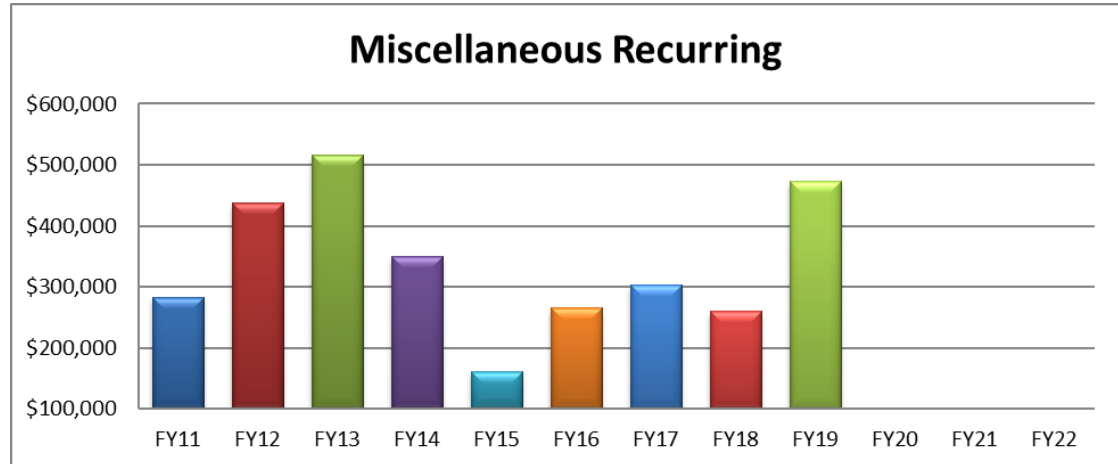
Medicaid Reimbursements (SPED) – In accordance with laws and regulations governing the Medicaid program, school systems are mandated by the Individuals with Disabilities Education Act (IDEA) to provide health related services to their special education student population. They are permitted to file claims for partial federal reimbursement for both their student health services and the administrative support expenditures incurred in providing those services. We receive both the Direct Student Expenditures reimbursement (school-based health services provided directly to the student) and the Administrative expenditures reimbursement (to assist in the delivery of Special Education (SPED) services to students.)

Medicaid - Reimbursement (SPED)		
Fiscal Year	Revenue	
2011	613,373	Actual
2012	483,907	Actual
2013	461,366	Actual
2014	640,291	Actual
2015	716,092	Actual
2016	815,622	Actual
2017	906,605	Actual
2018	1,075,129	Actual
2019	897,515	Per Recap
2020	568,944	Estimated
2021	594,700	Actual
2022	450,000	Estimated
% Change FY21 vs. FY22		-24.3%



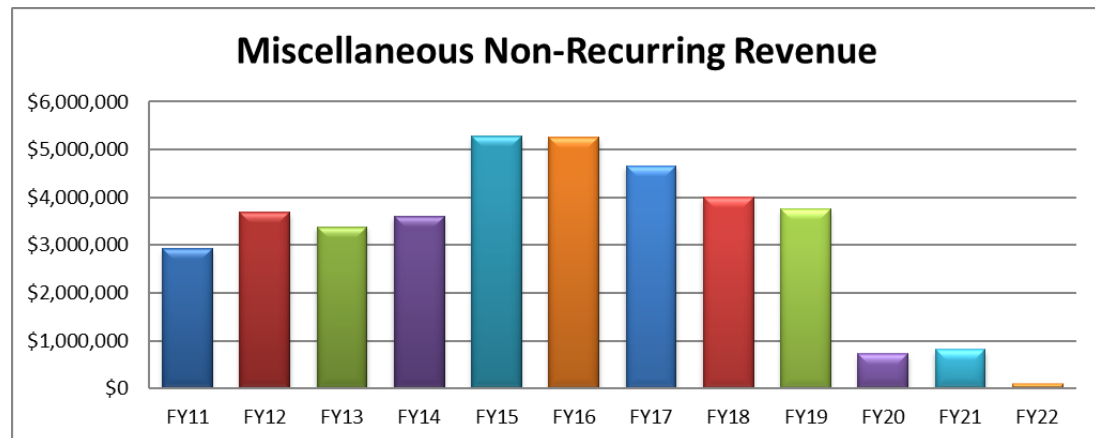
Other Miscellaneous Recurring – This category is used for all ‘other’ non-categorized income such as revenue from sale of copies of reports generated by a department, sale of data from tax files, collector’s fees, refunds, bad checks, etc. We are not budgeting any revenues for this category in FY2022.

Miscellaneous Recurring		
Fiscal Year	Revenue	
2011	283,177	Actual
2012	437,027	Actual
2013	515,489	Actual
2014	349,085	Actual
2015	160,902	Actual
2016	265,325	Actual
2017	302,121	Actual
2018	259,346	Actual
2019	472,001	Actual
2020	-	Actual
2021	-	Actual
2022	-	Estimated
% Change FY21 vs. FY22		0.0%



Miscellaneous Non-Recurring – This category is used for all one-time income sources and revenues not considered common in municipalities. Historically, much of this was Host Fee money that comes in as tax revenue and is part of the Tax Levy. Only 185,000 actually comes in as revenue outside of the tax levy. Massachusetts General Law (MGL) Chapter 21A, Section 33 allows for a Reimbursement for Communities Affected by the Regional Greenhouse Gas Initiative (RGGI) also known as the ‘Hold Harmless Agreement.’

Miscellaneous Non-Recurring Revenue		
Fiscal Year	Revenue	
2011	2,927,676	Actual
2012	3,681,377	Actual
2013	3,377,535	Actual
2014	3,606,906	Actual
2015	5,271,156	Actual
2016	5,256,547	Actual
2017	4,657,229	Actual
2018	4,005,456	Actual
2019	3,750,000	Actual
2020	730,139	Actual
2021	819,807	Actual
2022	100,000	Estimated
% Change FY21 vs. FY22		-87.8%



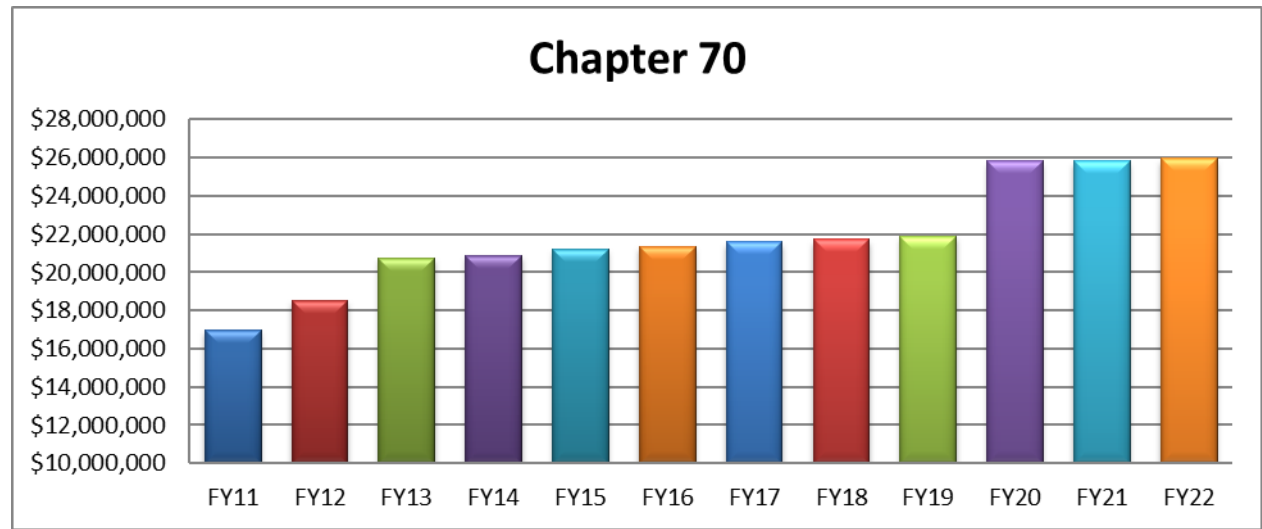
III. INTERGOVERNMENTAL REVENUE – CHERRY SHEET

Cherry Sheet - Every year the Commonwealth sends out to each municipality a "Cherry Sheet", named for the pink-colored paper on which it was originally printed. The Cherry sheet comes in two parts, one listing the State assessments to municipalities for Massachusetts Bay Transportation Authority (MBTA), Charter Schools, RMV non-renewal fees, Retired Teachers Health Insurance, air pollution control districts, and the other State programs; the other section lists the financial aid the City will receive from the State for funding local programs. Each Cherry Sheet receipt is detailed below. State Cherry Sheet revenue funds are the primary intergovernmental revenue and in the case of many cities, is the single largest source of annual revenue. Cherry Sheet revenue consists of direct school aid, local aid, and specific reimbursements and distributions such as aid to public libraries, veteran's benefits, police career incentives, and a number of school related items. For a complete copy of the Cherry Sheet Manual or the actual Cherry Sheet Local Receipts and/or Assessments go to: <http://www.mass.gov/dor/docs/dls/cherry/cherrysheetmanual.pdf>

School Aid - Chapter 70 school aid is based on a complex formula that takes into account: (1) statewide average cost per pupil; (2) local district pupil counts, with weighing factors to reflect varying costs among programs such as special education or vocational education, and (3) municipal fiscal "ability to pay" for education, as measured by equalized valuation per capita as a percent of statewide averages.

In FY2022 the State increased Chapter 70 revenue by 0.5%.

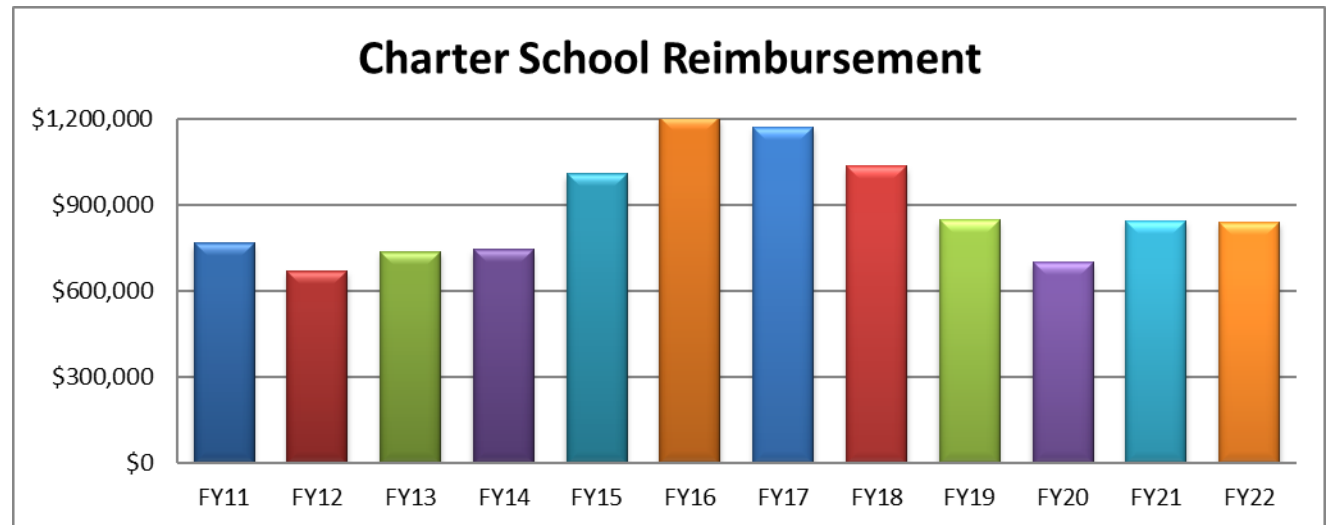
Chapter 70- School Aid		
Fiscal Year	Revenue	
2011	16,969,097	Actual
2012	18,522,267	Actual
2013	20,759,584	Actual
2014	20,879,459	Actual
2015	21,231,627	Actual
2016	21,348,402	Actual
2017	21,600,632	Actual
2018	21,736,742	Actual
2019	21,872,762	Actual
2020	25,807,152	Actual
2021	25,807,152	Actual
2022	25,936,602	Estimated
% Change FY21 vs. FY22		0.5%



Local Aid - The major non-school state aid items are Charter School Tuition Reimbursement and Unrestricted General Government Aid (UGGA). These funds are unrestricted and can therefore be used by the municipality for any municipal purpose.

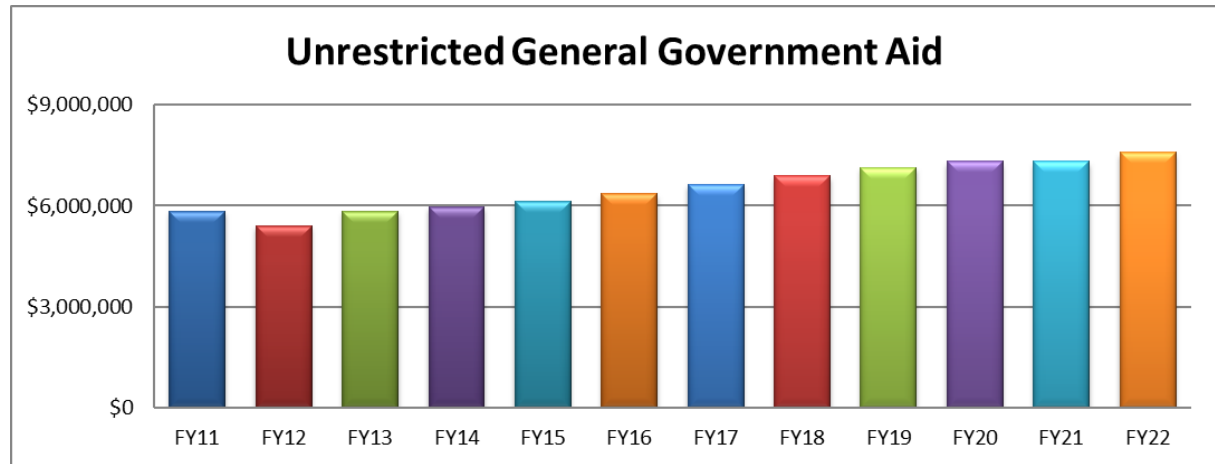
Charter Tuition Reimbursement - Under Chapter 71, Section 89, 2004 Chapter 46 of the Acts of 1997 provides for the reimbursement sending districts for the tuition they pay to Commonwealth charter schools. It is a reimbursement for those students that elect to attend a charter school. Sending districts are reimbursed a portion of the costs associated with pupils attending charter schools beginning with the second quarterly distribution. There are three levels to the reimbursement; 100% of the tuition increase in the first year, 60% of the tuition increase in the second year, and 40% of the tuition increase in the third year. In addition, the reimbursement covers 100% of the first-year cost of pupils at charter schools who attend private or independent schools in the previous year. The reimbursement also covers 100% of the cost of any sibling students whose tuition brings a district above its statutory assessment cap of 9% of net school spending. The reimbursement is subject to appropriation in the final budget for the Commonwealth. This is a preliminary number based on school enrollment figures available at this time.

Charter School Reimbursement		
Fiscal Year	Revenue	
2011	768,178	Actual
2012	671,726	Actual
2013	738,383	Actual
2014	745,832	Actual
2015	1,008,704	Actual
2016	1,205,802	Actual
2017	1,174,128	Actual
2018	1,036,924	Actual
2019	847,885	Actual
2020	701,225	Actual
2021	846,698	Actual
2022	840,943	Estimated
% Change FY21 vs. FY22		-0.7%



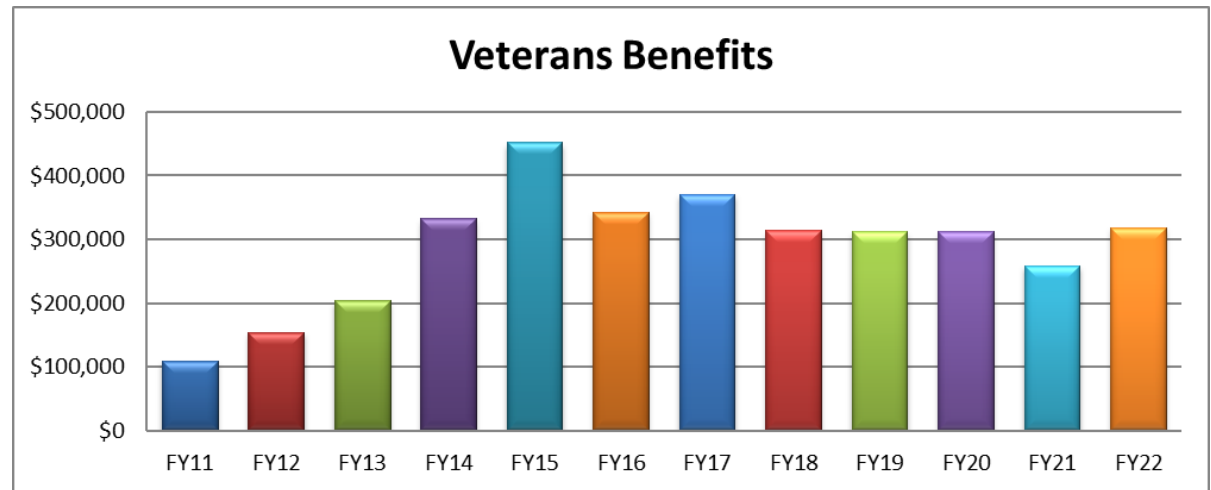
Unrestricted General Government Aid (UGGA). In FY 2010 the state eliminated the Lottery Aid, General Fund Subsidy to Lottery, and Additional Assistance revenue and replaced it with this revenue called ‘Unrestricted General Government Aid’. The FY 2006 to FY 2009 combines the three revenue sources no longer used (lottery, subsidy to lottery, & additional assistance). The FY 2022 amount is a 3.5% increase.

Unrestricted Gen. Govt. Aid		
Fiscal Year	Revenue	
2011	5,834,758	Actual
2012	5,412,881	Actual
2013	5,834,758	Actual
2014	5,972,679	Actual
2015	6,138,313	Actual
2016	6,359,292	Actual
2017	6,632,742	Actual
2018	6,891,419	Actual
2019	7,132,619	Actual
2020	7,325,200	Actual
2021	7,325,200	Actual
2022	7,581,582	Estimate
% Change FY21 vs. FY22		3.5%



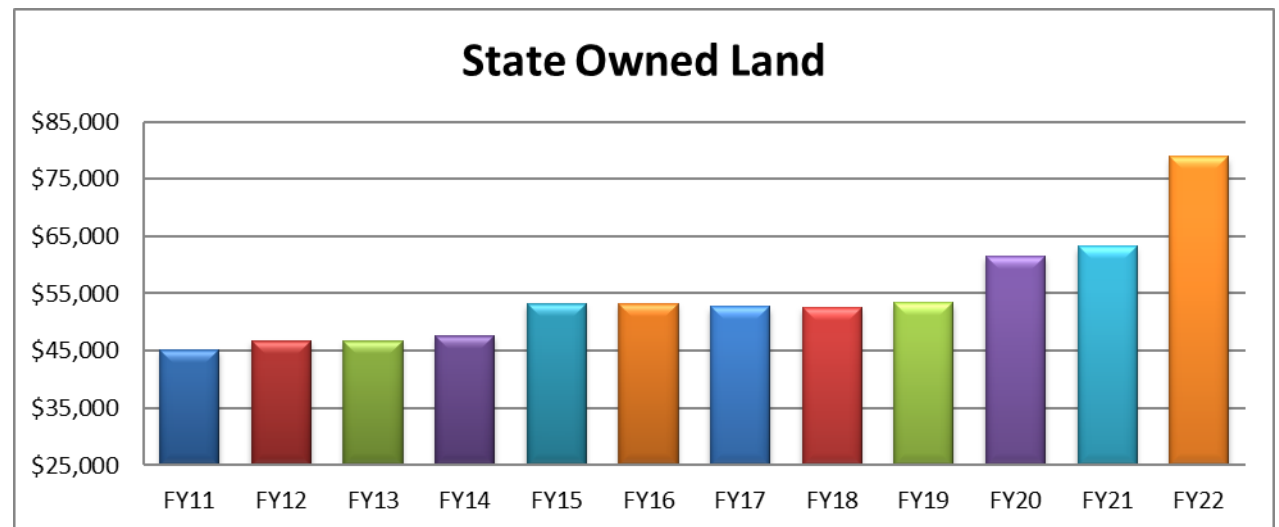
Veterans' Benefits - Under Chapter 115, Section 6 municipalities receive a seventy-five percent (75%) State reimbursement on the total expenditures made on veterans' financial, medical and burial benefits. The state anticipates a – 22.9% increase in reimbursement for FY 2022 based on prior fiscal year actual reimbursement submissions.

Veterans Benefits		
Fiscal Year	Revenue	
2011	109,431	Actual
2012	153,533	Actual
2013	202,949	Actual
2014	332,364	Actual
2015	451,957	Actual
2016	342,687	Actual
2017	370,085	Actual
2018	313,862	Actual
2019	311,563	Actual
2020	311,518	Actual
2021	258,545	Actual
2022	317,771	Estimated
% Change FY21 vs. FY22		22.9%



State Owned Land – This revenue is to reimburse communities for forgone tax revenues due to certain types of tax-exempt state-owned land. Eligibility for reimbursement depends on land use and the state agency with jurisdiction over the property as specified in the legislation.

State Owned Land		
Fiscal Year	Revenue	
2011	45,145	Actual
2012	46,760	Actual
2013	46,774	Actual
2014	47,700	Actual
2015	53,305	Actual
2016	53,305	Actual
2017	52,670	Actual
2018	52,620	Actual
2019	53,349	Actual
2020	61,597	Actual
2021	63,200	Actual
2022	78,897	Estimated
% Change FY21 vs. FY22		24.8%

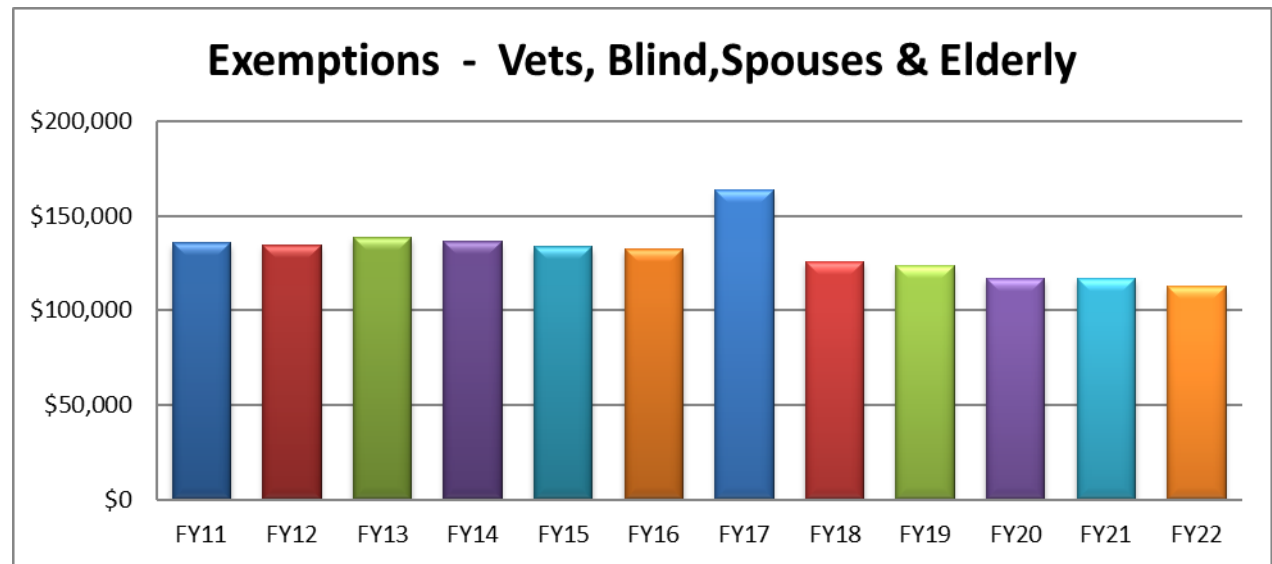


Exemptions: Vets, Blind, Surviving Spouses, and Elderly - The State Cherry Sheet reimburses the City for loss of taxes due to real estate abatements to veterans, surviving spouses and the legally blind. The abatement categories are authorized by the State. The City is not empowered to offer abatements in other categories. Under Chapter 59, Section 5, of the General Laws, municipalities are reimbursed for amounts abated in excess of \$175 of taxes of \$2,000.00 in valuation times the rate, whichever is greater.

Qualifying veterans or their surviving spouses receive an abatement of \$175 or \$2,000 in valuation times the tax rate, whichever is the greater. Chapter 59, Section 5, Clause 17d, of the General Laws, as amended by Section 2, Chapter 653 of the Acts of 1982, provides a flat \$175 in tax relief to certain persons over seventy, minors, and widows/widowers. Chapter 59, Section 5, Clause 37a, of the General Laws as amended by Section 258 of the Acts of 1982 provides an abatement of \$500 for the legally blind. Chapter 59, Section 5, Clause 41c, of the General Laws as amended by Section 5, of Chapter 653 of the Acts of 1982, qualifying persons over seventy years of age are eligible to receive a flat tax exemption of \$500.

In FY 2010 the state combined the elderly exemption with the veterans, blind and surviving spouse's exemptions. In previous years, the elderly exemption was budgeted separately. FY 2022 shows a decrease of -4.0%.

Exemptions- Vets, Blind, Spouse & Elderly		
Fiscal Year	Revenue	
2011	135,493	Actual
2012	134,455	Actual
2013	138,606	Actual
2014	136,295	Actual
2015	133,586	Actual
2016	132,676	Actual
2017	163,437	Actual
2018	125,772	Actual
2019	123,569	Actual
2020	116,830	Actual
2021	117,119	Actual
2022	112,397	Estimated
% Change FY21 vs. FY22		-4.0%



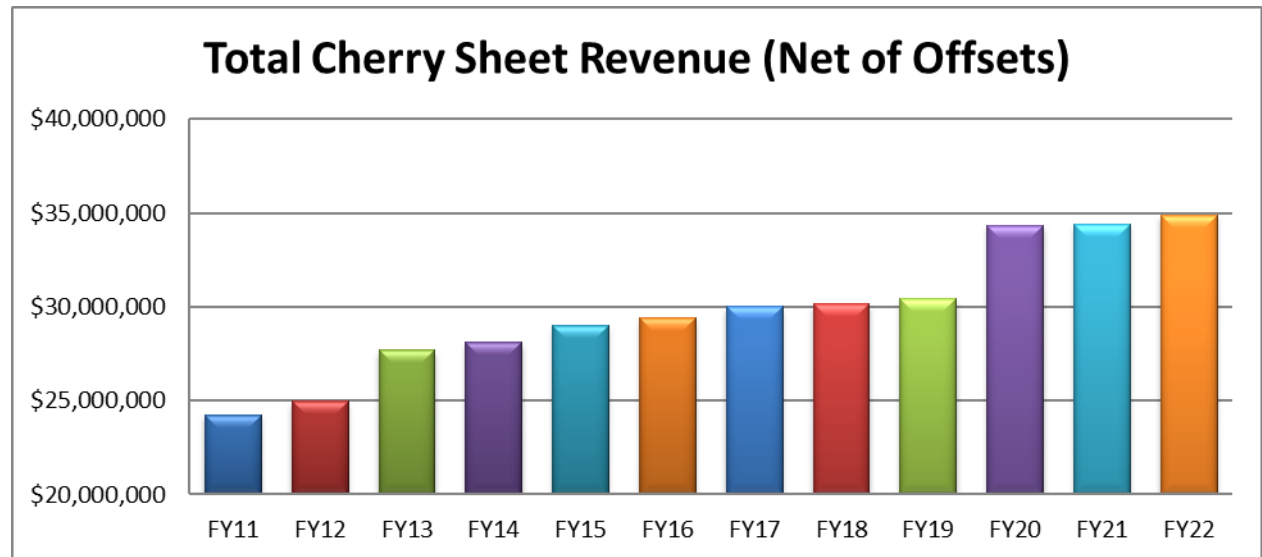
Cherry Sheet Offsets for Direct Expenditure – The state provides receipts that are paid directly to departments through state granting agencies, and are not part of the City's General Fund Cherry Sheet Revenue. These revenues are for School Lunch and Public Library as shown in the charts below. For a description of Offset Receipts go to <http://www.mass.gov/dor/docs/dls/cherry/cherrysheetmanual.pdf>. The school lunch offset from the Cherry Sheet by DOR is an education offset that has no impact on the tax rate setting process. The Library Offset receipt was increased by 3.3% for FY 2022.

School Lunch Offset Receipts for Direct Expenditure		
Fiscal Year	Revenue	
2011	23,310	Actual
2012	28,080	Actual
2013	27,762	Actual
2014	27,578	Actual
2015	27,439	Actual
2016	0	Actual
2017	0	Actual
2018	0	Actual
2019	65,250	Actual
2020	118,561	Actual
2021	301,416	Actual
2022	297,247	Estimated
% Change FY21 vs. FY22		-1.4%

Library Offset Receipts for Direct Expenditure		
Fiscal Year	Revenue	
2011	49,934	Actual
2012	47,725	Actual
2013	48,262	Actual
2014	48,103	Actual
2015	63,576	Actual
2016	61,165	Actual
2017	61,448	Actual
2018	59,927	Actual
2019	61,311	Actual
2020	64,067	Actual
2021	76,817	Actual
2022	79,333	Estimated
% Change FY21 vs. FY22		3.3%

Total Estimated Cherry Sheet Revenue (Net of Offsets) – The total of all cherry sheet revenue is listed below.

Total Cherry Sheet Revenue (Net of Offsets)		
Fiscal Year	Revenue	
2011	24,225,556	Actual
2012	24,941,622	Actual
2013	27,701,712	Actual
2014	28,104,329	Actual
2015	29,017,492	Actual
2016	29,442,164	Actual
2017	29,993,695	Actual
2018	30,157,339	Actual
2019	30,406,997	Actual
2020	34,323,522	Actual
2021	34,417,914	Actual
2022	34,868,192	Actual
% Change FY21 vs. FY22		1.3%





MA Department of Revenue

Division of Local Services
Final Municipal Cherry Sheet Estimates
Data current as 7/19/2021

C.S. 1-ER Commonwealth of Massachusetts Department of Revenue FY2022

NOTICE TO ASSESSORS OF ESTIMATED RECEIPTS

General Laws, Chapter 58, Section 25A

Salem

A. EDUCATION

Distributions and Reimbursements

Chapter 70	25,936,602
School Transportation	0
Charter Tuition Reimbursement	840,943
Smart Growth School Reimbursement	0

Offset Items - Reserve for Direct Expenditure:

School Choice Receiving Tuition	297,247
Sub-Total, All Education Items:	27,074,792

B. GENERAL GOVERNMENT:

Distributions and Reimbursements

Unrestricted General Government Aid	7,581,582
Local Share of Racing Taxes	0
Regional Public Libraries	0
Veterans Benefits	317,771
Exemp: VBS and Elderly	112,397
State Owned Land	78,897

Offset Items - Reserve for Direct Expenditure:

Public Libraries	79,333
Sub-Total, All General Government:	8,169,980

C. TOTAL ESTIMATED RECEIPTS: **35,244,772**

C.S. 1-ER Commonwealth of Massachusetts Department of Revenue FY2022
NOTICE TO ASSESSORS OF ESTIMATED CHARGES
General Laws, Chapter 59, Section 21

Salem

A. COUNTY ASSESSMENTS:

County Tax	0
Suffolk County Retirement	0
Sub-Total, County Assessments:	0

B. STATE ASSESSMENTS AND CHARGES:

Retired Employees Health Insurance	0
Retired Teachers Health Insurance	0
Mosquito Control Projects	52,670
Air Pollution Districts	13,547
Metropolitan Area Planning Council	23,814
Old Colony Planning Council	0
RMV Non-Renewal Surcharge	132,400
Sub-Total, State Assessments:	222,431

C. TRANSPORTATION AUTHORITIES:

MBTA	978,993
Boston Metro. Transit District	0
Regional Transit	0
Sub-Total, Transportation Assessments:	978,993

D. ANNUAL CHARGES AGAINST RECEIPTS:

Multi-Year Repayment Program	0
Special Education	33,032
STRAP Repayments	0
Sub-Total, Annual Charges Against Receipts:	33,032

E. TUITION ASSESSMENTS:

School Choice Sending Tuition	572,922
Charter School Sending Tuition	7,622,885
Sub-Total, Tuition Assessments:	8,195,807

F. TOTAL ESTIMATED CHARGES:

9,430,263

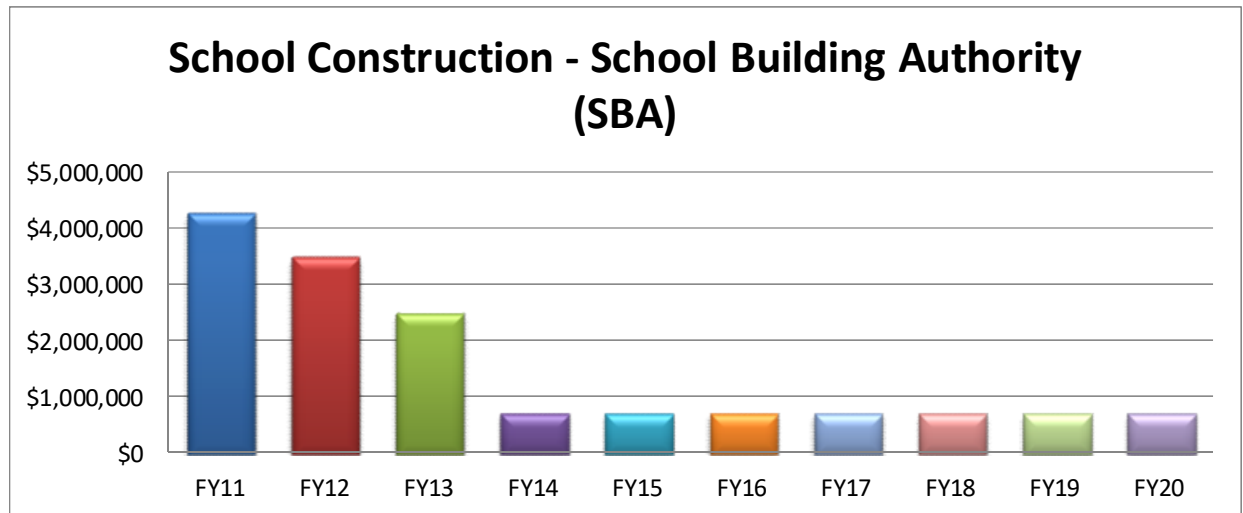
IV. SCHOOL BUILDING AUTHORITY (SBA) REIMBURSEMENTS

School Construction - The School Assistance Act, as amended, provides for the reimbursement of school construction projects that involve any of the following: The replacement of unsound or unsafe buildings; the prevention or elimination of overcrowding; prevention of the loss of accreditation; energy conservation projects, and the replacement of, or remedying of, obsolete buildings. The law also provides formulas (involving equalized valuation, school population, construction costs, and interest payments) for reimbursement of costs that include fees, site development, construction, and original equipping of the school.

In July of 2004, the governor signed Chapter 208 and Chapter 210, of the Acts of 2004 into law, which makes substantial changes to the School Building Assistance (SBA) program. This legislation transfers responsibility for the SBA program from the Department of Education to the Massachusetts School Building Authority (MSBA), under the Office of the State Treasurer. The authority is a new and independent governing body comprised of seven members. The legislation under Chapter 210 dedicates 1 percent of the sales tax receipts to help fund School Building projects. For more information go to www.mass.gov/msba

The City of Salem still receives some payments under the old SBA program and also receives monthly reimbursements for ALL eligible costs for the ongoing Collins and Saltonstall Schools under the new MSBA program. FY 2014 saw a significant reduction in SBA reimbursement of \$1.8M (71.1%) due to the payoff of the Bowditch, Saltonstall and part of Bates bonds. The only project the SBA is still reimbursing is the reduced amount on the Bates school. The SBA reimbursement chart is later in this section. Reimbursements stop in FY2020.

School Construction School Building Authority (SBA)		
Fiscal Year	Revenue	
2011	4,310,837	Actual
2012	3,521,535	Actual
2013	2,534,339	Actual
2014	732,824	Actual
2015	732,824	Actual
2016	732,824	Actual
2017	732,824	Actual
2018	732,824	Actual
2019	732,824	Actual
2020	732,824	Actual

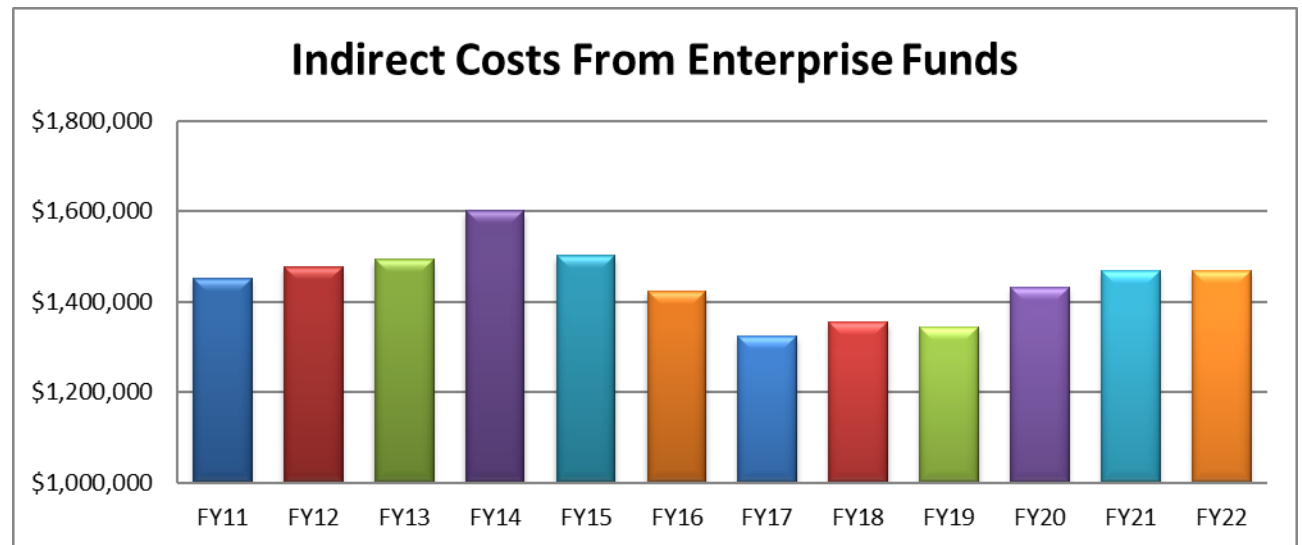


V. INTERGOVERNMENTAL & INTERFUND TRANSFERS

Enterprise Fund Transfer - The Water and Sewer Enterprise Funds, financed by water and sewer usage charges, provide reimbursements for direct and indirect costs associated with a variety of City services, provided by Finance, Treasury, Human Resources, and other City Departments. Additionally, enterprise funds provide reimbursements to the general fund for all employee benefits (including fringe benefits) of those employees who work for the water and sewer departments, as well as costs for the maintenance of the Water and Sewer accounting and billing system. Finally, a portion of the City's assessments for property/casualty insurance, unemployment and worker's compensation are also captured in the indirect costs of the enterprise funds of the water and sewer departments. The Trash Enterprise Fund is subsidized by the General Fund and therefore no indirect costs are reimbursed back to the General Fund from the Trash Enterprise Fund.

Starting in FY 2015 the City began to steadily reduce the amount of indirect costs transferred to the General Fund in response to the recommendation of the City's outside auditors to more accurately calculate indirect costs. In FY18 we began to increase the indirect costs based on a new methodology of calculating indirect costs that has been approved by the auditors.

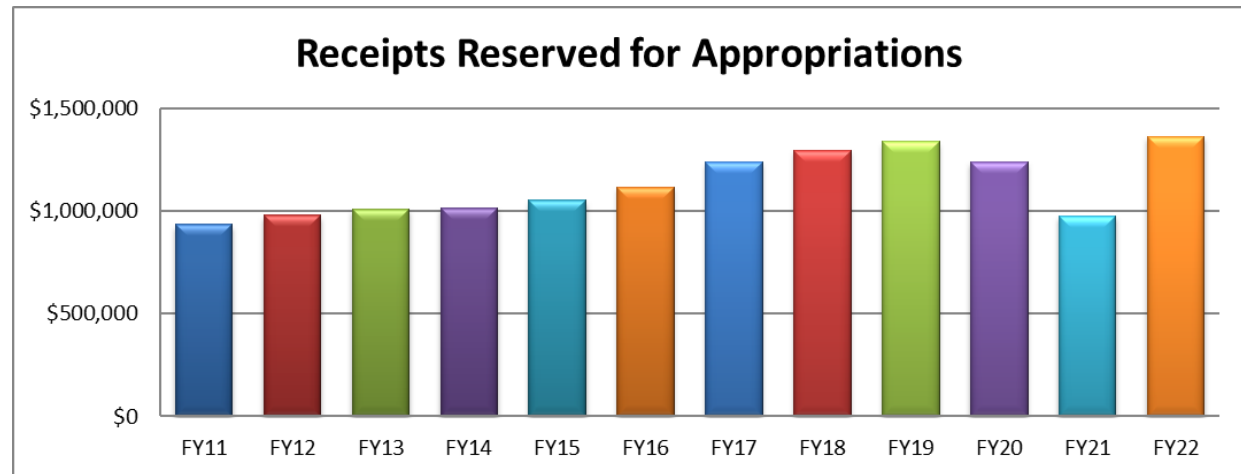
Inter-fund Operating Transfers In Indirect Costs from Enterprise Funds		
Fiscal Year	Revenue	
2011	1,452,222	Actual
2012	1,477,074	Actual
2013	1,493,881	Actual
2014	1,601,654	Actual
2015	1,501,654	Actual
2016	1,424,095	Actual
2017	1,324,095	Actual
2018	1,354,900	Actual
2019	1,345,221	Actual
2020	1,431,996	Actual
2021	1,468,249	Actual
2022	1,469,176	Estimated
% Change FY21 vs. FY22		0.1%



OTHER FINANCIAL SOURCES

Receipts Reserved for Appropriation – The City of Salem has three Receipts' Reserved for Appropriation Funds for Harbormaster, Golf Course, and Witch House. The revenue earned from these activities is credited to each of these special revenue funds. At the request of the Mayor, that money is appropriated by the City Council to the General Fund to cover both direct and indirect costs of each department in December for purposes of the certification of the City's tax rate by the Massachusetts Department of Revenue, as well as periodically throughout the year at the request of the department head of the Golf Course, Witch House, or Harbormasters Office to cover unforeseen or extraordinary expenses. We anticipate an increase of 39.6% for FY 2022 based on revised indirect cost calculations and necessary increases to budgets.

Receipts Reserved for Appropriations		
Fiscal Year	Revenue	
2011	934,070	Actual
2012	977,042	Actual
2013	1,008,106	Actual
2014	1,014,995	Actual
2015	1,050,452	Actual
2016	1,116,347	Actual
2017	1,238,398	Actual
2018	1,295,034	Actual
2019	1,337,058	Actual
2020	1,238,516	Actual
2021	975,000	Actual
2022	1,361,195	Per Recap
% Change FY21 vs. FY22		39.6%



Other Receipts Reserved – Not Budgeted

The City has three other receipts reserved accounts – Sale of Lots, Sale of Vaults, and Salem Common. The first two can only be used for the care and maintenance of graves in the City's cemetery, and the Salem Common money can only be used for care and maintenance of the Salem Common. This money is transferred to the General Fund by appropriation from the City Council as needed.

Other Sources of Revenue – The City of Salem has in the past used Free Cash, Stabilization, and overlay (abatement and exemption reserve) to balance the budget.

**CITY OF SALEM, MASSACHUSETTS
FY 2022 OPERATING BUDGET**

	ACTUAL EXPENDED FY 2020	ADOPTED BUDGET FY 2021	DEPT BUDGET FY 2022	MAYOR BUDGET FY 2022	CITY COUNCIL BUDGET FY 2022	FY21 vs. FY22 Budget Inc/Decr Amount Percentage	
GENERAL FUND							
GENERAL GOVERNMENT	8,109,489	7,752,464	9,083,544	9,163,410	9,163,410	2,178,640	18.20%
PUBLIC SAFETY	21,878,617	22,042,166	23,100,136	23,072,889	23,072,889	1,262,435	4.68%
PUBLIC WORKS & FACILITIES	4,383,742	3,747,358	4,184,153	4,097,953	4,097,953	441,564	9.36%
HUMAN SERVICES	1,289,033	1,640,930	1,802,451	1,800,728	1,800,728	159,798	9.74%
CULTURAL & RECREATIONAL	2,535,997	3,024,885	3,377,751	3,382,603	3,382,603	347,771	11.83%
DEBT SERVICE	6,066,527	7,627,024	7,408,350	7,408,350	7,408,350	(218,674)	-2.87%
ASSESSMENTS	11,413,126	11,686,755	12,033,252	12,030,062	12,030,062	738,569	2.94%
EMPLOYEE BENEFITS	25,643,980	30,268,867	31,825,938	31,825,938	31,825,938	1,589,932	5.14%
MUNICIPAL INSURANCE	285,657	338,556	373,500	373,500	373,500	81,116	10.32%
TRANSFERS OUT OF GENERAL FUND	3,927,144	3,848,570	650,000	650,000	650,000	25,000	-83.11%
CITY TOTAL	85,533,312	91,977,575	93,839,075	93,805,433	93,805,433	6,606,151	1.99%
EDUCATION-PUBLIC SCHOOLS	58,479,049	63,449,649	66,597,919	66,597,919	66,597,919	8,969,030	4.96%
EDUCATION TOTAL	58,479,049	63,449,649	66,597,919	66,597,919	66,597,919	8,969,030	4.96%
GENERAL FUND TOTAL	144,012,361	155,427,224	160,436,994	160,403,352	160,403,352	15,575,181	3.20%
ENTERPRISE FUNDS							
SEWER	7,868,862	8,064,900	8,329,469	8,329,470	8,329,469	116,325	3.28%
WATER	6,076,958	6,449,188	6,478,342	6,478,342	6,478,342	29,154	0.45%
TRASH	3,633,572	3,229,608	3,962,443	3,962,443	3,962,443	86,244	22.69%
ENTERPRISE FUND TOTAL	17,579,392	17,743,696	18,770,254	18,770,255	18,770,254	231,723	5.79%
GRAND TOTAL ALL FUNDS	161,591,753	173,170,920	179,207,248	179,173,607	179,173,606	15,806,904	3.47%

**CITY OF SALEM, MASSACHUSETTS
FY 2022 OPERATING BUDGET**

	ACTUAL EXPENDED FY 2020	ADOPTED BUDGET FY 2021	DEPT BUDGET FY 2022	MAYOR BUDGET FY 2022	CITY COUNCIL BUDGET FY 2022	FY21 vs. FY22 Budget Inc/Decr Amount Percentage	
GENERAL GOVERNMENT:							
CITY COUNCIL Legislative	184,918	203,907	246,970	246,970	246,970	38,120	18.25%
MAYOR Executive	564,643	567,051	610,837	610,837	610,837	43,786	7.72%
FINANCE/AUDITING Accounting	363,882	393,889	473,390	408,390	408,390	14,501	3.68%
PURCHASING Purchasing	142,524	177,736	201,399	201,399	201,399	23,664	13.31%
Fixed Costs	70,112	73,076	82,588	82,588	82,588	9,512	13.02%
ASSESSORS Board of Assessors	315,841	371,434	362,192	368,692	368,692	(2,741)	-0.74%
TREASURER Treasury Services	338,673	451,771	445,940	446,892	446,892	24,110	-1.08%
COLLECTOR Tax Collections	207,927	245,935	260,123	257,623	257,623	11,688	4.75%
SOLICITOR Legal Services/Licensing	445,306	382,522	513,274	513,274	513,274	130,752	34.18%
HUMAN RESOURCES Personnel	826,908	262,373	544,344	543,245	543,245	195,220	107.05%
		-		-	-		
Information Technology IT	860,464	749,710	801,741	801,741	801,741	52,031	6.94%
Fixed Costs	909,860	768,558	834,565	834,565	834,565	66,007	8.59%
CITY CLERK Record Maintenance	271,469	312,544	317,729	330,573	330,573	18,030	5.77%
ELECTION/REGISTRATION Voting	199,393	220,307	228,950	228,050	228,050	7,743	3.51%

**CITY OF SALEM, MASSACHUSETTS
FY 2022 OPERATING BUDGET**

	ACTUAL EXPENDED FY 2020	ADOPTED BUDGET FY 2021	DEPT BUDGET FY 2022	MAYOR BUDGET FY 2022	CITY COUNCIL BUDGET FY 2022	FY21 vs. FY22 Budget Inc/Decr Amount Percentage	
CONSERVATION							
Active/Passive Conservation	19,649	28,735	29,679	29,679	29,679	944	3.29%
PLANNING BOARD							
Subdivision, Planning & Zoning	30,360	35,945	36,990	36,990	36,990	1,045	2.91%
APPEALS, BOARD OF							
Zoning Appeals	196	900	1,200	1,200	1,200	300	33.33%
PLANNING							
Planning & Community Development	533,804	608,944	737,116	682,116	682,116	(14,924)	12.02%
PUBLIC PROPERTY							
Public Prop-Fixed Costs	583,617	685,900	695,900	695,900	695,900	(5,624)	1.46%
MARKET AND TOURIST COMM.							
Tourist Promotion	218,997	278,208	311,950	311,950	311,950	33,742	12.13%
PARKING DEPARTMENT							
General Operations	1,020,945	1,299,822	1,346,667	1,346,667	1,346,667	46,845	3.60%
RESILIENCY AND SUSTAINABILITY							
Climate Change Initiatives Coordination	-	-		199,184	199,184	199,184	-
TOTAL GENERAL GOVERNMENT	8,109,489	8,119,266	9,083,544	9,163,410	9,163,410	893,934	12.86%
PUBLIC SAFETY:							
POLICE							
Citizen Protection	9,110,273	10,705,403	11,605,909	11,602,528	11,602,528	897,125	8.38%
FIRE							
Fire Suppression	7,975,640	9,489,864	9,555,806	9,555,806	9,555,806	297,289	0.69%
PUBLIC PROPERTY/BLDG INSP							
Building/Plumbing/Gas Inspection	548,116	682,378	694,094	694,094	694,094	11,716	1.72%
ELECTRICAL							
Electrical Inspection & Maintenance	659,232	793,127	856,546	837,680	837,680	44,553	5.62%
HARBORMASTER							
Harbormaster	304,480	371,029	387,781	387,781	387,781	16,753	4.52%
TOTAL PUBLIC SAFETY	21,878,617	22,042,166	23,100,136	23,072,889	23,072,889	1,262,435	4.68%

**CITY OF SALEM, MASSACHUSETTS
FY 2022 OPERATING BUDGET**

	ACTUAL EXPENDED FY 2020	ADOPTED BUDGET FY 2021	DEPT BUDGET FY 2022	MAYOR BUDGET FY 2022	CITY COUNCIL BUDGET FY 2022	FY21 vs. FY22 Budget Inc/Decr Amount Percentage	
EDUCATION :							
City Public Schools	58,479,049	63,449,649	66,597,919	66,597,919	66,597,919	8,969,030	4.96%
TOTAL EDUCATION	58,479,049	57,628,889	66,597,919	66,597,919	66,597,919	8,969,030	15.56%
PUBLIC WORKS & FACILITIES:							
PUBLIC SERVICES							
Public Services-General/Park/Open Space/Cem	2,845,884	3,099,471	3,550,841	3,464,641	3,464,641	456,139	11.78%
Snow and Ice	1,368,693	458,935	458,935	458,935	458,935	-	0.00%
ENGINEERING							
Engineering-General Admin	169,165	188,952	174,377	174,377	174,377	(14,575)	-7.71%
TOTAL PUBLIC WORKS & FACILITIES	4,383,742	4,497,293	4,184,153	4,097,953	4,097,953	441,564	-8.88%
HUMAN SERVICES:							
HEALTH, BOARD OF							
Administration & Support	452,507	553,592	681,762	679,039	679,039	125,447	22.66%
COUNCIL ON AGING							
Administration & Support	414,235	558,500	587,620	588,620	588,620	30,119	5.39%
VETERANS AGENT							
Administration & Support	422,291	528,838	533,069	533,069	533,069	4,232	0.80%
TOTAL HUMAN SERVICES	1,289,033	1,602,027	1,802,451	1,800,728	1,800,728	159,798	12.40%
CULTURAL & RECREATIONAL							
LIBRARY							
Administration & Support	1,177,556	1,348,068	1,459,092	1,459,092	1,459,092	111,024	8.24%

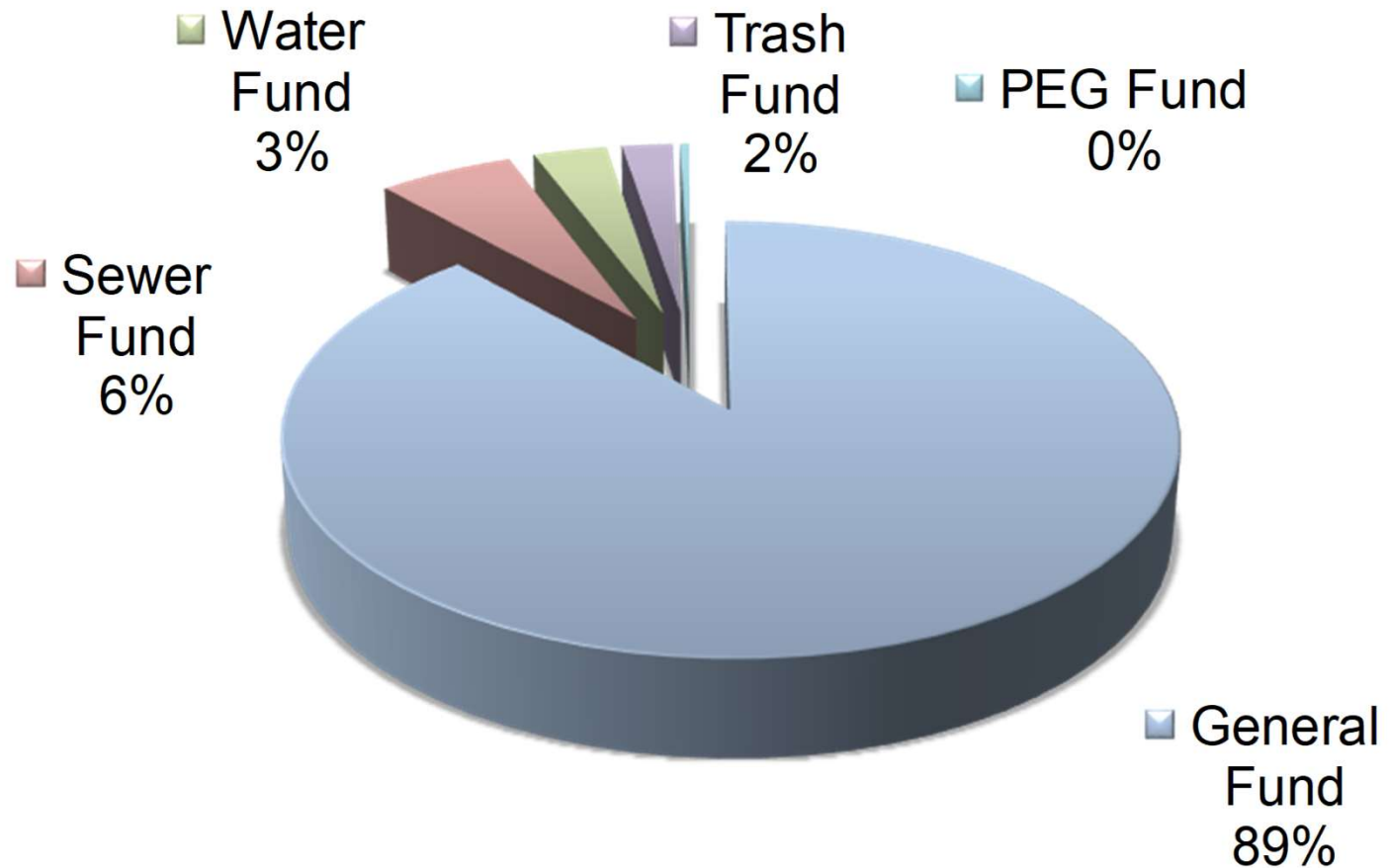
**CITY OF SALEM, MASSACHUSETTS
FY 2022 OPERATING BUDGET**

	ACTUAL EXPENDED FY 2020	ADOPTED BUDGET FY 2021	DEPT BUDGET FY 2022	MAYOR BUDGET FY 2022	CITY COUNCIL BUDGET FY 2022	FY21 vs. FY22 Budget Inc/Decr Amount Percentage	
RECREATION							
Administration & Support	414,324	569,282	666,192	650,742	650,742	123,992	14.31%
Golf Course	459,352	554,190	526,235	526,235	526,235	(27,955)	-5.04%
Witch House	208,432	238,748	282,755	281,755	281,755	43,006	18.01%
Pioneer Village	18,356	18,699	18,600	18,600	18,600	(50,000)	-0.53%
Winter Island	231,841	265,895	259,929	282,717	282,717	16,821	6.33%
Charter Street Cemetery	-	-	130,540	130,540	130,540	130,540	-
HISTORICAL COMMISSION							
Historic Preservation	26,137	32,581	34,409	32,924	32,924	343	1.05%
TOTAL CULTURAL & RECREATIONAL	2,535,997	2,893,638	3,377,751	3,382,603	3,382,603	347,771	16.90%
DEBT SERVICE:							
Long Term Debt	5,471,483	6,442,406	6,470,521	6,470,521	6,470,521	28,115	0.44%
Short Term Debt	595,044	1,184,618	937,829	937,829	937,829	(246,789)	-20.83%
TOTAL DEBT SERVICE	6,066,527	7,727,786	7,408,350	7,408,350	7,408,350	(218,674)	-4.13%
ASSESSMENTS:							
Essex NS Agricultural & Vocational School	2,262,449	2,367,453	2,602,989	2,602,989	2,602,989	235,536	9.95%
State Assessments (Budgeted from RECAP)	9,150,677	9,049,302	9,427,073	9,427,073	9,427,073	503,033	4.17%
TOTAL ASSESSMENTS	11,413,126	11,342,438	12,030,062	12,030,062	12,030,062	738,569	6.06%
EMPLOYEE BENEFITS:							
Contributory Retirement	12,130,757	12,778,085	13,687,118	13,687,118	13,687,118	909,033	7.11%
Non-contributory Pensions	8,033	10,034	10,315	10,315	10,315	281	2.80%
Workmen's Compensation	433,944	491,305	528,270	528,270	528,270	99,826	7.52%
Unemployment Compensation	148,292	300,000	300,000	300,000	300,000	(30,000)	0.00%
Group Insurance	11,892,499	15,427,036	16,022,048	16,022,048	16,022,048	595,012	3.86%
Medicare	1,030,455	1,262,407	1,278,187	1,278,187	1,278,187	15,780	1.25%
TOTAL EMPLOYEE BENEFITS	25,643,980	30,268,867	31,825,938	31,825,938	31,825,938	1,589,932	5.14%
MUNICIPAL INSURANCE :							
Municipal Insurance	285,657	292,384	373,500	373,500	373,500	81,116	27.74%
TOTAL Municipal Insurance	285,657	338,556	373,500	373,500	373,500	81,116	10.32%
BUDGET TRANSFERS OUT OF GF							
Retirement Stabilization & CIP Transfer	3,927,144	625,000	650,000	650,000	650,000	25,000	4.00%
TOTAL Budget Transfers Out of GF	3,927,144	3,848,570	650,000	650,000	650,000	25,000	

**CITY OF SALEM, MASSACHUSETTS
FY 2022 OPERATING BUDGET**

	ACTUAL EXPENDED FY 2020	ADOPTED BUDGET FY 2021	DEPT BUDGET FY 2022	MAYOR BUDGET FY 2022	CITY COUNCIL BUDGET FY 2022	FY21 vs. FY22 Budget Inc/Decr Amount Percentage	
ENTERPRISE FUNDS							
SEWER :							
Sewer - Public Services	535,683	646,798	665,861	665,861	665,861	(129,181)	-16.25%
Sewer - Engineering	756,015	670,518	945,307	945,307	945,307	274,789	40.98%
Long Term Debt	1,692,333	1,931,587	1,930,488	1,930,488	1,930,488	(1,099)	
Short Term Debt	716	47,000	47,000	47,000	47,000	-	
SESD Assessment	4,879,519	4,763,997	4,735,813	4,735,813	4,735,813	(28,184)	-0.59%
Sewer - Insurance Deduction	4,597	5,000	5,000	5,000	5,000	-	0.00%
TOTAL SEWER	7,868,862	8,064,900	8,329,469	8,329,470	8,329,469	116,325	1.42%
WATER :							
Water-Public Services	661,195	693,448	722,511	722,511	722,511	29,063	4.19%
Water-Engineering	573,826	709,768	787,907	787,907	787,907	78,139	11.01%
Long Term Debt	2,269,580	2,315,546	2,169,309	2,169,309	2,169,309	(146,237)	-6.32%
Short Term Debt	1,843	53,000	11,106	11,106	11,106	(41,894)	-79.05%
SBWS Assessment	2,570,514	2,674,926	2,785,009	2,785,009	2,785,009	110,083	4.12%
Water - Insurance Deduction	0	2,500	2,500	2,500	2,500	-	
TOTAL WATER	6,076,958	6,449,188	6,478,342	6,478,342	6,478,342	29,154	0.45%
Solid Waste :							
Solid Waste - Engineering	3,633,572	3,876,199	3,962,443	3,962,443	3,962,443	86,244	2.22%
TOTAL TRASH	3,633,572	3,229,608	3,962,443	3,962,443	3,962,443	86,244	2.22%
PEG Access :							
Access Cable	471,155	691,250	691,250	691,250	691,250	-	0.00%
TOTAL TRASH	471,155	3,229,608	691,250	691,250	691,250	-	0.00%
ENTERPRISE FUND TOTAL	18,050,547	20,973,304	19,461,504	19,461,505	19,461,504	231,723	1.21%
GRAND TOTAL ALL FUNDS	160,422,470	162,160,297	179,895,308	179,868,047	179,868,046	15,160,183	10.92%

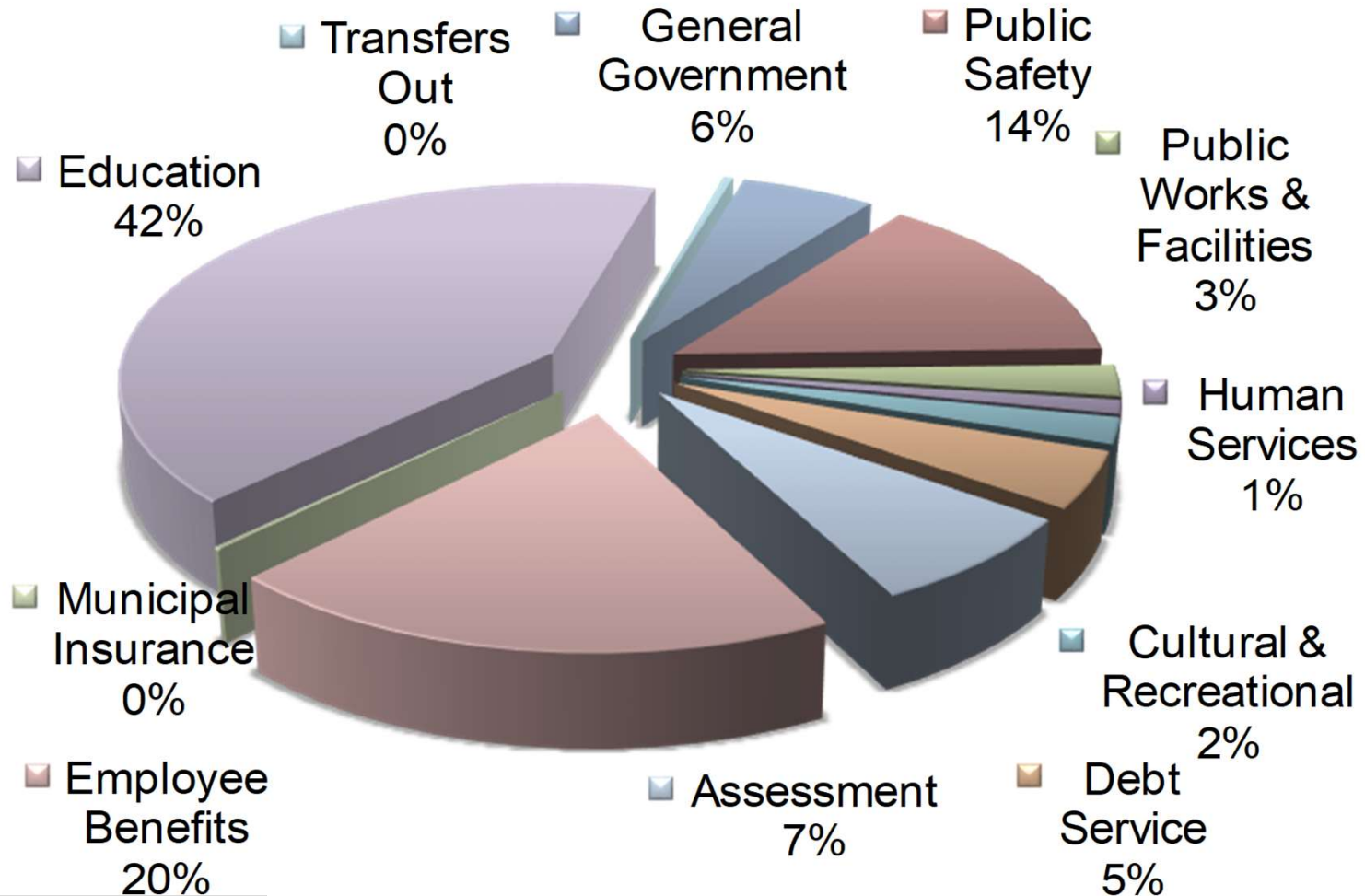
ADOPTED OPERATING BUDGET ALL FUNDS



FY 2022

TOTAL	\$ 181,337,222
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ADOPTED OPERATING BUDGET GENERAL FUND



FY 2022

TOTAL	\$ 160,406,542
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Other Budgeted Items Voted By Council

Retirement Stabilization Trust Fund – Included in General Fund Budget

This trust fund was established in FY2009 in accordance with Massachusetts General Law – Chapter 46 sections 14 and 50 and Chapter 140 sections 19 and 137 of the Acts of 2003. The purpose of this trust fund is to fund retiring employees' accrued sick and vacation buybacks as established by City Policy and contractual agreements.

In FY2022 the budget in the general fund to be transferred to the Retirement Stabilization Trust Fund is \$600,000. We may also transfer the balance of free cash at the end of FY2021 into this fund to cover retirements.

Salem 2026 – 400 Anniversary Fund– Included in General Fund Budget

In FY2014 the Mayor established a special revenue fund to help fund the City's 400th anniversary celebration. We budgeted \$50,000.00 this year to help prepare for events in 2026.

Revolving Funds – Separate Vote - Not in Budget

The Revolving Funds are submitted to the City Council as a separate order as a supplemental part of the annual budget process. Revolving funds are voted pursuant to the provisions of Massachusetts General Law Chapter 44, Section 53E ½. Expenditures from these funds shall not exceed the amount of the funds received in the respective funds or the budget amount voted by council. A complete explanation of revolving funds can be found at <http://www.mass.gov/legis/laws/mgl/44-53e.5.htm>. A complete listing of all revolving accounts voted by council can be found in the following pages.

REVOLVING FUNDS

A departmental revolving fund is a place to set aside revenue received, through fees and charges, for providing a specific service or program. The revenue pool is, in turn, a source of funds available to use by a department without further appropriation to support the particular service or program.

Most frequently, cities and towns create general departmental revolving funds under M.G.L. Ch. 44 Sec. 53E½ (see below). The fund is created with an initial city council or town meeting authorization that identifies which department's receipts are to be credited to the revolving fund and specifies the program or purposes for which money may be spent. It designates the department, board or official with authority to expend the funds and places a limit on the total amount of the annual expenditure. To continue the revolving fund in subsequent years, annual approval of a similar article is necessary. Managers are also required, each year, to report on the fund and program activities.

MGL - Section 53 E ½

Notwithstanding the provisions of section fifty-three, a city or town may annually authorize the use of one or more revolving funds by one or more municipal agency, board, department or office which shall be accounted for separately from all other monies in such city or town and to which shall be credited only the departmental receipts received in connection with the programs supported by such revolving fund. Expenditures may be made from such revolving fund without further appropriation, subject to the provisions of this section; provided, however, that expenditures shall not be made or liabilities incurred from any such revolving fund in excess of the balance of the fund nor in excess of the total authorized expenditures from such fund, nor shall any expenditures be made unless approved in accordance with sections forty-one, forty-two, fifty-two and fifty-six of chapter forty-one.

Interest earned on any revolving fund balance shall be treated as general fund revenue of the city or town. No revolving fund may be established pursuant to this section for receipts of a municipal water or sewer department or of a municipal hospital. No such revolving fund may be established if the aggregate limit of all revolving funds authorized under this section exceeds ten percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. No revolving fund expenditures shall be made for the purpose of paying any wages or salaries for full time employees unless such revolving fund is also charged for the costs of fringe benefits associated with the wages or salaries so paid; provided, however, that such prohibition shall not apply to wages or salaries paid to full or part-time employees who are employed as drivers providing transportation for public school students; provided further, that only that portion of a revolving fund which is attributable to transportation fees may be used to pay such wages or salaries and provided, further, that any such wages or salaries so paid shall be reported in the budget submitted for the next fiscal year.

A revolving fund established under the provisions of this section shall be by vote of the annual town meeting in a town, upon recommendation of the board of selectmen, and by vote of the city council in a city, upon recommendation of the mayor or city manager, in Plan E cities, and in any other city or town by vote of the legislative body upon the recommendation of the chief administrative or executive officer. Such authorization shall be made annually prior to each respective fiscal year; provided, however, that each authorization for a revolving fund shall specify: (1) the programs and purposes for which the revolving fund may be expended; (2) the departmental receipts which shall be credited to the revolving fund; (3) the board, department or officer authorized to expend from such fund; (4) a limit on the total amount which may be expended from such fund in the ensuing fiscal year; and, provided, further, that no board, department or officer shall be authorized to expend in any one fiscal year from all revolving funds under its direct control more than one percent of the amount raised by taxation by the city or town in the most recent fiscal year for which a tax rate has been certified under section twenty-three of chapter fifty-nine. Notwithstanding the provisions of this section, whenever, during the course of any fiscal year, any new revenue source becomes available for the establishment of a revolving fund under this section, such a fund may be established in accordance with this section upon certification by the city auditor, town accountant, or other officer having similar duties, that the revenue source was not used in computing the most recent tax levy.

In any fiscal year the limit on the amount that may be spent from a revolving fund may be increased with the approval of the city council and mayor in a city, or with the approval of the selectmen and finance committee, if any, in a town; provided, however, that the one percent limit established by clause (4) of the third paragraph is not exceeded.

The board, department or officer having charge of such revolving fund shall report to the annual town meeting or to the city council and the board of selectmen, the mayor of a city or city manager in a Plan E city or in any other city or town to the legislative body and the chief administrative or executive officer, the total amount of receipts and expenditures for each revolving fund under its control for the prior fiscal year and for the current fiscal year through December thirty-first, or such later date as the town meeting or city council may, by vote determine, and the amount of any increases in spending authority granted during the prior and current fiscal years, together with such other information as the town meeting or city council may by vote require.

At the close of a fiscal year in which a revolving fund is not reauthorized for the following year, or in which a city or town changes the purposes for which money in a revolving fund may be spent in the following year, the balance in the fund at the end of the fiscal year shall revert to surplus revenue unless the annual town meeting or the city council and mayor or city manager in a Plan E city and in any other city or town the legislative body vote to transfer such balance to another revolving fund established under this section.

The director of accounts may issue guidelines further regulating revolving funds established under this section.

**FY 2022
Revolving Funds**

Dept.	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2022 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	50,000.00
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	125,000.00
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	6,000.00
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

**FY 2022
Revolving Funds**

Dept.	Fund Name	Fund #	Programs & Purposes	Type of Receipts Credited	Authorization for Spending	FY 2022 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
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	250,000.00
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
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
Insp Services	Abandoned Prop Maint	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	New 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
School-SBO	Building Rental	2601	Building Rental	Payments for rental of building by outside groups	School Committee and Mayor	225,000.00
School-SPED	Early Childhood	2608	Pre-School Tuition	Tuition payments for students attending the pre-school program at the Early Childhood Center	School Committee and Mayor	100,000.00
School-Trans	School Busing	2614	School Bus pass	Purchases of school bus passes	School Committee and Mayor	160,000.00
School-HS	Night/Summer School	2620	Night School Tuition	Tuition payments for students attending the night school program	School Committee and Mayor	50,000.00
School-SPED	Special Education Tuition	2627	Special Education Tuition	Tuition Payments for students from other districts attending Special Education programs in Salem	School Committee and Mayor	300,000.00
School-Auto	SHS Automotive	2645	To pay for parts and materials for automotive repairs to vehicles brought in to the HS Automotive Vocational School by Citizens	Fees charged for parts and materials for automotive repairs to vehicles brought in by citizens	School Committee and Mayor	50,000.00
					Totals	2,398,000.00