

State of the City Address 2011

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January 3, 2011

Good evening ladies and gentlemen of the Council, School Committee members, Representative Keenan and other distinguished guests. I am honored to be here tonight to offer remarks on the State of our City.

Yesterday, I was enjoying my family's traditional new years fare – Chinese take out – when I was inspired by the pearls of wisdom inside my fortune cookie which read “keep it short and simple”. I will do my best to do just that!

I want to extend congratulations to new Council President Jerry Ryan. Jerry, I look forward to working together over the next year and continuing the positive partnership the Administration and the Council have enjoyed during my tenure as Mayor.

As we move into the New Year, I can't forget the incredible outpouring of support from the Salem community as we remembered and honored United States Army Sergeant James Ayube, a 25-year-old Salem native who lost his life on December 8th while on a combat mission in Afghanistan. While we can never do enough to thank James and his family for their sacrifice, I can say that I have never been more proud of our City for the manner in which we honored him in his final salute. Let us take a moment to remember the family and friends of Sergeant James Ayube, who confront each and every day with the loss of a cherished loved one.

While our community grieves the loss of Sergeant Ayube, there have also been tears of joy when welcoming home our service men and women. Just this past fall, I had a chance to meet with U.S. Air Force Master Sergeant Scott Henshaw, who was home on leave, and today we are happy to be joined by United States Army Captain Peter Harrington in the Chambers.

I am sure that many of us remember Peter Harrington from his years at Salem High School where he served as Class President while lettering in football, baseball and basketball. Well, since then Peter has been fairly busy. In 2007 he graduated from the United States Military Academy at West Point as a 2nd Lieutenant with a degree in Civil Engineering. Peter currently holds the rank of Captain in the United States Army and has just recently returned from his deployment in support of Operation Enduring Freedom in Afghanistan.

Captain Harrington, to you, your wife Brietta and your parents Jane and Peter, thank you for your service and thank you for representing our City so well. You do us all proud.

Over the last twelve months everyone in this room has worked hard, day in and day out, to make Salem a better place to live, work and visit. We have worked collaboratively to ensure that Salem reaches its full potential. I believe that in the past twelve months we have made great progress on a shared vision for Salem's future and, even more importantly, I anticipate continued progress in the months ahead.

So what have we been working on and what do we have to show for it?

Let's begin with the pledge we made to offer a high standard of professional management in all that informs our approach to governing; that means we put the city's needs first and focus less on politics and more on performance.

When it comes to municipal finances, we take great pride in our results. For instance, we now perform regular financial forecasts, prepare a multi-year capital improvement budget and while we would always like to have more resources at hand to meet the needs of our residents, we have been able to steadily grow our reserves from a low of \$35,000 five years ago to nearly \$3 million today.

In addition, in 2010, for the fifth consecutive year, Salem was awarded both the Certificate of Achievement for Excellence in Financial Reporting and the Distinguished Budget Award by the Government Finance Officers Association of the United States – one of only a handful of Massachusetts communities that can boast both awards.

Overall, our budget is sound, we are meeting capital needs and we have reserves set aside. This has been accomplished due in large measure to our partnership with the City Council – which must approve annual expenditures – and cooperation from our employee union groups. For instance, this fiscal year, with strong cooperation from our unions, we instituted a new health insurance plan that will save Salem taxpayers nearly 12% or close to \$1 million dollars on our annual health insurance costs.

In a nod to operating in a more efficient manner, we have embraced regionalization and collaboration with neighboring cities and towns. Examples include agreements reached with the Town of Swampscott to regionalize Building Commissioner and Purchasing Agent services – an agreement that is saving both communities money in operation and service costs. Add to that example, our work with Beverly to combine Household Hazardous Waste Disposal Days, our regional law enforcement grant for criminal forensics equipment and on-going regional public safety dispatch talks and I think it's fair to say we have embraced the notion that we can't simply keep doing things the same old way just because we always have.

We will continue these efforts into 2011 as the pressure on our budget continues to increase, requiring ever more vigilance in the expenditure of every municipal dollar.

In 2010, the City of Salem became greener in another way as well.

With strong and swift support from the City Council, Salem was designated a Green Community this past spring – one of the first 35 in the Commonwealth. This designation means not only that we operate more efficiently as a community – with hybrid fleets and a commitment to reducing our carbon footprint – it also enabled us to tap into nearly \$250,000 in grant funds for energy efficiency projects.

Thus, we have been able to convert nearly 1/3 of our street lights and nearly all of our traffic signals to more efficient and less costly LED lighting. We are in discussions with Salem State University on a bike share program, we installed solar panels at Salem High School and the City and the Salem Chamber of Commerce launched the Green Business Initiative – a friendly competition among Salem's business community to see which businesses could implement the most "green" measures.

In addition, ZipCar is now operating at several locations downtown and Big Belly Solar Trash and Recycling Compactors can be found on many street corners. All of these initiatives help us to save money on our operational budgets and/or help eliminate congestion, but equally as important these types of green initiatives lead to an improved quality of life for our residents and visitors.

The high quality of life standards we strive to meet were reaffirmed when our second annual community survey showed, again, that residents are very happy with City services and local government. We use this survey to assist in creating a vision for government that is reflective of what residents would like to see and to help determine areas in which we can govern more effectively, thus achieving better outcomes for our City.

Improving ways to communicate with residents and for our residents to communicate with us goes hand in hand with our desire to improve governance. Thus, you might have noted that we now have an “app” for many things in Salem – from downloading a walking tour of the city to our newest “app” for reporting potholes or other constituent services to the Department of Public Works. It’s fast, it’s easy and it’s what people use and want. Whether it’s our reverse 911 calling system or our community survey, we pride ourselves on providing access to local government and offering instant access between resident and government is no small accomplishment.

I should also point out that in Salem we are blessed with over 32 parks, playgrounds and open space areas – this is a substantial amount of green space for a community that is only 8 square miles. In 2010 work was completed to upgrade many of these sites.

On the Salem Common the City and Parents United combined to fund a \$90,000 renovation of the Common Tot-Lot. At the High Street Playground a \$42,000 renovation was funded through Community Development Block Grant funding with the Greater Endicott Street Neighborhood Association and the Essex County Sheriff’s Department assisting to install new play equipment, saving the city money on labor costs. This year we were also able to work with the Mack Park Neighborhood Association to install a new play structure at Mack Park and resurfaced the basketball court at Pickman Park. In addition to those parks, we also will be completing upgrades to Furlong Park, Dibiase Park and the Broad Street Playground this spring.

I am sure that you recall that when we installed new parking meters at the Willows we promised to use the funds generated for Willows improvements. I am happy to report that the nickels, dimes and quarters have added up to new public restrooms, new rooftops for many of the gazebos and a recently resurfaced Salem Willows tennis courts, making these highly utilized courts the nicest in the City and bringing more Salem residents to this wonderful sea-side park.

It is my belief that one of the reasons that Salem can offer to the world someone like Captain Peter Harrington is that we invest wisely in parks, playgrounds and schools. It is these investments that are handsomely rewarded when we see such spectacular results.

Another area in which we saw great progress in 2010 is our historic and scenic waterfront.

In each State of the City I mention my mantra, “Plan the work and work the plan.”

Nowhere is this more evident than along the waterfront.

Many of us were together on July 15, to celebrate the opening of the South River Harborwalk. This Harborwalk connects Derby Street to Pickering Wharf and is the first phase of the reconnection of the South River to our downtown. This project had been discussed for 25 years and we are thrilled to have been able to move it into construction. You may note that continuation of the Harborwalk by the private sector is under construction along the Derby Street side of the South River with work currently underway behind the Hess Station.

A much needed new boat ramp was constructed with state funding obtained by Rep. Keenan at McCabe Marina which will improve water access for area boaters.

However, the crown jewel in the city’s waterfront plan is the new Salem Wharf project that started as a vision 20 years ago and is now well underway to becoming a reality.

For several years the Planning Department, the Salem Partnership, members of our Harbor Planning Committee and the City Council have toiled at re-building the historic Derby Street harbor-front area into a gateway from the sea to our community.

However, I don't think anyone imagined that we would be able to attain the kind of progress on this vision that we have over the course of the last five years.

What began with a ferry service in 2006 has grown into an engineered and fully permitted new pier that will serve as a cruise terminal for cruise ships and so much more. Thanks to the belief and investment by the Patrick/Murray Administration and the unwavering support of our legislative delegation of John Keenan and Fred Berry, we will be opening bids for the first phase of this construction next week. This year alone, Salem received a \$2.5 million Department of Transportation Discretionary Grant Award to help fund improvements to the Salem Wharf and help expand Salem Ferry Service and a \$1.3 million in Seaport Advisory Council funding – \$1 million to start construction on the Salem Wharf project and \$275,000 to complete the permitting, engineering and design plans for dredging in the South River channel.

In addition, this past fall, the City purchased the Blaney Street parcel – home of the new Salem Wharf from Dominion with a \$1.7 million grant from the Seaport Advisory Council. That is a substantial investment in our community and our vision for the future, especially considering that five years ago we didn't even have ferry service into Boston.

We started with a vision for our waterfront and we have now put in place a transformation of this area into a bustling center of maritime economic activity that will create jobs, generate taxes and spur economic growth for the City and region.

While much of our economic planning has focused on the waterfront, we have also worked hard to create and maintain a vibrant central business district. Despite the difficult economy, in 2010, nine new restaurants and 16 retail or take-out businesses have opened in Salem creating 226 jobs. I'm sure the continued economic challenges will pose a threat to some of our businesses, but overall commerce and activity downtown is up and we want to work together to continue that progress.

It is with great pride that I also mention that in this past year we:

- Paved approximately 50 streets and purchased new equipment and vehicles to keep our DPW the best in the area.
- Made physical improvement to Old Town Hall which is now being well managed by Gordon College.
- Followed through on a project began many years ago by Mayor Stan Usovich and welcomed new residents to Salem at the site of a refurbished Old Salem Jail.
- Continued design and permitting of our new Senior Center at Boston and Bridge Streets.
- Saw the new Courthouse Complex on Federal and Bridge Streets rise from the ground, and
- Saw residents now living in the former Salem News Building on Washington Street.

All wonderful accomplishments, made even greater by the fact that they were accomplished in the shadow of the economic slumber of the last two years.

But what lies ahead?

What are our challenges for 2011?

For any administration to stay active and aggressive we must ask a simple question.

“What's Next?”

Well, first and foremost for 2011 will be the need to continue to do more with less. There is no underestimating the difficult budget challenges that lie ahead. From less resources at both the state and federal level to our more local challenges tied to decreasing revenues from the power plant, 2011 promises to be the most difficult budget cycle we have had to deal with. However, it is my belief that we will get through it, as we have over the past few years, by working together, making sensible choices and spending within our means.

Increased regionalization, privatization and efficiency will be three watchwords as we move ahead.

We must focus on things started that now need completion, such as:

Doing everything we can to start construction of the MBTA Station and Parking Garage. And while we are anxious to begin, we must ensure that the new station is both functional and attractive. We boast strong architectural credentials downtown and we need a new station that will balance fiscal realities with the need to have a structure that befits its prominence at the head of our historic downtown.

2011 will mark the start of construction of the City's much needed new Senior Center. With a location selected and permits obtained, this new, state of the art facility will serve the City well for generations to come.

It is my hope that in 2011 we will also see the commencement of construction of the new Lowes and Wal-Mart complex on Highland Avenue. This development offers hundreds of construction and permanent jobs, many thousands of dollars in tax revenue and competitive pricing to community residents. Increased commercial growth will take some of the tax burden off our homeowners' tax bills and this will be important as we move into leaner times. I would add that we have worked hard to address the concerns of our neighbors to the south and I will make sure that all legitimate traffic, drainage and design issues are addressed as part of any final plan and approvals.

In 2011 I plan to take an aggressive stance in gaining state assistance in controlling the spiraling costs of municipal pensions, health insurance and sick leave buy-back benefits. We will need State House assistance and I know that our legislative delegation will answer the call to assist local officials with this effort.

I would suggest that it is time to begin to focus on improvements to the Essex Street Pedestrian Mall, given the age and condition of this vital economic corridor. I look forward to beginning a public dialogue on this topic this month and building consensus on how best to reinvigorate this key downtown amenity.

And, finally, the Salem Harbor Power Station...

Dominion's unparalleled generosity last month with a \$1.2 million donation to our schools underscores the significance of this entity in Salem and our need to work with state officials, Dominion representatives and others on an open and orderly exchange of ideas about the future of this site.

We will be aided in this effort with a study that will help separate fact from fiction and allow us to better understand and plan for what the future holds at this site.

I close tonight with the thought that progress and projects do not just happen. Rather they are the result of the combined vision and hard work of all of us.

In the months and years ahead we will need to seize every opportunity to continue this progress and to fulfill our City's promise.

We know from experience that the road will not be easy, that our vision and perspective may not align perfectly. When it does not, let's bring to the table our perspective, our passion for this City and our

willingness to work together to get to a positive result.

We have done this in each of the past five years and I anticipate this will continue as we move ahead.

For the past five years, our administration has held firm on the principles of creating a professional, hardworking, creative government that is inclusive and open to all.

We have embraced positive change and strived to improve the quality of life for all of Salem's residents.

While we are proud of what we have accomplished it only represents the beginning of something very special for our community. Please know that I am excited and enthusiastic about serving as the Mayor of Salem. I know that with a little faith and a lot of hard work...along with the courage to think and act anew, we will continue to make a great City even better.

Thank you for your continued confidence and your prayers for a brighter future for us all. God bless and Happy New Year.