

City of Salem, Massachusetts



"Know Your Rights Under the Open Meeting Law, M.G.L. c. 39 §23B, and  
City Ordinance Sections 2-2028 through 2-2033."

The City Council Committee on Administration & Finance coposted with the  
Committee of the Whole

met in the Council Chamber on May 24, 2012 at 6:00 P.M.

for the purpose of discussing the matter(s) listed below. Notice of this meeting was posted on

May 22, 2012 at 9:54 A.M.

(This meeting is being recorded.)

ATTENDANCE

ABSENT WERE: Carr, Ryan, Furey

Sosnowski' standing in

SUBJECT(S)

#287 - Loan Order - \$1,790,000.00 approp. for Capital Equipment and Capital Improvement Proj.

Mr Visay provided a spread sheet on the bonding  
The largest item is the ladder truck for the  
fire department. that bond will be spread out over  
15 years. The rest of the items will be spread out  
over 5 years

Councillor Sosnowski' made mention of a program being  
offered with regard to the vision long bonded beadle  
that there are grant programs for bucket trucks  
Mr Visay said he would reach out to Mr Blawie  
to see if he had heard of the program.

(Spread sheet attached)







## CITY OF SALEM, MASSACHUSETTS

Kimberley Driscoll  
Mayor

May 10, 2012

The City Council  
Salem City Hall  
93 Washington Street  
Salem, MA 01970

Ladies and Gentlemen of the Council:

Attached please find the proposed FY 2012-2016 Capital Improvement Program (CIP) that addresses several short-term capital needs, while also identifying future initiatives that the City will have to tackle over the course of the next three to five years. The overall CIP includes a variety of projects, from vehicle purchases to technology advancements, and ensures that we do our best to meet our primary goal of providing a safe and dependable municipal infrastructure system. A major consideration of this CIP, as well as our prior plans, is that the approved projects must be affordable, both individually and in terms of their overall impact on the city's short- and long-term finances.

As you know, the City of Salem relies on a capital improvement program and capital budget to ensure that capital needs are being addressed in a responsible manner based on priority and thoughtful planning. We have made the capital improvement program and annual operating budget a critical component of our overall budget strategy, especially given the City's prior history of severely neglecting capital needs. Formalizing a capital plan and budget has allowed the City of Salem to address issues that have been postponed and ignored in the past.

These tools allow the City to not only make sound capital investments and improvements, but also positively impact the City's operating budget. Addressing capital needs when appropriate will assist the City in reaching many of its longer-term goals such as reducing fuel consumption; decreasing costs associated with deferred maintenance, heating and electricity in municipal buildings; and providing more efficient staffing and workforce operations. As important, capital improvements have ensured and will continue to ensure that over time our facilities, equipment and vehicles are safe, in an improved condition, energy efficient and able to deliver top-notch services to the City's residents.

The City's main goals when initially implementing the Capital Improvement Program was to professionalize how capital projects were identified, improve the overall planning and budget process for addressing capital needs, and ensure accountability as it relates to implementation of capital work projects. Our early efforts focused on overhauling and renovating neglected parks, playgrounds and recreational spaces which comprise nearly 30% of Salem's overall acreage, as well as a full assessment of roadway, sidewalk and utility infrastructure conditions which enabled us to begin implementation of a comprehensive strategy to address long overdue maintenance needs in these areas.

To meet these goals, the finance team has created a capital plan that is fiscally responsible and transparent. The Capital Improvement Program for this fiscal year includes significant investments in City, School and Public Safety vehicles; maintenance and equipment for Salem's parks; and funds to preserve the City's many assets. In Fiscal Year 2013, the largest CIP investment will be \$1,850,000, which we expect will come from a grant, for remediation at the Universal Steel site. This fiscal year's CIP also contains funding to continue to repair and improve the City's sidewalks, streets and crosswalks; restore sections of the historic fence around the Salem Common and continue work on the Blaney Street Pier.

This year's plan also focuses on the transportation and public safety needs in the City including a new boat for the Harbormaster, two police cruisers and a new ladder truck. In keeping with Salem's progression toward being a greener community, this year's CIP also has funding for two administrative hybrid vehicles.

To fund these improvements and purchases the City strategically pursues available options from grants at the state and federal levels, and also utilizes monies available from water and sewer retained earnings and bonding. From a financing perspective, priority is given to projects with grant revenues to offset costs. There are many needs that our municipality may address and we are trying to do so in a manner that ensures we are not ignoring those most critical, while also trying to include projects that positively impact the quality of life for residents and homeowners.

We look forward to meeting with you to further discuss these projects and the funding mechanisms proposed for each and I respectfully request your assistance and cooperation as we work together to re-invest in our community.

Sincerely,



Kimberley Driscoll  
Mayor



**Salem Debt Service Projection  
FY2013 Projects - Assumes Bonds in the Spring of 2013**

			3.00% Projected Bond Interest Rate															
<b>Departmental Equipment</b>			<b>FY14</b>	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>	<b>FY28</b>	
Police Department (Digital Radio Replacement)	\$ 200,000	Principal	40,000	40,000	40,000	40,000	40,000	-	-	-	-	-	-	-	-	-	-	200,000
		Interest	5,400	4,200	3,000	1,800	600	-	-	-	-	-	-	-	-	-	-	15,000
Fire Department (Ladder Truck)	\$ 1,100,000	Principal	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	70,000	70,000	70,000	70,000	70,000	1,100,000
		Interest	31,875	29,625	27,375	25,125	22,875	20,625	18,375	16,125	13,875	11,625	9,450	7,350	5,250	3,150	1,050	243,750
Electric Department (Bucket Truck)	\$ 100,000	Principal	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-	-	-	-	-	-	100,000
		Interest	2,700	2,100	1,500	900	300	-	-	-	-	-	-	-	-	-	-	7,500
<b>TOTAL: Departmental Equipment</b>	<b>\$ 1,400,000</b>	Principal	135,000	135,000	135,000	135,000	135,000	75,000	75,000	75,000	75,000	75,000	70,000	70,000	70,000	70,000	70,000	1,400,000
		Interest	39,975	35,925	31,875	27,825	23,775	20,625	18,375	16,125	13,875	11,625	9,450	7,350	5,250	3,150	1,050	266,250
<b>General Repairs/Infrastructure</b>																		
Parks and Recreation (Salem Common Fence)	\$ 140,000	Principal	28,000	28,000	28,000	28,000	28,000	-	-	-	-	-	-	-	-	-	-	140,000
		Interest	3,780	2,940	2,100	1,260	420	-	-	-	-	-	-	-	-	-	-	10,500
School Department (Replace Carpet w/Vinyl Tile - Bentley)	\$ 150,000	Principal	30,000	30,000	30,000	30,000	30,000	-	-	-	-	-	-	-	-	-	-	150,000
		Interest	4,050	3,150	2,250	1,350	450	-	-	-	-	-	-	-	-	-	-	11,250
School Department (Replace Carpet w/Vinyl Tile - Bentley)	\$ 100,000	Principal	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-	-	-	-	-	-	100,000
		Interest	2,700	2,100	1,500	900	300	-	-	-	-	-	-	-	-	-	-	7,500
<b>TOTAL: General Repairs/Infrastructure</b>	<b>\$ 390,000</b>	Principal	78,000	78,000	78,000	78,000	78,000	-	-	-	-	-	-	-	-	-	-	390,000
		Interest	10,530	8,190	5,850	3,510	1,170	-	-	-	-	-	-	-	-	-	-	29,250
<b>GRAND TOTAL</b>	<b>\$ 1,790,000</b>	Principal	213,000	213,000	213,000	213,000	213,000	75,000	75,000	75,000	75,000	75,000	70,000	70,000	70,000	70,000	70,000	1,790,000
		Interest	50,505	44,115	37,725	31,335	24,945	20,625	18,375	16,125	13,875	11,625	9,450	7,350	5,250	3,150	1,050	295,500