

GOOD EVENING:

REVEREND CLERGY, DISTINGUISHED MEMBERS OF THE CITY COUNCIL AND THE SCHOOL COMMITTEE, PUBLIC OFFICIALS, FAMILY MEMBERS AND CITIZENS OF THE CITY OF PEABODY WELCOME.

I ALSO WANT TO WELCOME AND THANK THE VARIOUS CITY DEPARTMENT HEADS, CITY HALL STAFF AND CITY EMPLOYEES FOR THE GREAT JOB THAT THEY DO EVERY DAY OF THE YEAR FOR ME AND FOR THE CITIZENS OF PEABODY. THE NUMEROUS ACCOMPLISHMENTS AND SUCCESSES WE HAVE ENJOYED THIS PAST YEAR WOULD NOT BE POSSIBLE WITHOUT THE HELP, SUPPORT AND COOPERATION OF MANY OTHERS. WITH THIS IN MIND, I WANT TO THANK MY FELLOW ELECTED OFFICIALS, VOLUNTEER BOARD AND COMMISSION MEMBERS AND OTHER PUBLIC SERVANTS WHO WORKED HARD AND MADE TOUGH DECISIONS TO SUSTAIN AND MANAGE OUR COMMUNITY.

OVER THE PAST 8 YEARS, I HAVE LAID OUT A VISION FOR PEABODY AS A STRONG AND STABLE COMMUNITY, WITH THE ECONOMIC, EDUCATIONAL AND CULTURAL OPPORTUNITIES THAT MAKE IT A DESIRABLE PLACE FOR FAMILIES AND BUSINESSES TO CALL HOME. I AM PROUD TO REPORT THAT THIS LONG-TERM VISION IS GRADUALLY BEING REALIZED, DESPITE THE CHALLENGING FISCAL CLIMATE THAT SURROUNDS US.

HOWEVER, IN THE SHORT-TERM, OUR EFFORTS ARE FOCUSED ON MAINTAINING PEABODY'S ASSETS, IN THE FACE OF THE ECONOMIC AND FINANCIAL UNCERTAINTY OUR NATION IS PRESENTLY FACING AND MORE THAN LIKELY WILL CONTINUE TO FACE

IN FY10 AND FY11. DUE TO SEVERE CUTS IN STATE AID AND SUBSTANTIAL REDUCTIONS IN LOCAL RECEIPTS, OUR REVENUES DROPPED \$5.8 MILLION DOLLARS THIS PAST YEAR. MEANWHILE EXPENSES SUCH AS HEALTH BENEFITS, UNFUNDED PENSION LIABILITIES AND ENERGY RELATED COSTS INCREASED AND ARE EXPECTED TO CONTINUE TO DO SO GOING FORWARD. ALSO OF CONCERN IS THE FACT THAT THE COMMONWEALTH OF MASSACHUSETTS USED STIMULUS AND OTHER ONE-TIME FUNDS TO BALANCE ITS BUDGET AND TO PROVIDE LOCAL AID TO MUNICIPALITIES (FOR EXAMPLE, \$ 2.1 MILLION IN STIMULUS MONEY WAS PROVIDED BY THE STATE FOR EDUCATIONAL FUNDING TO PEABODY LAST YEAR), AND THESE FUNDS WILL NOT BE AVAILABLE GOING FORWARD. THIS MEANS THAT WE NEED TO PREPARE FOR ADDITIONAL LOCAL AID CUTS. ALTHOUGH I AM OPTIMISTIC THAT THE ECONOMY HAS TURNED FOR THE BETTER, WE MUST BE MINDFUL THAT THERE IS LIKELY TO BE A SUBSTANTIAL TIME LAG BEFORE THE GOOD TIMES FILTER DOWN TO THE MUNICIPAL LEVEL, AND WE MUST ACT AND PLAN ACCORDINGLY TO WEATHER THE CONTINUING FISCAL CHALLENGES.

WE HAVE BEEN THROUGH FINANCIAL CRISES BEFORE, AND I AM CONFIDENT THAT WE WILL GET THROUGH THIS ONE AS WELL. THE SUCCESSFUL STRATEGIES WE USED IN THE PAST TO GET US THROUGH DOWNTURNS WILL HELP US GET THROUGH THIS ONE. THERE WILL BE SOME PAIN, BUT THE PAIN CAN BE AMELIORATED IF WE ALL WORK TOGETHER AND IF WE ALL SACRIFICE FOR THE COMMON GOOD. ALL OF US WILL HAVE TO DO MORE AND EXPECT LESS. NO ONE SHOULD EXPECT

A BAILOUT. THE ONLY BAILOUT WE RECEIVE WILL BE THROUGH OUR OWN HARD WORK.

OVER THE LONGER TERM, WE WILL ALSO NEED TO FIND NEW AND INNOVATIVE MODELS OF GOVERNANCE THAT ALLOW US TO DELIVER SERVICES TO OUR CITIZENS IN A MORE EFFICIENT MANNER. FOR INSTANCE, WE NEED TO IMPLEMENT MEASURES LIKE REORGANIZING DEPARTMENTS AND CONSOLIDATING SERVICES. WE NEED TO PARTNER WITH OTHERS, SUCH AS OTHER MUNICIPALITIES OR WITH THE BUSINESS SECTOR, TO EXPLORE OTHER DELIVERY SYSTEMS FOR SERVICES RANGING FROM SNOW REMOVAL TO SPECIAL EDUCATION SERVICES THAT MIGHT IMPROVE COST-EFFECTIVENESS. THE REGIONALIZATION EFFORTS NOW BEING SPEARHEADED BY THE NORTHSHORE COALITION ARE A FIRST STEP IN THIS DIRECTION. OUR CITIZENS AND BUSINESS OWNERS PAY THE BILLS, AND WE MUST PROVIDE THEM THE VALUE THEY DESERVE FOR THEIR TAX DOLLARS.

BECAUSE OF SOUND FINANCIAL MANAGEMENT, PEABODY ENDED 2009 STANDING FISCALLY STRONG, DESPITE THE BROADER ECONOMIC CLIMATE. OUR FREE CASH IS APPROXIMATELY \$7.3 MILLION, OUR LEVY CAPACITY, AT \$3.7 MILLION, IS THE LARGEST ON THE NORTH SHORE, AND OUR BOND RATING HAS REMAINED STABLE AT AA2. ALTHOUGH THESE STATISTICS ARE FAVORABLE, I AM ALWAYS MINDFUL THAT WE TOO ARE JUST A PAYCHECK AWAY FROM FISCAL INSTABILITY. IF WE ARE TO REMAIN FISCALLY STABLE, PEABODY, LIKE ALL OTHER MUNICIPALITIES IN MASSACHUSETTS, NEEDS HELP. WE NEED STATE LEGISLATIVE HELP SO WE CAN BETTER CONTROL EXPENSES, SUCH AS EVER

ESCALATING HEALTH INSURANCE COSTS. WE ALSO NEED RELIEF FROM UNFUNDED OR UNDERFUNDED STATUTORILY MANDATED EXPENDITURES. WE NEED RESPONSIBLE AND SUSTAINED GROWTH. WE NEED MUNICIPAL UNIONS THAT REALIZE WE ARE IN THIS TOGETHER AND WILL GIVE AS WELL AS TAKE. WE NEED CITIZENS TO REALIZE GOVERNMENT CAN'T DO IT ALL AND CERTAINLY CAN'T DO IT FOR FREE.

BE ASSURED THAT I WILL CONTINUE TO ADVOCATE FOR ADDITIONAL LOCAL AID AND FOR NEW TOOLS AND POWERS SO THAT THE CITY DOES NOT HAVE TO RELY SOLELY ON PROPERTY TAXES TO FUND OPERATING BUDGETS IN THE FUTURE. I WILL ALSO CONTINUE TO PRESS OUR FEDERAL AND STATE LEGISLATIVE DELEGATIONS TO ENSURE THAT THEY HELP US FIND EVERY DOLLAR AND APPLY FOR EVERY GRANT THAT MAY BENEFIT PEABODY AND ITS TAXPAYERS. I ASK ALL OF YOU TO ADVOCATE THROUGH YOUR STATE AND FEDERAL OFFICIALS AND HOLD THEM ACCOUNTABLE FOR THEIR ACTIONS, OR LACK THEREOF, IN SUPPORT OF THE INTERESTS OF THE CITY OF PEABODY.

THIS YEAR, DESPITE THE SUBSTANTIAL DECREASE IN STATE AID, WE WERE FORTUNATE THAT WE WERE ABLE TO KEEP THE AVERAGE TAX INCREASE ON RESIDENTIAL PROPERTY TO \$99. ALTHOUGH PEABODY, LIKE MANY OTHER MUNICIPALITIES, HAS HAD TO INCREASE PROPERTY TAXES OVER THE PAST FEW YEARS TO MAKE UP FOR CUTS IN STATE AID, OUR PROPERTY TAXES REMAIN LOWER THAN OTHER AREA COMMUNITIES. WE ALSO HAVE FEWER AND LOWER ADDITIONAL FEES AND HAVE MAINTAINED A HIGHER LEVEL OF CITY SERVICES. ALTHOUGH WE HAVE MADE A

COMMITMENT TO KEEPING PROPERTY TAXES RELATIVELY STABLE, THE REALITY IS THAT MUNICIPAL BUDGETS ARE INCREASINGLY RELYING ON PROPERTY TAXES AS A DIRECT RESULT OF CUTBACKS IN LOCAL AID. PROPERTY TAXES NOW PROVIDE 59% OF OUR OPERATING REVENUE, UP FROM 56.5% A YEAR AGO. BECAUSE PROPERTY TAXES ARE REGRESSIVE AND PLACE AN UNFAIR FINANCIAL BURDEN ON OUR SENIORS WHO LIVE ON FIXED INCOMES, I HAVE LOBBIED AGGRESSIVELY FOR OTHER SOURCES OF REVENUE IN ORDER TO MINIMIZE THE CITY'S RELIANCE ON PROPERTY TAXES. ALTHOUGH WE WOULD HAVE PREFERRED ANOTHER REVENUE GENERATOR, THE OPTIONAL MEALS AND HOTEL TAX THE STATE AUTHORIZED GIVES PEABODY A MUCH-NEEDED MEANS OF RAISING ADDITIONAL REVENUE. THE ADOPTION OF THESE DISCRETIONARY TAXES SHOULD HELP OFFSET THE LOSS OF LOCAL AID AND LESSEN THE RELIANCE ON THE PROPERTY TAX.

THE CITY OF PEABODY CONTINUES TO CULTIVATE BENEFICIAL RELATIONSHIPS WITH THE PRIVATE SECTOR. INCREASES IN NEW CONSTRUCTION GROWTH, SUCH AS FROM THE EXPANSION OF THE NORTH SHORE MALL, ARE ONE OF THE MAIN REASONS FOR THE MINIMAL INCREASE IN THIS YEAR'S PROPERTY TAX. GIVEN THE LIMITED AUTHORITY WE HAVE TO CONTROL MAJOR EXPENSES LIKE HEALTH CARE AND THE CONTINUING TREND OF DIMINISHED STATE AID, PEABODY MUST PROMOTE REASONABLE GROWTH TO ALLOW US TO MAINTAIN THE PRESENT LEVEL OF CITY SERVICES AND TO MINIMIZE FUTURE TAX INCREASES. WE MUST CONTINUE OUR EFFORTS TO BE BUSINESS FRIENDLY AND TO REZONE OUR

COMMUNITY, ESPECIALLY OUR ROUTE #1 AND DOWNTOWN SECTORS, TO PROMOTE HIGHER AND BETTER LAND USE AND TO ENCOURAGE RESPONSIBLE BUSINESS GROWTH.

DESPITE THE FINANCIAL FREEFALL THAT HAS TAKEN PLACE NATIONALLY OVER THE PAST FEW YEARS, PEABODY HAS CONTINUED TO MAKE PROGRESS AND PROVIDE A HIGH QUALITY OF LIFE FOR OUR CITIZENS. BECAUSE OF TIME LIMITATIONS I WILL ONLY HIGHLIGHT A FEW OF THE MANY SUCCESSES WE ENJOYED DURING THE PAST YEAR. A DETAILED LIST OF OUR ACCOMPLISHMENTS CAN BE FOUND IN THE APPENDIX TO THIS SPEECH.

DURING 2009 WE CONTINUED OUR EFFORTS TO RENEW AND BRING LIFE AND VITALITY BACK TO OUR DOWNTOWN AREA. OUR GOAL IS TO BRING BACK THIS ECONOMICALLY UNDERUTILIZED AREA AND TO MAKE IT A MORE ATTRACTIVE, MORE LIVABLE PLACE, A PLACE FOR ECONOMIC GROWTH AND OPPORTUNITY. TO THIS END, WE ARE IMPLEMENTING A PLAN THAT ADDRESSES SEVERAL OF THE MAJOR ISSUES THAT HAVE HAMPERED GROWTH IN THIS AREA AND CALLS FOR US TO FIX THE FLOODING PROBLEM, REZONE THE DOWNTOWN AREA, AND ADDRESS TRAFFIC CONCERNS.

TO HELP THE CITY MORE EFFECTIVELY ADDRESS THE COMPLEX AND COSTLY FLOODING ISSUE, WE USED GRANT FUNDING TO HIRE A PROJECT MANAGEMENT TEAM. THEIR EXPERTISE HAS, AND WILL CONTINUE TO, HELP US TO BETTER NAVIGATE THE COMPLEX REGULATORY, LEGAL AND FINANCIAL OBSTACLES THIS PROJECT FACES AND HAS HELPED US TO SECURE ADDITIONAL FUNDING THAT HAS ALLOWED US TO PUT MORE SHOVELS IN THE GROUND. GRANT FUNDING FROM THE STATE,

ALLOWED US TO DREDGE, CLEAN AND RESTORE CULVERTS DOWNTOWN, AS WELL AS TO CLEAN OUR BROOKS UPSTREAM TO INCREASE WATER CAPACITY AND IMPROVE FLOW. AS WE CONTINUE TO CONFER WITH OFFICIALS AT THE STATE AND FEDERAL LEVEL ON OUR FLOOD MITIGATION PROGRAM, THIS AUXILIARY WORK HAS MADE A NOTICEABLE IMPACT ON OUR DOWNTOWN. AS A RESULT OF THESE EFFORTS WE ARE SEEING MINIMAL WATER BUILD-UP ON STREETS THAT WOULD HAVE BEEN INUNDATED IN THE PAST. THE YEAR AHEAD LOOKS TO BE ONE OF GREAT PROMISE AND MORE PROGRESS TO ALLEVIATE FLOODING, AS A NUMBER OF ADDITIONAL PROJECTS ARE EMERGING FROM REVIEW STAGES AND WE WILL BEGIN TO IMPLEMENT ADDITIONAL MEASURES THAT WILL BENEFIT PEABODY SQUARE AS WELL AS OTHER NEIGHBORHOODS THAT SUFFER FROM LOCALIZED FLOODING. EACH PASSING STORM SHOWS FEWER AREAS AFFECTED BY FLOODING, AND IS A TESTAMENT TO THE SUCCESS OF OUR COMPREHENSIVE STRATEGY. WE WILL CONTINUE TO MAKE PROGRESS AS OUR LARGE-SCALE PLAN IS IMPLEMENTED IN STAGES. REMEMBER THAT THE SUCCESS OF FLOOD MITIGATION IN PEABODY, IN PART, HINGES ON THE COOPERATION AND SUPPORT FROM OUR CITIZENS AND LANDOWNERS; YOU ARE OUR PARTNERS IN REALIZING THIS GOAL AND WORKING TOGETHER FOR THIS COMMON CAUSE WE CAN REVITALIZE OUR HISTORIC DOWNTOWN AND END THE CYCLE OF DEVASTATING FLOODING THAT HAS CAUSED SO MUCH PERSONAL LOSS AND ECONOMIC DAMAGE IN YEARS PAST. ALTHOUGH THIS IS AN EXPENSIVE ENDEAVOR, IT IS ONE ABSOLUTELY ESSENTIAL TO ATTRACTING THE

INVESTMENT NEEDED TO REVITALIZE OUR COMMUNITY.

PROMOTING BUSINESS GROWTH IS A KEY COMPONENT OF THIS CITY'S STRATEGY FOR LONG TERM ECONOMIC STABILITY. TOWARD THAT END, WE NEED TO TAKE ADVANTAGE OF THE EXISTING INFRASTRUCTURE IN THE DOWNTOWN AREA, REDEVELOPING AND CLEANING UP THIS AREA WILL BE MORE COST-EFFECTIVE AND ALSO ALLOWS US TO PRESERVE UNDEVELOPED LAND WHICH COULD BE USED FOR OTHER PURPOSES SUCH AS OPEN SPACE AND RECREATION.

ATTACHED TO THIS SPEECH IS A MEMORANDUM THAT LISTS NUMEROUS MEASURES MY ADMINISTRATION HAS TAKEN TO IMPROVE THE DOWNTOWN AREA. THE PLANS TO IMPROVE THE DOWNTOWN ARE IN PLACE; IT IS NOW UP TO THE CITY COUNCIL TO STEP UP AND HELP IMPLEMENT THESE PLANS BY PASSING A REZONING ORDINANCE THIS YEAR.

EVEN AS MY ADMINISTRATION PROMOTES SMART AND RESPONSIBLE DEVELOPMENT, WE CONTINUE TO VALUE OUR OPEN SPACE RESOURCES. I AM PROUD TO SAY THAT, TO DATE; MY ADMINISTRATION HAS PURCHASED OVER 90 ACRES OF OPEN SPACE. WE PLAN ON CONTINUING TO PURCHASE MORE OPEN SPACE INCLUDING THE ZIELSKI PROPERTY ON LYNNFIELD STREET AND ADDITIONAL RAILROAD RIGHT OF WAYS TO EXPAND THE BIKE PATH SO IT EVENTUALLY CIRCUMNAVIGATES THE CITY. WE RECENTLY COMPLETED CONSTRUCTION OF THE 4.6 MILE LINEAR BIKE PATH WHICH RUNS THROUGH SOME OF PEABODY'S MOST BEAUTIFUL TRACTS OF RECREATIONAL OPEN SPACE. EVEN PRIOR TO ITS

COMPLETION, PEABODY RESIDENTS AND OTHERS FROM ALL OVER THE REGION WERE USING THE BIKEPATH FOR CYCLING, PUSHING STROLLERS, SKATING AND WALKING. WITHIN THE PAST MONTH WE PURCHASED ADDITIONAL RAILROAD TRACK WHICH RUNS FROM THE NORTH SHORE SHOPPING MALL TO ENDICOTT STREET, WHICH WILL BE INCORPORATED INTO THE EXISTING BIKE PATH. WE PLAN ON CONNECTING OUR BIKE PATH TO THE PROPOSED RIVER WALK WHICH WILL EVENTUALLY RUN INTO SALEM. THE CITY OF PEABODY ALSO RECEIVED A \$400,000 GRANT WHICH WILL ENABLE US TO DESIGN AND BUILD A PARK ON THE ONE AND A HALF ACRE SITE THE CITY OWNS ON WALNUT STREET, PROVIDING MUCH NEEDED RECREATIONAL SPACE IN THE HEART OF OUR DOWNTOWN. IN THE SPRING OF 2010 WE PLAN ON REBUILDING PIERPONT PARK. IN ADDITION, WE ARE PRESENTLY DEVELOPING PLANS TO BUILD A WALKING TRAIL THAT CONNECTS SYDNEY'S POND TO BOTH THE MEADOW GOLF COURSE AND SPRING POND. ALL OF THESE PROJECTS PROVIDE OUR CITIZENS WITH OPPORTUNITIES FOR RECREATION, PROMOTE WELL BEING, CONNECT PEOPLE TO THEIR NEIGHBORS AND LOCAL BUSINESSES AND ENHANCE THE QUALITY OF LIFE IN OUR CITY.

A KEY INDICATOR OF QUALITY IN ANY COMMUNITY IS THE HEALTH OF ITS SCHOOL SYSTEM. PEABODY HAS CONTINUED TO STRENGTHEN OPPORTUNITIES FOR ITS RESIDENTS IN THIS AREA OVER THE PAST 8 YEARS. I AM PLEASED TO REPORT THAT AFTER YEARS OF DISCUSSION AND CONSIDERATION, BOTH THE SCHOOL COMMITTEE AND CITY COUNCIL VOTED FOR PEABODY TO BECOME A MEMBER OF THE

ESSEX NORTH SHORE AGRICULTURAL AND TECHNICAL SCHOOL DISTRICT. I NOT ONLY BELIEVE THAT THIS MERGER IS IN THE BEST INTEREST OF OUR STUDENTS BUT OF ALL OUR RESIDENTS WHO WILL BE ABLE TO TAKE ADVANTAGE OF THE EDUCATIONAL OPPORTUNITIES THAT WILL BE PROVIDED.

WE ARE PRESENTLY WORKING WITH SIMON YOUTH FOUNDATION TO EXPLORE THE FEASIBILITY OF ESTABLISHING AN ALTERNATIVE HIGH SCHOOL FOR AT RISK STUDENTS. THIS ALTERNATIVE HIGH SCHOOL WILL BE LOCATED AT THE NORTH SHORE SHOPPING MALL.

DESPITE A 13.9% NET CUT TO FY10 LOCAL AID RESULTING IN THE REDUCTION OF THE CITY SIDE OF THE BUDGET BY \$1,174,770, THE SCHOOL BUDGET WAS INCREASED BY \$539,600. ALTHOUGH THIS TIGHT BUDGET RESULTED IN SOME STAFFING CUTS AND PROGRAMS BEING ELIMINATED, THE OVERALL TEACHER TO STUDENT RATIO HAS NOT DIMINISHED AND GENERALLY REMAINS WELL BELOW CONTRACT REQUIREMENTS AND THAT OF SURROUNDING COMMUNITIES.

DURING THE PAST TWO YEARS WE SPENT OVER \$1,729,000 ON SCHOOL CAPITAL PROJECTS.

SEVERAL MAJOR CAPITAL PROJECTS WERE COMMENCED OR COMPLETED IN 2009, INCLUDING: REPLACEMENT OF HOT WATER TANKS AT PVMHS, MAJOR ROOF REPAIRS AT THE HIGGINS MIDDLE SCHOOL AND A NEW CEILING IN THE AUDITORIUM AT THE SOUTH SCHOOL. WITH THE EXCEPTION OF SOME AMERICANS WITH DISABILITY ACT PROJECTS, WHICH WE EXPECT TO FINISH THIS SUMMER, OUR \$21 MILLION RENOVATION PROJECT

AT THE HIGH SCHOOL HAS BEEN COMPLETED AND WITHIN BUDGET.

WITH THE CITY'S VOTE TO JOIN THE REGIONAL VOCATIONAL SCHOOL, PLANNING FOR THE RENOVATION TO THE HIGGINS MIDDLE SCHOOL CAN PROCEED. IN CONJUNCTION WITH THE MASSACHUSETTS SCHOOL BUILDING AUTHORITY (MSBA), WE HAVE HIRED A PROJECT MANAGER TO HELP FACILITATE THIS PROJECT. IN ADDITION, WE RECENTLY RESUBMITTED A "STATEMENT OF INTEREST" TO THE MSBA FOR THE RENOVATION AND UPGRADING OF THE CENTER SCHOOL. THROUGHOUT THE DISTRICT, WE CONTINUED OUR EFFORTS TO PURCHASE AND INSTALL NEW COMPUTER EQUIPMENT AND SOFTWARE UPGRADES. GRANT FUNDING RECENTLY SECURED BY THE SCHOOL DEPARTMENT ALLOWED US TO IMPLEMENT AN EMERGENCY-MESSAGING SYSTEM (CONNECT ED) TO IMPROVE COMMUNICATIONS TO PARENTS.

A RECENT REVIEW OF STUDENT ENROLLMENT NUMBERS BY THE NEW ENGLAND SCHOOL DEVELOPMENT COUNCIL HAS CONFIRMED OUR OWN INTERNAL REVIEW WHICH DISCLOSED A STEADY DECLINE IN THE NUMBER OF STUDENTS. STUDENT ENROLLMENTS HAVE DECLINED BY OVER 491 STUDENTS SINCE 2003. BASED ON THIS INFORMATION, AND THE FACT THAT INCREASES IN STATE EDUCATIONAL FUNDING AID HAVE BEEN MINIMAL OVER THE PAST FEW YEARS AND ARE EXPECTED TO REMAIN SO FOR THE NEXT FEW YEARS, THE SCHOOL COMMITTEE NEEDS TO MAKE SOME TOUGH FINANCIAL DECISIONS, INCLUDING, BUT NOT LIMITED TO, REDUCTION IN STAFF, CONSOLIDATING FACILITIES OR REDISTRICTING -

THUS FREEING UP MUCH NEEDED FINANCIAL RESOURCES WHICH WE CAN THEN APPLY TOWARD OTHER, MORE PRESSING SCHOOL RELATED PRIORITIES. LAST YEAR A “BLUE RIBBON” PLANNING COMMITTEE WAS ESTABLISHED AND IS WORKING HARD TO ADVISE AND ASSIST THE SCHOOL COMMITTEE WITH THIS DIFFICULT TASK.

I AM PROUD OF OUR SCHOOL SYSTEM AND PLEASED WITH THE PROGRESS MADE TO STRENGTHEN IT DURING MY TENURE AS MAYOR. THE APPENDIX TO THIS SPEECH CONTAINS THE NUMEROUS ACHIEVEMENTS AND IMPROVEMENTS WE HAVE MADE THIS PAST YEAR TO OUR SCHOOL SYSTEM. I AM CONFIDENT THAT WORKING TOGETHER WE CAN BUILD ON THESE SUCCESSES AND MAKE AN ALREADY GOOD SCHOOL SYSTEM EVEN BETTER.

PUBLIC SAFETY IS ANOTHER AREA WHERE WE HAVE MADE MEASURABLE PROGRESS IN 2009.

I AM PROUD OF OUR PUBLIC SAFETY PEOPLE AND THANK THEM FOR THE GREAT JOB THEY DO EVERYDAY.

IN 2009 THE POLICE DEPARTMENT RECEIVED RE-ACCREDITATION FROM THE COMMONWEALTH OF MASSACHUSETTS COMMITTEE ON LAW ENFORCEMENT ACCREDITATION AND THE REORGANIZATION/MODERNIZATION OF THE POLICE DEPARTMENT BEGUN LAST YEAR WAS CONTINUED. AS PART OF THIS REORGANIZATION THREE NEW CAPTAINS WERE ASSIGNED RESPONSIBILITY FOR THREE DISTINCT AREAS OF THE CITY, RESULTING IN IMPROVED SERVICE AND ACCOUNTABILITY. ALTHOUGH BUDGETARY CONSTRAINTS HAVE DELAYED FULL

IMPLEMENTATION OF THIS REORGANIZATION, WE WILL CONTINUE TO MOVE FORWARD WITH THESE IMPROVEMENTS TO PUBLIC SAFETY.

CAPITAL IMPROVEMENTS AT THE FIRE DEPARTMENT INCLUDE THE PURCHASE AND DEPLOYMENT OF A NEW FIRE PUMP TRUCK, WHICH IS OPERATING OUT OF ENGINE 5, AND THE CONSTRUCTION OF A NEW ELECTRICAL SYSTEM AND STAND ALONE GENERATOR SYSTEM AT HEADQUARTERS. ANOTHER MAJOR ACCOMPLISHMENT WAS THE CREATION OF THE 45 MEMBER ESSEX COUNTY TECHNICAL RESCUE TEAM IN A COLLABORATIVE EFFORT WITH THE ESSEX COUNTY FIRE CHIEFS ASSOCIATION. SIX MEMBERS OF THE PEABODY FIRE DEPARTMENT ARE MEMBERS OF THIS ELITE UNIT. THE MOST SIGNIFICANT ACCOMPLISHMENT, HOWEVER, IS THE ONGOING STATE-OF-THE-ART TRAINING MEMBERS OF THE FIRE DEPARTMENT CONTINUE TO RECEIVE TO ENHANCE THEIR PUBLIC SAFETY RESPONSE ROLES. THIS TRAINING RECENTLY PAID OFF HANDSOMELY WHEN OFF-DUTY PEABODY FIREFIGHTER STEVE PELLEGRINI HEROICALLY SAVED A 95 YEAR OLD MAN FROM DROWNING IN ESSEX. SUCH ACTS ARE A TESTAMENT TO THE QUALITY OF PUBLIC SERVANT THAT PEABODY IS FORTUNATE TO HAVE.

IN 2009 PUBLIC SERVICES HAD ANOTHER BUSY AND PRODUCTIVE YEAR. FORMER CITY ENGINEER ROBERT LANGLEY WAS APPOINTED THE DIRECTOR OF DPS WHILE WILLIAM PAULITZ WAS HIRED AND APPOINTED CITY ENGINEER.

THE CITY OF PEABODY SPENT OVER \$900,000 THIS PAST YEAR ON STREET AND SIDEWALK REPAVING AND REPAIR. SOME OF THE STREETS

REPAVED THIS YEAR INCLUDE: BERKLEY STREET, BUTTONWOOD LANE, UPHAM STREET, STYLES DRIVE, MAPLE STREET, SANDRA ROAD AND PART OF LYNNFIELD STREET. IN ADDITION TO NUMEROUS WATER AND SEWER IMPROVEMENTS SUCH AS CLEANING OVER 800 CATCH BASINS AND 66,827 FEET OF CITY BROOKS AND STREAMS, DPS ALSO RESPONDED TO AND COMPLETED OVER 2,400 WORK REQUESTS THROUGHOUT THE CITY. DPS ALSO KEPT PEABODY ROADS SAFE AND CLEAR DURING A DIFFICULT WINTER WHERE WE RECEIVED 66 INCHES OF SNOWFALL, 24 INCHES OVER THE AVERAGE. AS A RESULT 18 SANDING AND 10 FULL PLOWING OPERATIONS WERE CONDUCTED.

THE LEATHERWORKERS MUSEUM LOCATED ON WASHINGTON STREET ON THE GEORGE PEABODY HOUSE PROPERTY WAS COMPLETED THIS SUMMER AND IS OPEN FOR VISITORS. ALTHOUGH DEDICATED TO LEATHER WORKER IT REPRESENTS ALL THE HARD WORKING IMMIGRANTS WHO CAME TO THIS COUNTRY AND TO PEABODY SEEKING OPPORTUNITY AND A BETTER LIFE. IN DOING SO THEY BUILT A BETTER UNITED STATES OF AMERICA.

AS AN AVID READER AND A FORMER LIBRARY TRUSTEE I LOVE THE LIBRARY. I AM PLEASED THAT THE COUNCIL VOTED TO PROVIDE THE FUNDING TO MAKE MUCH NEEDED HVAC AND OTHER REPAIRS TO THE LIBRARY WHICH WILL COMMENCE THIS SUMMER. I AM PARTICULARLY PROUD OF THE LEADERSHIP ROLE THE LIBRARY STAFF TOOK IN PARTNERING WITH THE HEALTHY PEABODY COLLABORATIVE AND PROVIDING OVER 900 MEALS TO NEEDY CHILDREN THIS SUMMER.

PEABODY'S COORDINATED EMERGENCY RESPONSE PLANNING EFFORTS WERE PUT INTO ACTION BY THE CITY'S RESPONSE TO THE "H1N1" FLU PANDEMIC THIS YEAR. THE HEALTH DEPARTMENT COORDINATED TRAINING EXERCISE FOR CITY AGENCIES AS WELL AS OTHER RESPONSE PARTNERS, AND HAS CONDUCTED A NUMBER OF EDUCATIONAL FORUMS ABOUT THE FLU FOR THE PUBLIC. TEN VACCINE CLINICS HAVE BEEN HELD OVER THE PAST FEW MONTHS TO DISTRIBUTE FLU VACCINE TO PRIORITY GROUPS, WITH A NUMBER OF ADDITIONAL CLINICS PLANNED IN THE MONTHS AHEAD. THE HEALTHY PEABODY COLLABORATIVE, WORKING WITH THE CITY'S POLICE AND HEALTH DEPARTMENTS, RECEIVED A 5 YEAR \$625,000 SUBSTANCE ABUSE PREVENTION GRANT FROM THE WHITE HOUSE OFFICE OF NATIONAL DRUG CONTROL POLICY. THIS FUNDING SUPPLEMENTS THE STATE FUNDING RECEIVED LAST YEAR AND WILL ALLOW THE COLLABORATIVE TO EXPAND UPON ITS WORK TO PREVENT SUBSTANCE ABUSE IN THE CITY OF PEABODY.

BESIDES BEING ACTIVELY INVOLVED IN MANY PROJECTS SUCH AS THE FLOOD MITIGATION INITIATIVE, CONSTRUCTION OF THE LEATHERWORKERS MUSEUM AND THE BIKE PATH THE COMMUNITY DEVELOPMENT DEPARTMENT WAS THE PRIME MOVER IN OBTAINING FUNDING FOR THE CITY IN THE FOLLOWING AREAS IN 2009: WE SECURED \$2,835,700 IN HOME AND COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS, WHICH WERE USED FOR REGIONAL PROGRAMMING AND FOR HOUSING REHABILITATION FOR LOW TO MODERATE INCOME PEABODY HOUSEHOLDS. WE ALSO OBTAINED \$284,600 IN FEDERAL AND STATE

FUNDS FOR LEAD PAINT REMOVAL. THROUGH THE HOUSING REHAB PROGRAM, 15 HOMES WERE REHABILITATED. COMMUNITY DEVELOPMENT ALSO PROVIDED PLANNING AND LEADERSHIP FOR THE HABITAT FOR HUMANITY PROJECT, WHICH WILL PROVIDE 8 UNITS OF AFFORDABLE HOUSING ON PARK ST. THE CITY'S FIRST TIME HOMEBUYERS PROGRAM PROVIDED DOWN PAYMENT ASSISTANCE TO 20 FAMILIES, ENABLING THEM TO PURCHASE THEIR FIRST HOME. TO SUPPORT NEW BUSINESS GROWTH IN PEABODY, PEABODY'S COMMUNITY DEVELOPMENT AUTHORITY ASSISTED SEVERAL BUSINESS AND PROPERTY OWNERS WITH SUBORDINATIONS, WORKOUTS AND CREATIVE FINANCING INITIATIVES. I WOULD LIKE TO TAKE A MOMENT TO THANK JEAN DELIOS FOR HER EXCELLENT STEWARDSHIP OF THIS DEPARTMENT AND TO WELCOME KAREN SAWYER AS THE NEW DIRECTOR.

DUE IN LARGE PART TO OUR POSITIVE BUSINESS ATTITUDE AND FAVORABLE TAX RATE, BUSINESSES CONTINUE TO LOCATE AND GROW IN PEABODY. IN 2009 LAHEY CLINIC COMPLETED THE CONSTRUCTION OF THE 63,000 SQUARE FOOT ADDITION TO ITS EXISTING BUILDING AND THE NORTH SHORE MALL COMPLETED ITS SUBSTANTIAL 165,000 SQUARE FOOT RENOVATION. SOME OF THE OTHER MAJOR CONSTRUCTION PROJECTS COMPLETED THIS YEAR INCLUDE: THE SCHENKER OFFICE/WAREHOUSE BUILDING AT CENTENNIAL PARK, AN ACURA DEALERSHIP ON RT #114, LATITUDES, AN INDOOR SPORTS/RECREATION COMPLEX ON ROUTE #1 SOUTH AND SONIC A DRIVE-IN RESTAURANT ON ROUTE #1 NORTH. SOME OF THE MANY PROJECTS PRESENTLY IN THE WORKS

INCLUDE: A CVS ON MAIN STREET, CHILDREN'S HOSPITAL AT 10 CENTENNIAL DRIVE, NEWHALL CROSSING AT CRAIG'S POND, A COMMERCIAL OFFICE COMPLEX AT 139 LYNNFIELD STREET AND REDEVELOPMENT OF THE FINE BUILDING AT 143 LYNNFIELD STREET.

WE ARE ALL AWARE, THAT LIKE THE PAST TWO YEARS, 2010 AND MORE THAN LIKELY 2011 ARE GOING TO BE TOUGH YEARS FISCALLY FOR ALL OF US INDIVIDUALLY AND FOR THE CITY OF PEABODY. ALTHOUGH HOPE OF RECOVERY IS IN THE AIR WE ARE STILL FACED WITH TOUGH CHALLENGES WHICH MAY RESULT IN CUTBACKS IN STAFF AND SERVICES.

ALTHOUGH I PLEDGE TO DO MY BEST TO MINIMIZE THE IMPACT OF THE FINANCIAL DIFFICULTIES WE STILL FACE, I CAN'T DO IT ALONE. I NEED YOUR HELP, SUPPORT AND PATIENCE. TO SURVIVE, AND HOPEFULLY CONTINUE TO MOVE OUR CITY FORWARD, WE MUST DO IT TOGETHER. WITH YOUR HELP,

WE WILL:

- CONTROL THE ADVERSE IMPACT CAUSED BY THE FISCAL PROBLEMS WE FACE WHILE STRIVING TO MAINTAIN EXISTING STAFFING AND SERVICE LEVELS.**
- MITIGATE THE FLOODING PROBLEM IN PEABODY, REHABILITATING AFFECTED AREAS INCLUDING ADDRESSING THE DENSITY CONCERN IN THE DOWNTOWN AREA BY PROVIDING PARKS AND OPEN SPACE.**
- ADOPT AND IMPLEMENT THE LONG DELAYED REZONING PROJECT, WHICH WILL REVITALIZE AND**

ENHANCE OUR DOWNTOWN BY ALLOWING FOR CONTROLLED GROWTH, A MIX OF PROPERTY USE AND DESIGN REVIEW.

- **RE-EVALUATE OUR SCHOOL DISTRICT'S ORGANIZATIONAL STRUCTURE IN LIGHT OF DECLINING ENROLLMENT, AND IN DOING SO, IDENTIFY RESOURCES THAT CAN BE REDIRECTED TOWARD ENHANCING ACADEMIC ACHIEVEMENT THROUGHOUT THE DISTRICT.**
- **CONTINUE TO IMPROVE AND UPGRADE OUR PUBLIC BUILDINGS AND INFRASTRUCTURE**
- **MAINTAIN OUR STRONG RESERVE POSITION AND BOND RATING.**
- **CONTINUE TO BALANCE FISCAL RESPONSIBILITY WHILE PURSUING AN AGENDA THAT MAKES PEABODY THE TYPE OF COMMUNITY WE ARE PROUD TO CALL HOME.**

EVEN THOUGH WE HAVE ACCOMPLISHED MUCH OVER THE PAST FEW YEARS WE STILL HAVE MUCH TO DO. THE ECONOMIC MELTDOWN HAS IMPACTED THE CITY OF PEABODY AS IT HAS EVERYTHING ELSE. CONSEQUENTLY, FOR US TO SUCCEED AND EVEN SURVIVE WE WILL NEED TO WORK SMARTER, MORE EFFICIENTLY AND MORE EFFECTIVELY. NOW MORE THAN EVER, WE MUST PUT SELF INTEREST AND POLITICS ASIDE AND WORK COOPERATIVELY FOR THE COMMON GOOD. IT'S TIME TO COME TOGETHER AND WORK TOGETHER TO MOVE OUR CITY FORWARD.

IT HAS BEEN AN HONOR TO SERVE YOU AS YOUR MAYOR FOR THE PAST EIGHT YEARS AND I AM LOOKING FORWARD TO CONTINUING TO SERVE YOU. I RENEW THE PROMISE I MADE TO THE

**CITIZENS OF PEABODY EIGHT YEARS AGO WHEN I
FIRST BECAME YOUR MAYOR – THE PROMISE TO
BUILD A BETTER, STRONGER PEABODY.**

**WITH YOUR SUPPORT AND WITH GOD'S
BLESSING TOGETHER WE CAN KEEP THIS PROMISE
AND MAKE PEABODY A GREAT PLACE TO LIVE AND
WORK.**

THANK YOU.