I am pleased to recommend a level services municipal budget of \$19.6 million.

Over the past four years, the Town has confronted the fiscal challenges facing us directly. With support and collaboration with the staff, Select Board, Finance Committee, School Superintendent, School Committees, Library Director, Jones Library Trustees, and Town Meeting members, we have successfully implemented what I would describe as a "Plan to Restore Fiscal Sustainability" comprised primarily of the following:

- Expenditure Reductions (approximately 70% of solution)
 - Control employee benefits costs (plan redesign; increased employee contributions
 - o Reduce municipal non-school workforce by 25 positions, or 11.6%
 - o Closure of Marks Meadow Elementary School
 - o Collective bargaining agreements that are equitable and affordable
 - o Energy efficiency
- New Revenues (approximately 30% of solution)
 - Increased user fees (ex. LSSE) and ambulance fees (ex. UMass & 4 Towns)
 - o Local Option Meals and Lodging Taxes
 - Voter-approved Property Tax Override of \$1.68 million to support "core services"

Despite the persistent fiscal challenges facing the Town as a result of the deepest and longest economic downturn in seventy years, the Town is poised to make significant progress in a number of critical areas in the coming year.

- The Town successfully negotiated collective bargaining agreements at reasonable levels with all four municipal unions through June 30, 2013.
- Employee/retiree health insurance rates will remain unchanged in FY 13, in contrast to a nearly +10% industry trend.
- Due to an aggressive multi-year capital investment program to promote energy conservation, and to favorable long-term energy contracts, the municipal utilities budget will be level funded in FY 13;

- Public Safety services remain at current service levels. I continue to monitor the workload of our public safety personnel and staffing levels, particularly as these departments report increasing call volume. For example, in the coming year we will be actively exploring changes to our minimum Fire/EMS staffing levels, implementing a true command structure, and establishing a more structured training program.
- Public Works services will be preserved at current levels. A major objective in the coming year is to start a bold and ambitious tree planting plan to plant 2,000 trees in the next three years to reduce pollution, beautify our community, and reverse a twenty-plus year trend of net loss of hundreds of street trees. This funding is recommended in Article 18.
- Conservation and Development budgets are also level services budgets. Our new Building Commissioner Rob Morra joined us in April. My priority, simply stated, is to renew and refocus Inspection Services' mission to protect our community in a manner that provides maximum clarity, responsiveness, and accountability without placing an undue burden on property owners and businesses who wish to invest in Amherst. The Safe and Healthy Neighborhoods Initiative is pursuing increased enforcement and coordination between Town Inspection Services, public safety and landlords, property managers and tenants, and improved cooperation with campus leaders. The last two relatively positive weekends are testimony to everyone's ongoing efforts.
- The Community Services recommended budget represents level services with two notable exceptions. Following the completion of an outside evaluation of our existing programs, I am recommending a \$40,000 increase to the LSSE budget for an After School Program Partnership at our elementary schools. With your support, and award of a state grant for 2/3 of the construction cost, a refurbished War Memorial Pool at Community Field will open on June 23. Please join us!

I thank all of our Town employees who keep us safe, maintain our infrastructure, parks, and open spaces, provide services to our youngest, oldest, and neediest, manage our finances and other Town programs, and serve the community every day. This year, however, caution should remain a guiding principle in our budget decision-making. The economy is recovering, but slowly. We must continue to plan in a multi-year context. Please support our recommended Town budget for FY 13. Thank you.