



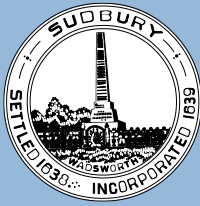
SUDBURY SELECT BOARD
TUESDAY JUNE 1, 2021
7:00 PM, ZOOM

Item #	Time	Action	Item
	7:00 PM		CALL TO ORDER
			Opening remarks by Chair
			Reports from Town Manager
			Reports from Select Board
			Citizen's comments on items not on agenda
MISCELLANEOUS			
1.	7:15 PM		FY20 Audit Presentation as requested by Finance Director Dennis Keohane. Renee Davis and Jessica Greene of Powers & Sullivan to attend.
2.	7:45 PM		Financial policies update. Chair Roberts and Board Member Schineller to report.
3.	9:00 PM		Discussion on draft letter to ISO New England as requested by Board member Schineller.
4.	9:15 PM		COVID-19 emergency measures continuation discussion (including remote participation).
5.	9:30 PM	<i>VOTE</i>	Review open session minutes of 5/4/21 and 5/22/21 and possibly vote to approve minutes.
6.	9:45 PM		Review the Select Board's Spring 2021 Newsletter articles and approve for distribution.
7.			Citizen's Comments (cont)
8.			Upcoming Agenda Items
CONSENT CALENDAR			
9.		<i>VOTE</i>	Vote to approve the Town Manager reappointments of Christopher Hagger, 233 Nobscot Road, and Diana E. Warren, 32 Old Framingham Road, Unit 30, to the Historical Commission for terms expiring 5/31/24.

These agenda items are those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

Item #	Time	Action	Item
10.		<i>VOTE</i>	Vote to Grant a Special Permit to the Sudbury July 4th Road Race, to hold the “Sudbury July 4th Road Race” on Sunday, July 4, 2021 from 7:00 A.M. through approximately 12:00 P.M., subject to Police Department safety requirements, Proof of Insurance Coverage and the assurance that any litter will be removed at the race’s conclusion.
11.		<i>VOTE</i>	Vote to grant a Special Permit to the National Multiple Sclerosis Society, to Hold the “Bike MS: Minuteman Ride” on Saturday, September 18, 2021, from 9:00 A.M. through approximately 3:00 P.M., subject to Police Department safety requirements, Proof of Insurance Coverage and the assurance that any litter will be removed at the race’s conclusion.
12.		<i>VOTE</i>	To approve award of FY22 contracts by the Town Manager upon receipt of favorable and acceptable bid/quotations for cleaning services for the Goodnow Library, Town Hall/Flynn building, and the Police Station, and any subsequent renewal options.
13.		<i>VOTE</i>	Vote to enter into the Town record and congratulate Max Samuel Fishman, Colin Matthew Heye, James Edwin Howrey, David Lind Morgan, and Christopher Edward Rotondo of Scout Troop 63 for having achieved the high honor of Eagle Scout.
14.		<i>VOTE</i>	Vote to re-appoint Dorothy Ann Bisson, 290 Dutton Rd., Republican, to the Board of Registrars of voters for a term to expire in May 31, 2023.
15.		<i>VOTE</i>	Vote to appoint Tatiana Vitvitsky, 55 Hudson Road, as the Sudbury Housing Authority (SHA) Tenant Board Member for a five-year term expiring 5/31/2026, as requested by Sheila Cusolito, SHA Executive Director.

These agenda items are those reasonably anticipated by the Chair which may be discussed at the meeting. Not all items listed may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

1: FY20 Audit Presentation

REQUESTOR SECTION

Date of request:

Requestor: Dennis Keohane, Finance Director

Formal Title: FY20 Audit Presentation as requested by Finance Director Dennis Keohane. Renee Davis and Jessica Greene of Powers & Sullivan to attend.

Recommendations/Suggested Motion/Vote: FY20 Audit Presentation as requested by Finance Director Dennis Keohane. Renee Davis and Jessica Greene of Powers & Sullivan to attend.

Background Information:
materials to be provided by Dennis Keohane

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

Town of Sudbury, Massachusetts

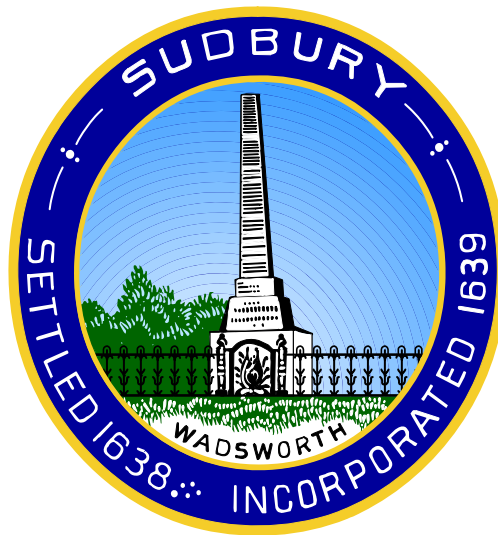
Comprehensive Annual Financial Report



For the Year Ended June 30, 2020

TOWN OF SUDBURY, MASSACHUSETTS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



For the Year Ended
June 30, 2020

Prepared by:

The Finance Division

TOWN OF SUDBURY, MASSACHUSETTS
COMPREHENSIVE ANNUAL FINANCIAL REPORT

JUNE 30, 2020

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Introductory Section



Wayside Inn Grist Mill

Introductory Section

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Town of Sudbury

Finance Director's Office

278 Old Sudbury Road

Sudbury, MA 01776

Letter of Transmittal

January 29, 2021

To the Honorable Board of Selectmen and Citizens of the Town of Sudbury:

I am pleased to transmit to you the Town of Sudbury's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2020. This report has been prepared by Sudbury's Finance Division in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Government Accounting Standards Board (GASB).

The report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the assets of the Town from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial statements have been audited by Powers & Sullivan, LLC, a firm of licensed certified public accountants, who have been hired by and report to the Town's Board of Selectmen. The independent auditors' unmodified ("clean") opinion on the Town's financial statements for the fiscal year ended June 30, 2020, is presented as the first component of the financial section of this report on pages 15 - 16.

The independent audit of the financial statements of the Town was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Town's separately issued Reports on Internal Control Over Financial Reporting, Compliance and Federal Award Programs.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditors.

History and Profile of the Town

The Town of Sudbury was settled in 1638 and incorporated as a Town in 1639. At that time, Sudbury boundaries included (by 1653) all what is now Wayland (which split off in 1780), and parts of Framingham, Marlborough, Stow and Maynard. Sudbury is a charming community, rooted deeply in New England's history; the Sudbury Center Historic District has changed little since 1800. The Town is located in Middlesex County along the major highways of Route 20 in the south and Route 117 in the north, and bisected by Route 27, and lies approximately twenty miles from Boston and twenty-six miles from Worcester. Sudbury is bordered by Wayland on the east; Framingham on the south; Hudson, Maynard, Marlborough, and Stow on the west; Concord on the northeast; and Acton on the north. Sudbury also borders Lincoln, with which it shares a regional high school. It is situated near the junctions of Route 128, the Mass Pike and Route 495, providing an excellent location for residents, businesses and commuters.

The Town has a current population of 18,874 and occupies a land area of 24.7 square miles. Sudbury is categorized by the Metropolitan Area Planning Council (MAPC) as an Established Suburb. These residential suburbs are characterized by single-family homes on moderately sized lots, with a relatively affluent population. Multi-unit housing and commercial developments are limited in their extent, although Sudbury does have some major employment and retail centers primarily located along the Town's Route 20 Corridor.

Sudbury is a desirable community to live and work in due to its location, excellent public school system, attractive neighborhoods, high property values, and well managed local government.

Organizational Structure

The Town is governed by an open Town Meeting, an elected Board of Selectmen, and an appointed Town Manager. Local legislative decisions for the town are made by an open town meeting. The Town implemented its current charter on July 1, 1996. This charter provided for appointment of a Town Manager by the Board of Selectmen. The Town Manager has broad responsibility for day-to-day management of Town affairs, as well as preparation of annual operating and capital budgets. For budgeting purposes, the Town services are divided into six program areas, and the Town Manager has authority to move funds as needed within a program area, but not to transfer funds between these areas.

The Town provides education in grades K-8 through the Sudbury Public Schools; the Lincoln-Sudbury Regional High School District (LSRHSD) provides education in grades 9 through 12. Through June 30, 2017, the Minuteman Regional Vocational Technical High School located in Lexington provided vocational technical education in grades 9 through 12. As of July 1, 2017, Sudbury withdrew from the Minutemen Regional District and the Assabet Valley Regional Technical High School in Marlborough was chosen to provide vocation technical education for new student enrollment. Currently enrolled Sudbury students will be permitted to continue attending Minuteman until graduation. Each District's School Committee is elected and responsible for appointing the Superintendent of Schools, who has responsibility for the daily administration of the school system.

Reporting Entity

The basic financial statements along with the combining statements and schedules included in this report relate to the activities under the direction and control of the Town Manager, Board of Selectmen and School Committees, which include the activities of the Town's Community Preservation Fund and Affordable Housing Trust Fund. The Sudbury Housing Authority (local branch for Massachusetts Public Housing Programs) and Sudbury Water District are excluded from this report because these activities fall outside the direction and control of the Town Manager and Board of Selectmen.

Financial Management, Policies and Initiatives

The Town Manager is responsible for the development of the Town's capital improvement plan, and annual capital and operating budgets. The School Committee is responsible for annually recommending capital and operating budgets for Sudbury's public school district. An appointed Finance Committee, consisting of nine members, makes recommendations to the Town Meeting on operating budgets and other financial matters.

The Town is engaged in developing a multi-year framework for three critical areas of long-term financial planning: (1) establishing and maintaining reserves, (2) addressing significant unfunded liabilities and (3) developing a funding strategy for the acquisition, replacement and enhancements of capital assets. As part of this ongoing effort, the Board of Selectmen formed The Strategic Financial Planning Committee for Capital Funding and The Strategic Financial Planning Committee for OPEB Liabilities.

The Strategic Financial Planning Committee for OPEB Liabilities was created to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury (including the Sudbury Public Schools) and LSRHSD. As a result, the Town transferred \$4,500,000 from the Health Claims Trust Fund to establish the OPEB Trust Fund in FY15. The Town annually appropriates money to continue funding its OPEB liability. As of June 30, 2020, the balance in the fund was \$8.6 million. While further policy development is expected to continue in the near future, long-term planning, execution and coordination particularly amongst the towns of Lincoln, Sudbury and LSRHSD will reside on a permanent basis through the development and continued use of OPEB Trusts.

Local Economic Condition

Sudbury's economic base is limited but steady with approximately 6,200 individuals employed in 670 establishments within the boundaries of the Town, with an annual payroll of \$390 million. The majority of businesses in Sudbury are small and service oriented; retail, professional and technical services, educational services, and health care account for more than 60% of all jobs. Local unemployment remains below state and national rates, and the median household effective buying income is among the highest in Massachusetts.

The Town's tax base is diverse and market values remain extremely strong. Our tax base is primarily residential, at 91%, and the 10 largest taxpayers account for only 4.74% of the tax levy.

COVID-19 is a respiratory disease caused by a novel coronavirus that has not previously been seen in humans. The virus and the resulting actions by national, state and local governments is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies. The Town saw reductions in some revenue sources, particularly room occupancy tax, during fiscal 2020. Additional costs related to COVID-19 have been mitigated by various State and Federal Grants in fiscal years 2020 and 2021.

Despite the challenges of COVID-19, the Town's financial outlook remains strong. Property tax collections remain stable and Sudbury has become well adept at controlling budget growth commensurate with economic conditions. On January 5, 2021, S&P Global Ratings assigned its 'AAA' long-term rating to Sudbury. The rating highlighted the Town's very strong economy, strong management, strong budgetary performance, very strong budgetary flexibility, very strong debt and contingent liability position, and strong institutional framework score.

Accounting System and Budgetary Control

The management of the Town is responsible for establishing and maintaining adequate internal controls to:

- Properly safeguard assets.
- Provide reasonable assurance on the accuracy and reliability of the accounting records used in the preparation of the basic financial statements.
- Provide reasonable assurance relative to compliance with legal and contractual constraints on the custody and use of assets.

Town departmental expenditure budgets are prepared and accounted for on a line item basis. Legally binding appropriations are made for the major categories of Personal Services, Expenses, Benefits and Insurances and Debt Service. Transfers within an expenditure category may be made with the approval of the Department Head and Town Accountant. Transfers between expenditure categories may be approved by the Town Manager. The School Committee maintains bottom-line authority for all legally binding appropriations made for Education expenditures.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditures are recorded to reserve that portion of the applicable appropriation, is employed in the Governmental Funds to maintain budgetary control.

An analysis of all legally adopted budgets are presented on pages 76 – 81 of this report.

Collective Bargaining Agreements

Town employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. The Town currently has approximately 550 full and part-time employees, of which approximately 83% percent belong to unions or other collective bargaining groups.

Awards and Acknowledgments

The Town received the GFOA Distinguished Budget Presentation Award for its budget report for the fiscal year ended June 30, 2020. The award reflects the community's commitment to meeting the highest principles of governmental budgeting. We believe that the Town's budget document for the fiscal year ended June 30, 2021 continues to meet the requirements for this recognition and have submitted it to the GFOA to determine its eligibility for another award.

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Sudbury for its CAFR for the fiscal year ended June 30, 2019. This was the eighth year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

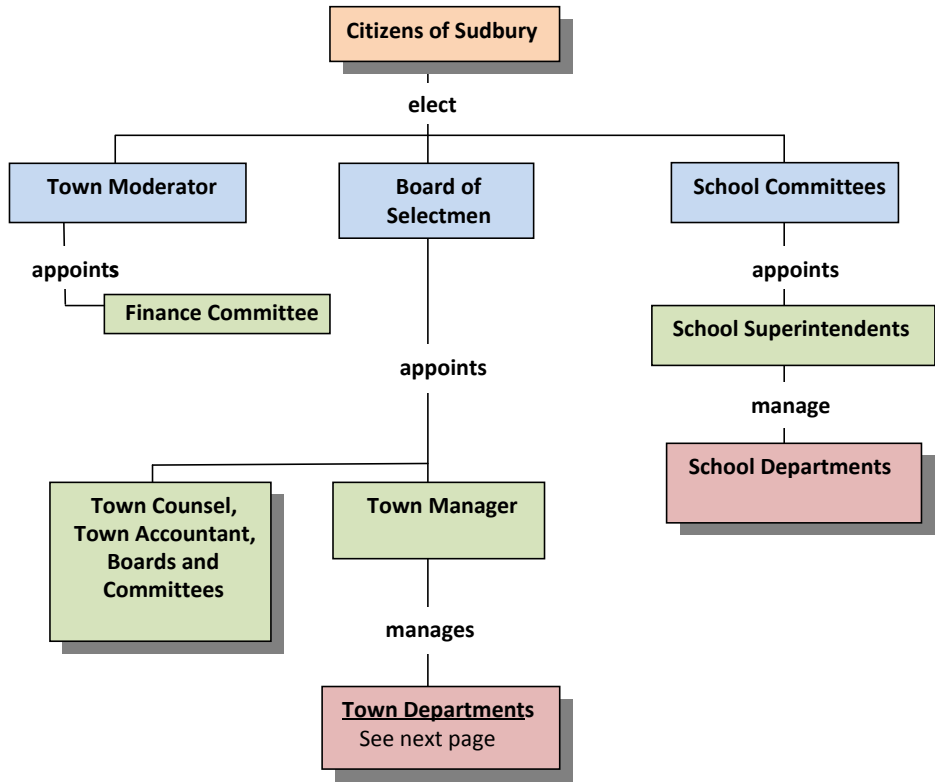
The preparation of this report would not have been possible without the efficient and dedicated services of the Finance Department. Special thanks also go to the certified public accounting firm of Powers & Sullivan, LLC for their advice and assistance in the preparation.

Respectfully,

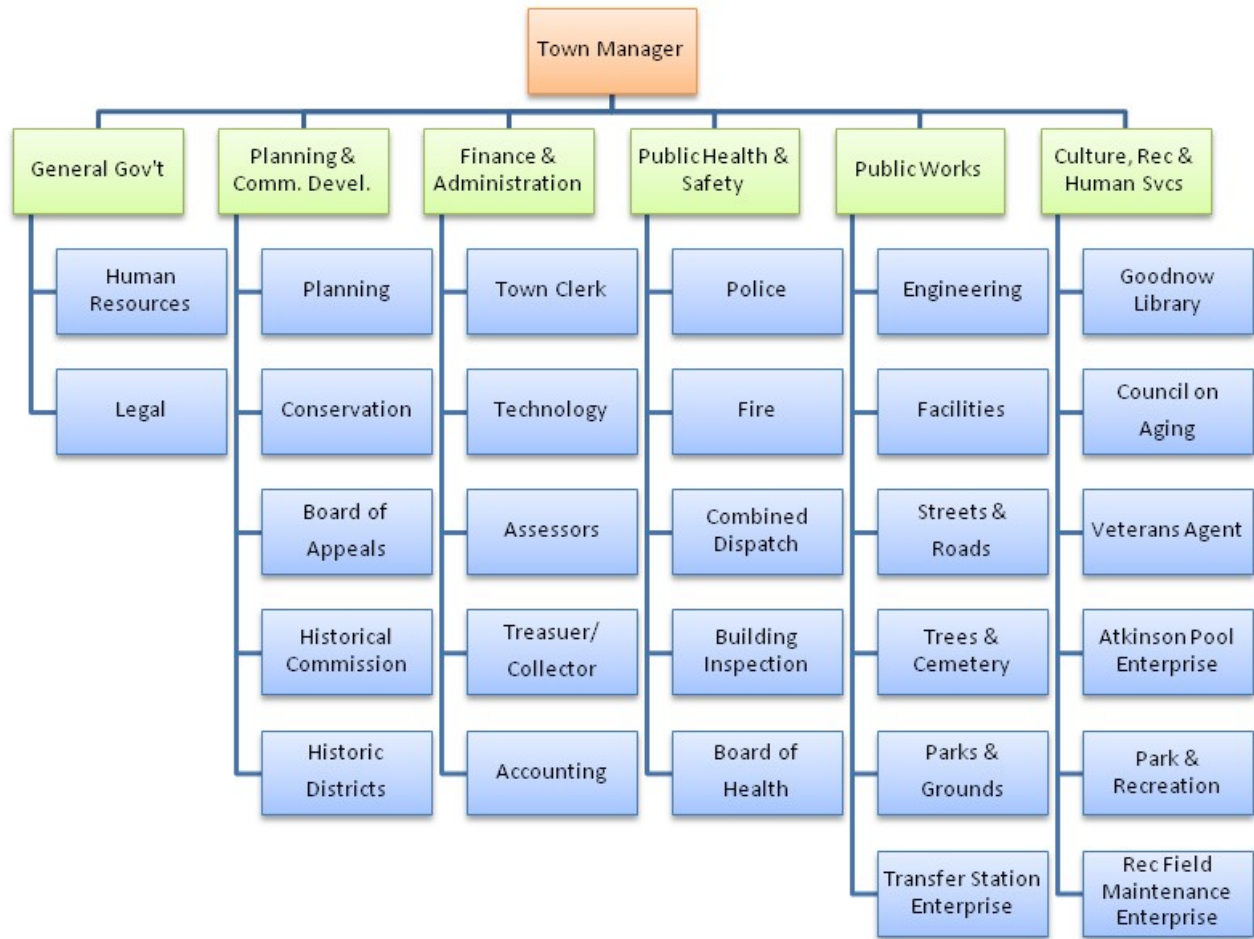


Dennis J. Keohane, CPA
Finance Director/Treasurer-Collector

Town of Sudbury Organizational Chart



Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)



Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Principal Town Officials

Elected Officials

Board of Selectmen

Janie W. Dretler, Chairman
Jennifer Roberts, Vice Chairman
Daniel E. Carty, Member
Charles Russo, Member
William Schineller, Member

School Committee

Silvia M. Nerssessian, Chairman
Meredith Gerson, Vice Chair
Margaret Y. Helon, Member
Lisa V. Kouchakdjian, Member
Sarah Troiano, Member

Appointed Officials

<u>Department</u>	<u>Department Head</u>	<u>Title</u>
Town Manager	Henry Hayes	Town Manager
Asst. Town Manager/Human Resources	Maryanne Bilodeau	Asst. Town Manager/HR Director
Finance & Treasurer/Collector	Dennis Keohane	Finance Director/Treasurer-Collector
Accounting	Christine Nihan	Town Accountant
Assessors	Cynthia Gerry	Director of Assessing
Clerk	Beth Klein	Town Clerk
Conservation	Lori Capone	Conservation Coordinator
Planning & Community Development	Adam Duchesneau	Director of Planning & Community Devel
Information Systems	Mark Thompson	Technology Administrator
Police	Scott Nix	Police Chief
Fire	John Whalen	Fire Chief
Building Inspection	Andrew Lewis	Building Inspector
School Department	Brad J. Crozier	Superintendent
Public Works	Daniel Nason	Director of Public Works
Facilities	William Barletta	Combined Facilities Director
Health	William Murphy	Health Director
Senior Center	Debra Galloway	Council on Aging Director
Veterans Affairs	Michael Hennessy	Veteran's Agent
Park & Recreation	Dennis Mannone	Park, Recreation, and Aquatic Director
Library	Esmé Green	Library Director

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Sudbury
Massachusetts**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Town of Sudbury
Massachusetts**

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Financial Section



Camp Sewataro. The 46-acre summer camp property was acquired by the Town in FY2020.

Financial Section

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www.powersandsullivan.com

Independent Auditor's Report

To the Honorable Board of Selectmen
Town of Sudbury, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sudbury, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Sudbury, Massachusetts' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sudbury, Massachusetts, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Sudbury, Massachusetts' basic financial statements. The introductory section, combining and individual fund statements, statistical section, and additional information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section and additional information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021, on our consideration of the Town of Sudbury, Massachusetts' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Sudbury, Massachusetts' internal control over financial reporting and compliance.

Powers & Sullivan LLC

January 29, 2021

Management's Discussion and Analysis

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Management's Discussion and Analysis

As management of the Town of Sudbury, we offer readers of these financial statements this narrative overview and analysis of the financial activities for the year ended June 30, 2020. We encourage readers to consider the information presented in this report. All amounts, unless otherwise indicated, are expressed in whole dollars.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP) for states and local governmental entities. Users of these financial statements (such as investors, rating agencies and management) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Financial Overview

- The assets and deferred outflows of resources of the Town of Sudbury exceeded the liabilities and deferred inflows of resources at the close of the most recent year by \$16.0 million (net position).
- The Town has reported a \$83.2 million Net Other Postemployment Benefits (OPEB) liability, as well as \$30.9 million of deferred outflows of resources and \$5.5 million of deferred inflows of resources related to OPEB on the statement of net position.
- The Town made a contribution to the OPEB trust fund in 2020 totaling \$597,000. The OPEB trust fund reported net position of \$8.6 million at year-end.
- The Town has reported a \$64.2 million Net Pension liability, as well as \$6.8 million of deferred outflows of resources and \$3.9 million of deferred inflows of resources related to pensions on the statement of net position.
- At the close of the current year, the Town's general fund reported a fund balance of \$18.7 million, an increase of \$1.9 million in comparison with the prior year. Total fund balance represents 16.6% of general fund expenditures.
- The Town's governmental debt increased by \$10.9 million during the current year due to scheduled principal payments and the permanent financing of bond anticipating notes after year-end of \$14.5 million.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Sudbury's basic financial statements. These basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of finances, in a manner similar to private-sector business.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities include general government, public safety, education, public works, community preservation, health and human services, culture and recreation, COVID-19, and interest. The business-type activities include the Town's swimming pool, transfer station and recreation field maintenance operations.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the government-wide financial statements, governmental fund statements focus on near-term inflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Sudbury adopts an annual appropriated budget for its general and community preservation funds. Budget to actual schedules have been provided to demonstrate compliance with these budgets.

Proprietary funds. The Town maintains one type of proprietary fund.

Proprietary funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its swimming pool, transfer station and recreation field maintenance operations, all of which are considered to be major funds.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for propriety funds.

The Town maintains three different fiduciary funds. The other postemployment benefits trust fund is used to accumulate funds for future payments of other postemployment benefits for retirees such as health and life insurance. The private purpose trust fund is used to account for resources held in trust which principal and investment income exclusively benefit individuals, private organizations, or other governments. The agency fund reports resources held by the Town in a custodial capacity.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

COVID-19

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary due to the public health emergency with respect to COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2021. As of June 30, 2020, the Town incurred COVID-19 related expenses totaling \$426,000. The Town anticipates being reimbursed for these costs through the Coronavirus Relief Fund and the Federal Emergency Management Agency.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Sudbury's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$16.0 million at the close of 2020, a decrease of \$5.0 from the prior year.

Net position includes \$93.2 million as the net investment in capital assets (e.g., land, buildings and building improvements, machinery and equipment and infrastructure); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in its capital assets is reported net of its related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the net position, \$10.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position has a year-end deficit balance of \$87.7 million. The primary reason for this deficit balance is the recognition of the \$83.2 million net OPEB liability and the \$64.2 million net pension liability. These are long-term unfunded liabilities that will not require significant short-term resources.

At the end of the current year, the Town is able to report positive balances in two of the three categories of net position, for the Town as a whole and for its governmental activities. Its business-type activities report positive balances in one of the two categories.

Details related to the Town's governmental and business-type activities follow.

Governmental Activities. The Town of Sudbury’s assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources for governmental activities by \$16.1 million at the close of 2020.

	2020	2019
Assets:		
Current assets.....	\$ 51,870,832	\$ 47,917,628
Noncurrent assets (excluding capital).....	-	1,485,012
Capital assets, non depreciable.....	65,577,546	50,181,806
Capital assets, net of accumulated depreciation...	58,193,051	57,158,238
Total assets.....	175,641,429	156,742,684
Deferred outflows of resources.....	37,395,764	19,513,804
Liabilities:		
Current liabilities (excluding debt).....	7,981,757	6,252,906
Noncurrent liabilities (excluding debt).....	146,798,520	121,567,412
Current debt.....	4,076,125	3,638,476
Noncurrent debt.....	28,778,268	17,854,793
Total liabilities.....	187,634,670	149,313,587
Deferred inflows of resources.....	9,328,846	5,946,594
Net position:		
Net investment in capital assets.....	92,401,216	88,816,801
Restricted.....	10,490,517	9,433,178
Unrestricted.....	(86,818,056)	(77,253,672)
Total net position.....	\$ 16,073,677	\$ 20,996,307
	2020	2019
Program Revenues:		
Charges for services.....	\$ 4,546,094	\$ 5,610,644
Operating grants and contributions.....	15,984,725	12,013,671
Capital grants and contributions.....	548,098	1,754,155
General Revenues:		
Real estate and personal property taxes, net of tax refunds payable.....	89,285,488	86,386,933
Tax and other liens.....	223,956	203,432
Motor vehicle and other excise taxes.....	4,355,860	4,314,739
Community preservation tax.....	2,100,691	2,003,914
Penalties and interest on taxes.....	378,737	284,241
Payments in lieu of taxes.....	12,347	61,537
Grants and contributions not restricted to specific programs.....	6,823,597	6,634,232
Unrestricted investment income.....	391,517	438,848
Total revenues.....	124,651,110	119,706,346

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

	2020	2019
Expenses:		
General government.....	5,841,595	5,918,420
Public safety.....	14,449,806	12,891,246
Education.....	94,686,278	87,132,949
Public works.....	8,908,002	8,229,955
Health and human services.....	1,661,179	1,628,608
Culture and recreation.....	2,869,264	2,797,959
Community preservation.....	267,788	663,553
COVID-19.....	425,815	-
Interest.....	474,513	647,490
Total expenses.....	129,584,240	119,910,180
Excess (Deficiency) before transfers.....	(4,933,130)	(203,834)
Transfers.....	10,500	-
Change in net position.....	(4,922,630)	(203,834)
Net position, beginning of year.....	20,996,307	21,200,141
Net position, end of year.....	\$ 16,073,677	\$ 20,996,307

The governmental activities net position decreased by \$4.9 during the current year. This decrease was primarily due to positive budgetary results in the general fund; the recognition of \$548,000 of capital grants in connection with the Commonwealth’s Chapter 90 roadway improvement program and the state’s match for the community preservation program. These amounts were offset by a combined increase of \$10.7 million in the net OPEB liability, net pension liability, and related deferred outflows and inflows of resources.

The increase in the pension and OPEB liabilities has had the impact of decreasing the unrestricted net position, while the use of CPA funds has reduced the restricted net position. The net investment in capital assets has increased both through the payment of capital related debt and through acquiring capital assets with Town resources. The increase in the Town’s net OPEB liability was largely due to a decrease in the discount rate used from 3.74% to 2.3%. This liability is measured through an actuarial valuation every 2 years and the actuarial assumptions are reviewed and selected with each new valuation.

The governmental expenses totaled \$129.6 million of which \$21.1 million (16%) was directly supported by program revenues consisting of charges for services, operating and capital grants and contributions. General revenues totaled \$103.6 million, primarily coming from property taxes, grants and contributions, and motor vehicle excise taxes. Total revenues increased \$4.9 million compared to the prior year, primarily due to an increase in real estate and personal property taxes.

Expenses of governmental activities increased \$9.7 million from the prior year. The largest portion of this increase was education expenses which increased \$7.6 million, largely due to increases in budgeted general fund spending, an increase in the on-behalf payments related to the Massachusetts Teacher’s Retirement System, and an increase in OPEB expense. Public safety spending increased \$1.6 million over the prior year due to budgeted increases in police and fire salaries and an increase in OPEB expense.

Business-type Activities. The Town’s liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources for business-type activities by \$75,000 at the close of 2020.

	2020	2019
Assets:		
Current assets.....	\$ 208,161	\$ 415,092
Capital assets, non depreciable.....	192,500	192,500
Capital assets, net of accumulated depreciation...	597,967	678,014
Total assets.....	998,628	1,285,606
Deferred outflows of resources.....	318,879	197,284
Liabilities:		
Current liabilities (excluding debt).....	17,138	37,892
Noncurrent liabilities (excluding debt).....	1,280,411	1,339,297
Total liabilities.....	1,297,549	1,377,189
Deferred inflows of resources.....	95,342	55,228
Net position:		
Net investment in capital assets.....	790,467	870,514
Unrestricted.....	(865,851)	(820,041)
Total net position.....	\$ (75,384)	\$ 50,473
Program Revenues:		
Charges for services.....	\$ 635,446	\$ 937,854
General Revenues:		
Unrestricted investment income.....	-	3,185
Total revenues.....	635,446	941,039
Expenses:		
Swimming pool.....	362,602	564,572
Transfer station.....	242,665	385,933
Recreation field maintenance.....	145,536	229,624
Total expenses.....	750,803	1,180,129
Excess (Deficiency) before transfers.....	(115,357)	(239,090)
Transfers.....	(10,500)	-
Change in net position.....	(125,857)	(239,090)
Net position, beginning of year.....	50,473	289,563
Net position, end of year.....	\$ (75,384)	\$ 50,473

Business-type net position of \$790,000 represents the net investment in capital assets and a deficit of \$866,000 is unrestricted. The negative unrestricted net position is the result of recording \$914,000 of net pension liabilities and \$356,000 of net OPEB liabilities that have not been factored into the rates and fees charged. The Town’s business-type activities net position decreased by \$126,000 in the current year. The operations of the business-type activities were negatively impacted by the COVID-19 pandemic.

The swimming pool enterprise fund net position decreased by \$60,000. This decrease was the result of a small budgetary loss, as well as changes in long-term accruals.

The transfer station enterprise fund net position increased by \$3,000. This increase was the result of a small budgetary surplus, offset by changes in long-term accruals.

The recreation field maintenance enterprise fund net position decreased by \$69,000. This decrease was the result of a small budgetary loss, as well as changes in long-term accruals.

Financial Analysis of the Governmental Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of Sudbury's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, governmental funds reported combined ending fund balances of \$34.8 million, of which \$18.7 million is for the general fund, \$5.7 million is for the community preservation fund, a \$599,000 deficit balance in the general capital projects fund, and \$11.0 million is for nonmajor governmental funds. Cumulatively there was an increase of \$1.1 million in fund balances from the prior year.

The general fund is the chief operating fund. At the end of the current year, unassigned fund balance of the general fund totaled \$15.5 million, while total fund balance was \$18.7 million. Of the fund balance, \$358,000 was restricted for employee benefits, while \$2.1 million has been committed for specific special purpose stabilization funds, and \$764,000 has been assigned for encumbrances. Total fund balance represents 16.6% of general fund expenditures, while unassigned fund balance represents 13.8% of general fund expenditures. The Town's general fund increased by \$1.9 million during 2020 which was primarily due to positive budgetary results.

The community preservation fund is used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, community housing and recreation. Fund balance increased by \$919,000 in 2020, which is due to timing differences between the receipt and expenditure of surcharge and State grant revenues. The Town collected \$2.1 million from property tax surcharges. Expenditures in 2020 totaled \$1.3 million and related to various projects and debt service costs.

The general capital projects fund had a year-end fund deficit of \$599,000. The Town spent \$17.3 million on the acquisition of Camp Sewataro as well as other various Town projects. The fund received a transfer of \$518,000 from the community preservation fund and recognized bond proceeds of \$14.5 million for both the Camp Sewataro and Broadacres projects.

The nonmajor governmental funds represent the activity of nonmajor capital projects, grants and permanent trust funds. Fund balance increased by \$490,000 in 2020, which is due to a timing difference between the receipt and expenditure of state and federal grant funds.

General Fund Budgetary Highlights

The Town adopts an annual appropriated budget for its general fund. The original 2020 approved budget for the general fund authorized \$101.9 million in appropriations and other amounts to be raised, as well as \$2.6 million of encumbrances and capital articles carried forward from the prior year.

During the year, the Town approved supplemental appropriations totaling \$800,000 for capital projects. Total revenues came in over budget by \$1.7 million, which related to surpluses in nearly every category. Total expenditures came in under budget by \$1.1 million.

Capital Asset and Debt Administration

Capital Assets. In conjunction with the annual operating budget, the Town annually prepares a capital budget for the upcoming year and a five-year Capital Improvement Plan (CIP) that is used as a guide for future capital expenditures.

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$124.6 million (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, intangible assets, land improvements, buildings and improvements, machinery and equipment, vehicles, and infrastructure. The Town invested \$20.4 million for capital asset additions in 2020.

The major governmental capital asset events during the current year include the purchase of the Camp Sewataro property as well as building improvements at Loring Parsonage.

There were no major business-type capital asset events during the current year.

Debt Administration. Outstanding long-term governmental debt, as of June 30, 2020, totaled \$32.4 million, an increase of \$10.9 million from the prior year which was due to budgeted principal payments and the amortization of bond premiums, as well as the permanent financing of \$14.5 million of bond anticipation notes.

Of the total outstanding long-term governmental debt, \$7.8 million is related to community preservation projects, \$2.5 million is related to school projects, \$5.4 million is related to public safety projects, and \$16.6 million is for general government projects.

Please refer to notes 4, 6 and 7 to the basic financial statements for further discussion of the major capital and debt activity.

Requests for Information

This financial report is designed to provide a general overview of the Town of Sudbury's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Flynn Building, 278 Old Sudbury Road, Sudbury, Massachusetts 01776.

Basic Financial Statements

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STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
CURRENT:			
Cash and cash equivalents.....	\$ 31,835,109	\$ 291,875	\$ 32,126,984
Investments.....	10,011,870	-	10,011,870
Receivables, net of allowance for uncollectibles:			
Real estate and personal property taxes.....	1,803,173	-	1,803,173
Tax liens.....	3,142,761	-	3,142,761
Community preservation.....	38,064	-	38,064
Motor vehicle and other excise taxes.....	795,318	-	795,318
Departmental and other.....	956,894	10,800	967,694
Intergovernmental.....	2,906,121	-	2,906,121
Tax foreclosures.....	287,008	-	287,008
Internal balances.....	94,514	(94,514)	-
Total current assets.....	<u>51,870,832</u>	<u>208,161</u>	<u>52,078,993</u>
NONCURRENT:			
Capital assets, nondepreciable.....	65,577,546	192,500	65,770,046
Capital assets, net of accumulated depreciation.....	58,193,051	597,967	58,791,018
Total noncurrent assets.....	<u>123,770,597</u>	<u>790,467</u>	<u>124,561,064</u>
TOTAL ASSETS.....	<u>175,641,429</u>	<u>998,628</u>	<u>176,640,057</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions.....	6,714,240	96,941	6,811,181
Deferred outflows related to OPEB.....	30,681,524	221,938	30,903,462
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	<u>37,395,764</u>	<u>318,879</u>	<u>37,714,643</u>
LIABILITIES			
CURRENT:			
Warrants payable.....	1,962,716	12,038	1,974,754
Accrued payroll.....	4,439,129	3,878	4,443,007
Tax refunds payable.....	195,760	-	195,760
Accrued interest.....	180,950	-	180,950
Other liabilities.....	1,126,665	-	1,126,665
Compensated absences.....	76,537	1,222	77,759
Notes payable.....	469,600	-	469,600
Bonds payable.....	3,606,525	-	3,606,525
Total current liabilities.....	<u>12,057,882</u>	<u>17,138</u>	<u>12,075,020</u>
NONCURRENT:			
Compensated absences.....	688,835	10,990	699,825
Net pension liability.....	63,273,180	913,541	64,186,721
Net OPEB liability.....	82,836,505	355,880	83,192,385
Bonds payable.....	28,778,268	-	28,778,268
Total noncurrent liabilities.....	<u>175,576,788</u>	<u>1,280,411</u>	<u>176,857,199</u>
TOTAL LIABILITIES.....	<u>187,634,670</u>	<u>1,297,549</u>	<u>188,932,219</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions.....	3,867,093	55,833	3,922,926
Deferred inflows related to OPEB.....	5,461,753	39,509	5,501,262
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>9,328,846</u>	<u>95,342</u>	<u>9,424,188</u>
NET POSITION			
Net investment in capital assets.....	92,401,216	790,467	93,191,683
Restricted for:			
Employee benefits.....	358,492	-	358,492
Permanent funds:			
Expendable.....	522,703	-	522,703
Nonexpendable.....	1,187,792	-	1,187,792
Gifts and grants.....	2,730,563	-	2,730,563
Community preservation.....	5,690,967	-	5,690,967
Unrestricted.....	(86,818,056)	(865,851)	(87,683,907)
TOTAL NET POSITION.....	<u>\$ 16,073,677</u>	<u>\$ (75,384)</u>	<u>\$ 15,998,293</u>

See notes to basic financial statements.

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
<i>Governmental Activities:</i>					
General government.....	\$ 5,841,595	\$ 710,959	\$ 1,080,030	\$ -	\$ (4,050,606)
Public safety.....	14,449,806	1,593,720	475,241	-	(12,380,845)
Education.....	94,686,278	1,219,390	13,252,547	-	(80,214,341)
Public works.....	8,908,002	420,995	652,656	23,040	(7,811,311)
Health and human services.....	1,661,179	199,548	52,448	-	(1,409,183)
Culture and recreation.....	2,869,264	327,786	45,988	-	(2,495,490)
Community preservation.....	267,788	73,696	-	525,058	330,966
COVID-19.....	425,815	-	425,815	-	-
Interest.....	474,513	-	-	-	(474,513)
Total Governmental Activities.....	129,584,240	4,546,094	15,984,725	548,098	(108,505,323)
<i>Business-Type Activities:</i>					
Swimming Pool.....	362,602	303,046	-	-	(59,556)
Transfer Station.....	242,665	245,861	-	-	3,196
Recreation Field Maintenance.....	145,536	86,539	-	-	(58,997)
Total Business-Type Activities.....	750,803	635,446	-	-	(115,357)
Total Primary Government.....	\$ 130,335,043	\$ 5,181,540	\$ 15,984,725	\$ 548,098	\$ (108,620,680)

See notes to basic financial statements.

(Continued)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in net position:			
Net (expense) revenue from previous page.....	\$ (108,505,323)	\$ (115,357)	\$ (108,620,680)
<i>General revenues:</i>			
Real estate and personal property taxes, net of tax refunds payable.....	89,285,488	-	89,285,488
Tax and other liens.....	223,956	-	223,956
Motor vehicle and other excise taxes.....	4,355,860	-	4,355,860
Community preservation tax.....	2,100,691	-	2,100,691
Penalties and interest on taxes.....	378,737	-	378,737
Payments in lieu of taxes.....	12,347	-	12,347
Grants and contributions not restricted to specific programs.....	6,823,597	-	6,823,597
Unrestricted investment income.....	391,517	-	391,517
<i>Transfers, net</i>	10,500	(10,500)	-
Total general revenues.....	103,582,693	(10,500)	103,572,193
Change in net position.....	(4,922,630)	(125,857)	(5,048,487)
<i>Net position:</i>			
Beginning of year.....	20,996,307	50,473	21,046,780
End of year.....	\$ 16,073,677	\$ (75,384)	\$ 15,998,293

See notes to basic financial statements.

(Concluded)

**GOVERNMENTAL FUNDS
BALANCE SHEET**

JUNE 30, 2020

	General	Community Preservation	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents.....	\$ 19,383,924	\$ 2,490,610	\$ -	\$ 9,960,575	\$ 31,835,109
Investments.....	5,136,630	3,164,203	-	1,711,037	10,011,870
Receivables, net of uncollectibles:					
Real estate and personal property taxes.....	1,803,173	-	-	-	1,803,173
Tax liens.....	3,142,761	-	-	-	3,142,761
Community preservation.....	-	38,064	-	-	38,064
Motor vehicle and other excise taxes.....	795,318	-	-	-	795,318
Departmental and other.....	-	-	-	956,894	956,894
Intergovernmental.....	1,485,012	-	-	1,421,109	2,906,121
Tax foreclosures.....	287,008	-	-	-	287,008
Due from other funds.....	231,562	-	-	-	231,562
TOTAL ASSETS.....	\$ 32,265,388	\$ 5,692,877	\$ -	\$ 14,049,615	\$ 52,007,880
LIABILITIES					
Warrants payable.....	\$ 670,898	\$ 1,910	\$ 31,425	\$ 1,258,483	\$ 1,962,716
Accrued payroll.....	4,439,129	-	-	-	4,439,129
Tax refunds payable.....	195,760	-	-	-	195,760
Due to other funds.....	-	-	98,048	39,000	137,048
Other liabilities.....	1,126,665	-	-	-	1,126,665
Notes payable.....	-	-	469,600	-	469,600
TOTAL LIABILITIES.....	6,432,452	1,910	599,073	1,297,483	8,330,918
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	7,088,446	38,064	-	1,717,366	8,843,876
FUND BALANCES					
Nonspendable.....	-	-	-	1,187,792	1,187,792
Restricted.....	358,492	5,652,903	1,321,059	9,846,974	17,179,428
Committed.....	2,080,526	-	-	-	2,080,526
Assigned.....	764,428	-	-	-	764,428
Unassigned.....	15,541,044	-	(1,920,132)	-	13,620,912
TOTAL FUND BALANCES.....	18,744,490	5,652,903	(599,073)	11,034,766	34,833,086
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 32,265,388	\$ 5,692,877	\$ -	\$ 14,049,615	\$ 52,007,880

See notes to basic financial statements.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION

JUNE 30, 2020

Total governmental fund balances.....		\$	34,833,086
Capital assets (net) used in governmental activities are not financial resources and, therefore, are not reported in the funds.....			123,770,597
Accounts receivable are not available to pay for current-period expenditures and, therefore, are unavailable in the funds.....			8,843,876
The statement of net position includes certain deferred inflows of resources and deferred outflows of resources that will be amortized over future periods. In governmental funds, these amounts are not deferred.....			28,066,918
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.....			(180,950)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:			
Bonds payable.....	(32,384,793)		
Net pension liability.....	(63,273,180)		
Net OPEB liability.....	(82,836,505)		
Compensated absences.....	<u>(765,372)</u>		
Net effect of reporting long-term liabilities.....			<u>(179,259,850)</u>
Net position of governmental activities.....		\$	<u><u>16,073,677</u></u>

See notes to basic financial statements.

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	General	Community Preservation	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 88,923,845	\$ -	\$ -	\$ -	\$ 88,923,845
Tax liens.....	223,956	-	-	-	223,956
Motor vehicle and other excise taxes.....	3,895,034	-	-	-	3,895,034
Penalties and interest on taxes.....	374,868	3,869	-	-	378,737
Payments in lieu of taxes.....	12,347	-	-	-	12,347
Licenses and permits.....	748,076	-	-	-	748,076
Fines and forfeitures.....	25,569	-	-	-	25,569
Intergovernmental - teachers retirement.....	10,348,721	-	-	-	10,348,721
Intergovernmental.....	8,847,292	525,058	-	4,575,086	13,947,436
Intergovernmental - COVID-19 relief.....	-	-	-	425,815	425,815
Departmental and other.....	551,780	-	-	3,213,993	3,765,773
Community preservation taxes.....	-	2,085,433	-	-	2,085,433
Contributions and donations.....	-	-	10,000	326,968	336,968
Investment income.....	203,278	76,161	-	112,078	391,517
TOTAL REVENUES.....	114,154,766	2,690,521	10,000	8,653,940	125,509,227
EXPENDITURES:					
Current:					
General government.....	3,654,845	-	15,038,721	691,792	19,385,358
Public safety.....	9,274,660	-	36,570	330,063	9,641,293
Education.....	65,243,290	-	339,902	3,566,534	69,149,726
Public works.....	5,822,152	-	1,717,241	1,349,917	8,889,310
Health and human services.....	850,626	-	-	348,576	1,199,202
Culture and recreation.....	1,334,985	-	220,225	592,803	2,148,013
Community preservation.....	-	112,821	-	154,967	267,788
COVID-19.....	-	-	-	425,815	425,815
Pension benefits.....	5,040,389	-	-	-	5,040,389
Pension benefits - teachers retirement.....	10,348,721	-	-	-	10,348,721
Property and liability insurance.....	339,148	-	-	-	339,148
Employee benefits.....	7,711,290	-	-	-	7,711,290
State and county charges.....	263,334	-	-	-	263,334
Debt service:					
Principal.....	2,620,343	885,000	-	-	3,505,343
Interest.....	470,082	255,210	-	-	725,292
TOTAL EXPENDITURES.....	112,973,865	1,253,031	17,352,659	7,460,467	139,040,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	1,180,901	1,437,490	(17,342,659)	1,193,473	(13,530,795)
OTHER FINANCING SOURCES (USES):					
Issuance of bonds.....	-	-	14,530,000	-	14,530,000
Premium from issuance of debt.....	-	-	94,011	-	94,011
Transfers in.....	713,306	-	518,000	20,000	1,251,306
Transfers out.....	-	(518,000)	-	(722,806)	(1,240,806)
TOTAL OTHER FINANCING SOURCES (USES)...	713,306	(518,000)	15,142,011	(702,806)	14,634,511
NET CHANGE IN FUND BALANCES.....	1,894,207	919,490	(2,200,648)	490,667	1,103,716
FUND BALANCES AT BEGINNING OF YEAR.....	16,850,283	4,733,413	1,601,575	10,544,099	33,729,370
FUND BALANCES AT END OF YEAR.....	\$ 18,744,490	\$ 5,652,903	\$ (599,073)	\$ 11,034,766	\$ 34,833,086

See notes to basic financial statements.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds.....		\$ 1,103,716
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.</p>		
Capital outlay.....	20,418,882	
Capital asset deletions.....	(3,000)	
Depreciation expense.....	<u>(3,985,329)</u>	
Net effect of reporting capital assets.....		16,430,553
<p>Revenues in the Statement of Activities that do not provide current financial resources are unavailable in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable differ between the two statements. This amount represents the net change in unavailable revenue.....</p>		
		(858,117)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are unavailable and amortized in the Statement of Activities.</p>		
Issuance of bonds.....	(14,530,000)	
Premium from issuance of bonds.....	(94,011)	
Net amortization of premium from issuance of bonds.....	227,144	
Debt service principal payments.....	<u>3,505,343</u>	
Net effect of reporting long-term debt.....		(10,891,524)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Net change in compensated absences accrual.....	5,063	
Net change in accrued interest on long-term debt.....	23,635	
Net change in deferred outflow/(inflow) of resources related to pensions.....	(3,434,826)	
Net change in net pension liability.....	(251,513)	
Net change in deferred outflow/(inflow) of resources related to net OPEB liability.....	17,934,534	
Net change in net OPEB liability.....	<u>(24,984,151)</u>	
Net effect of recording long-term liabilities.....		<u>(10,707,258)</u>
Change in net position of governmental activities.....		\$ <u><u>(4,922,630)</u></u>

See notes to basic financial statements.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

PROPRIETARY FUNDS
STATEMENT OF NET POSITION

JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ -	\$ 291,875	\$ -	\$ 291,875
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	-	10,800	-	10,800
Total current assets.....	-	302,675	-	302,675
NONCURRENT:				
Capital assets, non depreciable.....	-	192,500	-	192,500
Capital assets, net of accumulated depreciation.....	562,480	35,487	-	597,967
Total noncurrent assets.....	562,480	227,987	-	790,467
TOTAL ASSETS.....	562,480	530,662	-	1,093,142
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions.....	50,498	23,327	23,116	96,941
Deferred outflows related to OPEB.....	103,260	96,917	21,761	221,938
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	153,758	120,244	44,877	318,879
LIABILITIES				
CURRENT:				
Warrants payable.....	2,571	9,467	-	12,038
Accrued payroll.....	-	3,878	-	3,878
Due to other funds.....	74,823	-	19,691	94,514
Compensated absences.....	980	242	-	1,222
Total current liabilities.....	78,374	13,587	19,691	111,652
NONCURRENT:				
Compensated absences.....	8,816	2,174	-	10,990
Net pension liability.....	475,863	219,823	217,855	913,541
Net OPEB liability.....	175,114	131,454	49,312	355,880
Total noncurrent liabilities.....	659,793	353,451	267,167	1,280,411
TOTAL LIABILITIES.....	738,167	367,038	286,858	1,392,063
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions.....	29,083	13,435	13,315	55,833
Deferred inflows related to OPEB.....	18,382	17,253	3,874	39,509
TOTAL DEFERRED INFLOWS OF RESOURCES.....	47,465	30,688	17,189	95,342
NET POSITION				
Net investment in capital assets.....	562,480	227,987	-	790,467
Unrestricted.....	(631,874)	25,193	(259,170)	(865,851)
TOTAL NET POSITION.....	\$ (69,394)	\$ 253,180	\$ (259,170)	\$ (75,384)

See notes to basic financial statements.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total
OPERATING REVENUES:				
Charges for services.....	\$ 303,046	\$ 245,861	\$ 86,539	\$ 635,446
OPERATING EXPENSES:				
Cost of services and administration.....	327,734	197,486	145,536	670,756
Depreciation.....	34,868	45,179	-	80,047
TOTAL OPERATING EXPENSES.....	362,602	242,665	145,536	750,803
OPERATING INCOME (LOSS).....	(59,556)	3,196	(58,997)	(115,357)
TRANSFERS:				
Transfers out.....	-	-	(10,500)	(10,500)
CHANGE IN NET POSITION.....	(59,556)	3,196	(69,497)	(125,857)
NET POSITION AT BEGINNING OF YEAR.....	(9,838)	249,984	(189,673)	50,473
NET POSITION AT END OF YEAR.....	\$ (69,394)	\$ 253,180	\$ (259,170)	\$ (75,384)

See notes to basic financial statements.

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 2020

	Business-type Activities - Enterprise Funds			
	Swimming Pool	Transfer Station	Recreation Field Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users.....	\$ 303,046	\$ 237,461	\$ 86,539	\$ 627,046
Payments to vendors.....	(54,125)	(134,008)	(26,888)	(215,021)
Payments to employees.....	(263,072)	(158,200)	(101,070)	(522,342)
NET CASH FROM OPERATING ACTIVITIES.....	(14,151)	(54,747)	(41,419)	(110,317)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers out.....	-	-	(10,500)	(10,500)
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(14,151)	(54,747)	(51,919)	(120,817)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR.....	14,151	346,622	51,919	412,692
CASH AND CASH EQUIVALENTS AT END OF YEAR.....	\$ -	\$ 291,875	\$ -	\$ 291,875
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH				
FROM OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (59,556)	\$ 3,196	\$ (58,997)	\$ (115,357)
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation.....	34,868	45,179	-	80,047
Deferred (outflows)/inflows related to pensions.....	25,831	11,933	11,828	49,592
Deferred (outflows)/inflows related to OPEB.....	(61,806)	(57,268)	(11,999)	(131,073)
Changes in assets and liabilities:				
Departmental and other.....	-	(8,400)	-	(8,400)
Warrants payable.....	(338)	4,001	(4,041)	(378)
Accrued payroll.....	(10,636)	(2,702)	(7,047)	(20,385)
Due to other funds.....	74,823	-	19,691	94,514
Compensated absences.....	361	(270)	-	91
Net pension liability.....	1,892	874	866	3,632
Net OPEB liability.....	(19,590)	(51,290)	8,280	(62,600)
Total adjustments.....	45,405	(57,943)	17,578	5,040
NET CASH FROM OPERATING ACTIVITIES.....	\$ (14,151)	\$ (54,747)	\$ (41,419)	\$ (110,317)

See notes to basic financial statements.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2020

	OPEB Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents.....	\$ 824,214	\$ -	\$ 26,897
Investments:			
Government sponsored enterprises.....	2,594,729	-	-
Equity securities.....	4,907,305	-	-
Equity mutual funds.....	-	197,723	-
International equity securities.....	229,594	-	-
Receivables, net of allowance for uncollectibles:			
Departmental and other.....	-	-	196,868
TOTAL ASSETS.....	8,555,842	197,723	223,765
LIABILITIES			
Liabilities due depositors.....	-	-	223,765
NET POSITION			
Restricted for OPEB benefits.....	8,555,842	-	-
Held in trust for other purposes.....	-	197,723	-
TOTAL NET POSITION.....	\$ 8,555,842	\$ 197,723	\$ -

See notes to basic financial statements.

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED JUNE 30, 2020

	OPEB Trust Fund	Private Purpose Trust Funds
ADDITIONS:		
Contributions:		
Employer contributions.....	\$ 596,744	\$ -
Employer contributions for other postemployment benefit payments.....	1,675,382	-
Private donations.....	-	487
Total contributions.....	2,272,126	487
Net investment income:		
Investment income (loss).....	165,089	11,259
TOTAL ADDITIONS.....	2,437,215	11,746
DEDUCTIONS:		
Benefit payments.....	1,675,382	-
Health and human services.....	-	600
Educational scholarships.....	-	4,000
TOTAL DEDUCTIONS.....	1,675,382	4,600
NET INCREASE (DECREASE) IN NET POSITION.....	761,833	7,146
NET POSITION AT BEGINNING OF YEAR.....	7,794,009	190,577
NET POSITION AT END OF YEAR.....	\$ 8,555,842	\$ 197,723

See notes to basic financial statements.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Town of Sudbury, Massachusetts (Town) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described herein.

A. Reporting Entity

The Town is a municipal corporation that is governed by an elected Board of Selectmen (Board). For financial reporting purposes, the Town has included all funds, organizations, agencies, boards, commissions and institutions. The Town has also considered all potential component units for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the basic financial statements to be misleading or incomplete. As required by GAAP, these basic financial statements present the Town (the primary government) and its component units. It has been determined that there are no component units that meet the requirements for inclusion in the Town's financial statements.

Joint Venture

A joint venture is an organization (resulting from a contractual arrangement) that is owned, operated and governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture.

The Town participates in the following joint ventures with other municipalities to pool resources and share the costs, risks, and rewards of providing goods and services to venture participants directly, or for the benefit of the general public or specified recipients.

Wayland-Sudbury Septage Disposal Facility (Facility)

The Town is a participant in a joint venture with the Town of Wayland for a septage disposal facility (Facility). Each Town has a 50 percent interest in the venture. The Facility was decommissioned in October 2009 and its operations were ceased as of December 1, 2009. All further administrative actions relative to the Facility are now the responsibility of the Boards of Selectmen of the Towns of Wayland and Sudbury. As of June 30, 2020, there had been no equity distributions of the Facility's net position to either Town and the joint venture agreement had not been formally dissolved. The joint venture agreement is scheduled to end on normal terms in FY2020. As of June 30, 2020, the Town's equity interest in the Facility is not material. The Facility does not issue a stand-alone, GAAP-basis audited financial report.

Lincoln Sudbury Regional High School District (LSRHSD)

The Lincoln Sudbury Regional High School District (LSRHSD) is governed by a six-member school committee consisting of three elected representatives from the Town. The Town is indirectly liable for the LSRHSD's debt and other expenditures and is assessed annually for its share of operating and capital costs. The Town does not have an equity interest. For the year ended June 30, 2020, the Town's assessment totaled \$25,808,881. Separate financial statements may be obtained by writing to the Finance Director of the LSRHSD at 390 Lincoln Road, Sudbury, MA 01776.

B. Government-Wide and Fund Financial Statements*Government-Wide Financial Statements*

The government-wide financial statements (i.e., statement of net position and statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units.

Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which are supported primarily by user fees and charges.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

Major funds must be reported if the following criteria are met:

- If the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of an individual governmental or enterprise fund are at least 10 percent of the corresponding element (assets, deferred outflows of resources, liabilities, deferred inflows of resources, etc.) for all funds of that category or type (total governmental or total enterprise funds), *and*
- If the total assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding element for all governmental and enterprise funds combined.

Additionally, any other governmental or enterprise fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation*Government-Wide Financial Statements*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred. Real estate and personal property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.

- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Taxes and other items not identifiable as program revenues are reported as general revenues.

For the most part, the effect of interfund activity has been removed from the government-wide financial statements. However, the effect of interfund services provided and used between functions is not eliminated as the elimination of these charges would distort the direct costs and program revenues reported for the functions affected.

Fund Financial Statements

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgments which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Real estate and personal property tax revenues are considered available if they are collected within 60 days after year-end. Investment income is susceptible to accrual. Other receipts and tax revenues become measurable and available when the cash is received and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure driven grants recognize revenue when the qualifying expenditures are incurred and all other grant requirements are met.

The following major governmental funds are reported:

The *general fund* is the primary operating fund. It is used to account for all financial resources, except those that are required to be accounted for in another fund.

The *community preservation fund* is a special revenue fund used to account for the 3% local real estate tax surcharge on nonexempt property (and matching state trust fund distribution) that can be used for open space, historic resource and affordable housing purposes. Property exempt from the surcharge consists of the first \$100,000 of all residential property and also property owned by low income seniors with a low or moderate income as defined by Massachusetts Department of Revenue (DOR) guidelines. Disbursements from this fund must originate from the Community Preservation Committee and be approved by Town Meeting.

The *general capital projects fund* is used to account for the construction and renovation of Town projects.

The nonmajor governmental funds consist of other special revenue, capital project and permanent funds that are aggregated and presented in the *nonmajor governmental funds* column on the governmental funds financial statements. The following describes the general use of these fund types:

The *special revenue fund* is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than capital projects.

The *capital projects fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets of the governmental funds.

The *permanent fund* is used to account for and report financial resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the governmental programs.

Proprietary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds principle ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major proprietary funds are reported:

The *swimming pool enterprise fund* is used to account for recreational swimming pool activities.

The *transfer station enterprise fund* is used to account for the transfer station activities.

The *recreation field maintenance enterprise fund* is used to account for recreation field maintenance activities.

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting, except for agency funds which have no measurement focus. Fiduciary funds are used to account for assets held in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

The *OPEB trust fund* is used to account for the activities of the Other Postemployment Benefit trust fund, which accumulates resources to provide other postemployment benefits to eligible retirees and their beneficiaries.

The *private-purpose trust fund* is used to account for trust arrangements that exclusively benefit individuals, private organizations, or other governments. Some of these trusts have donor restrictions and trustee policies that do not allow the endowment portion and any unrealized appreciation to be spent. The donor restrictions and trustee policies only allows the trustees to authorize spending of the realized investment earnings. The Town's private purpose trust funds include activities for scholarships, gifts to the financially needy and youth of Sudbury, cemetery improvements and maintenance of the walking trail at Haskell Field.

The *agency fund* is used to account for assets held in a custodial capacity. Such assets consist primarily of performance bonds, police details and student activity deposits. Agency funds do not present the results of operations or have a measurement focus.

D. Cash and Investments*Government-Wide and Fund Financial Statements*

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with an original maturity of three months or less from the date of acquisition. Investments are carried at fair value.

E. Fair Value Measurements

The Town reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds.

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement.

Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the Town's financial instruments, see Note 2 - Cash and Investments.

F. Accounts Receivable*Government-Wide and Fund Financial Statements*

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and the proprietary funds and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Real Estate, Personal Property Taxes and Tax Liens

Real estate and personal property taxes are levied and based on values assessed on January 1st of every year. Assessed values are established by the Board of Assessor's for 100% of the estimated fair market value. Taxes are due on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date.

Real estate tax liens are processed one year after the close of the valuation year on delinquent properties and are recorded as receivables in the year they are processed.

Real estate receivables are secured via the tax lien process and are considered 100% collectible. Accordingly, an allowance for uncollectibles is not reported.

Personal property taxes cannot be secured through the lien process. The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Motor Vehicle Excise

Motor vehicle excise taxes are assessed annually for each vehicle registered and are recorded as receivables in the year of the levy. The Commonwealth is responsible for reporting the number of vehicles registered and the fair values of those vehicles. The tax calculation is the fair value of the vehicle multiplied by \$25 per \$1,000 of value.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Community Preservation Surcharges

Community preservation surcharges are levied annually at a rate of 3% of resident's real estate tax bills with exemptions for the first \$100,000 of residential property and property owned by qualified persons with low income and seniors (60+) with low or moderate income defined by DOR guidelines. The surcharge is due with the real estate tax on August 1st, November 1st, February 1st and May 1st and are subject to penalties and interest if they are not paid by the respective due date. Overdue surcharges are included on the tax liens processed on delinquent real estate taxes. Surcharges are recorded as receivables in the year of the levy.

Since the receivables are secured via the lien process, these accounts are considered 100% collectible and therefore do not report an allowance for uncollectibles.

Departmental and Other

Departmental and other receivables consist primarily of amounts due from ambulance charges, police details and Facility services. These receivables are recorded when the applicable service has been performed.

The allowance for uncollectibles is estimated based on historical trends and specific account analysis.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recorded as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recorded when the qualifying expenditures are incurred and all other grant requirements are met.

These receivables are considered 100% collectible and therefore do not report an allowance for uncollectibles.

G. Inventories

Government-Wide and Fund Financial Statements

Inventories are recorded as expenditures at the time of purchase. Such inventories are not material in total to the government-wide and fund financial statements, and therefore are not reported.

H. Capital Assets

Government-Wide and Proprietary Fund Financial Statements

Capital assets, which include land, land improvements, buildings and improvements, machinery and equipment, library books, vehicles, infrastructure (e.g., roads, treatment plants, pump stations, sewer mains and similar items) and construction-in-progress, are reported in the applicable governmental or business-type activity column of the government-wide financial statements and in the proprietary fund financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets; donated works of art, historical treasures and similar assets; and capital assets received in service concession arrangements are recorded at acquisition value. Except for the capital assets of the governmental activities column in the government-wide financial statements, construction period interest is capitalized on constructed capital assets.

All purchases and construction costs in excess of \$10,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of greater than one year.

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

<u>Capital Asset Type</u>	<u>Estimated Useful Life (in years)</u>
Land improvements.....	30
Buildings and improvements....	10 - 40
Machinery and equipment.....	5 - 20
Vehicles.....	4 - 20
Infrastructure.....	20

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the acquiring fund in the year of the purchase.

I. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a

consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has reported deferred outflows of resources related to pensions and OPEB in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has reported deferred inflows of resources related to pensions and OPEB in this category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. The Town has reported unavailable revenues in this category.

J. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "internal balances".

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are *not* eliminated from the individual fund statements. Receivables and payables resulting from these transactions are classified as "Due from other funds" or "Due to other funds" on the balance sheet.

K. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as transfers in and transfers out.

Government-Wide Financial Statements

Transfers between and within governmental funds are eliminated from the governmental activities in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of activities as "Transfers, net".

Fund Financial Statements

Transfers between and within funds are not eliminated from the individual fund statements and are reported as transfers in and transfers out.

L. Net Position and Fund Equity*Government-Wide Financial Statements (Net Position)*

Net position reported as “net investment in capital assets” includes capital assets, net of accumulated depreciation, less the principal balance of outstanding debt used to acquire capital assets. Unspent proceeds of capital related debt are not considered to be capital assets.

Net position is reported as restricted when amounts that are not available for appropriation or are legally restricted by outside parties for a specific future use.

Net position has been “restricted for” the following:

“Employee benefits” represents amounts previously accumulated for self-insurance activities.

“Permanent funds – expendable” represents amounts held in trust for which the expenditures are restricted by various trust agreements.

“Permanent funds – nonexpendable” represents amounts held in trust for which only investment earnings may be expended.

“Gifts and grants” represents amounts restricted for federal and state grant funds and gifts for specific purposes.

“Community preservation” represents amounts restricted for affordable housing, open space and historic purposes.

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Financial Statements (Fund Balances)

Governmental fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The governmental fund balance classifications are as follows:

“Nonspendable” fund balance includes amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.

“Restricted” fund balance includes amounts subject to constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or that are imposed by law through constitutional provisions or enabling legislation.

“Committed” fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority. Town Meeting is the highest level of decision-making authority for the government that can, by adoption of an article prior to the end of

the year, commit fund balance. Once adopted, the limitation imposed by the article remains in place until a similar action is taken to remove or revise the limitation.

“Assigned” fund balance includes amounts that are constrained by the Town’s intent to be used for specific purposes, but are neither restricted nor committed. Town Meeting may assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

“Unassigned” fund balance includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance.

The Town’s spending policy is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance. Most governmental funds are designated for one purpose at the time of their creation. Therefore, any expenditure from the fund will be allocated to the applicable fund balance classifications in the order of the aforementioned spending policy. The general fund and certain other funds may have more than one purpose.

M. Long-term Debt

Government-Wide and Proprietary Fund Financial Statements

Long-term debt is reported as liabilities in the government-wide and proprietary fund statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

N. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Middlesex County Retirement System and the Massachusetts Teachers Retirement System and additions to/deductions from the Systems fiduciary net position have been determined on the same basis as they are reported by the Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Investment Income

Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Law (MGL).

P. Compensated Absences

Employees are granted vacation and sick leave in varying amounts based on collective bargaining agreements, state laws and executive policies. Compensated absence liabilities related to both governmental and business-type activities are normally paid from the funds reporting payroll and related expenditures. Compensated absences are reported in governmental funds only if they have matured.

Government-Wide and Proprietary Fund Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

Vested or accumulated vacation and sick leave, which will be liquidated with expendable available financial resources, are reported as expenditures and fund liabilities upon maturity of the liability.

Q. Use of Estimates*Government-Wide and Fund Financial Statements*

The preparation of basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure for contingent assets and liabilities at the date of the basic financial statements and the reported amounts of the revenues and expenditures/expenses during the year. Actual results could vary from estimates that were used.

R. Total Column*Government-Wide Financial Statements*

The total column presented on the government-wide financial statements represents consolidated financial information.

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not the equivalent of consolidated financial information.

S. Fund Deficits

The Swimming Pool enterprise fund, and the Recreation Field Maintenance enterprise fund had year-end deficits of \$69,394 and \$259,170, respectively. These deficits are the result of the funds recognizing a net OPEB liability, and a net pension liability. Additionally, the Underground Tank and the Sterns Mill Dam capital project funds had year-end deficits of \$1,085,493 and \$834,639, respectively. These deficits will be funded with available funds and bond proceeds.

NOTE 2 – CASH AND INVESTMENTS

A cash and investment pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "Cash and Cash Equivalents." The deposits and investments of the trust funds are held separately from those of other funds.

Statutes authorize the investment in obligations of the U.S. Treasury, agencies, and instrumentalities, certificates of deposit, repurchase agreements, money market accounts, bank deposits and the State Treasurer's Investment Pool (Pool). The Treasurer may also invest trust funds in securities, other than mortgages or collateral loans, which are legal for the investment of funds of savings banks under the laws of the Commonwealth. In addition, there are various restrictions limiting the amount and length of deposits and investments.

The Pool meets the criteria of an external investment pool. The Pool is administered by the Massachusetts Municipal Depository Trust (MMDT), which was established by the Treasurer of the Commonwealth who serves as Trustee. The fair value of the position in the Pool is the same as the value of the Pool shares.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy for custodial credit risk is to rely on FDIC and DIF insurance coverage. At year-end, the carrying amount of deposits totaled \$31,918,945 and the bank balance totaled \$32,208,551. Of the bank balance, \$1,711,010 was covered by Federal Depository Insurance, \$22,407,028 was covered by the Depositor's Insurance Fund, \$604 was covered by the Securities Investor Protection Corporation Insurance and \$8,089,909 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Interest Rate Risk

The Town's investment policy limits investment maturities to one year or less for bonds and three years or less for government sponsored enterprises, as a means of managing its exposure to fair value losses arising from increasing interest rates. The Town participates in MMDT, which maintains a cash portfolio with combined average maturities of approximately three months.

As of June 30, 2020, the Town had the following investments and maturities:

<u>Investment Type</u>	<u>Fair value</u>	<u>Maturities</u>	
		<u>Under 1 Year</u>	<u>1-5 Years</u>
<u>Debt securities:</u>			
Government sponsored enterprises....	\$ 9,062,722	\$ 5,838,532	\$ 3,224,190
Corporate bonds.....	1,201,550	1,201,550	-
Total debt securities.....	10,264,272	<u>7,040,082</u>	<u>3,224,190</u>
<u>Other investments:</u>			
Equity securities.....	4,907,305		
Equity mutual funds.....	2,065,433		
Fixed income mutual funds.....	474,617		
International equity securities.....	229,594		
Money market mutual funds.....	829,136		
MMDT - Cash portfolio.....	230,014		
Total investments.....	<u>\$ 19,000,371</u>		

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of a failure by the counterparty, the Town will not be able to recover the value of its investments or collateral security that are in the possession of an outside party. The Town did not have investments that were exposed to custodial credit risk. The Town does not have a policy for custodial credit risk of investments.

Of the Town's investments, \$9,062,722 of government sponsored enterprises, \$1,201,550 of corporate bonds, \$4,907,306 of equity securities, and \$229,594 of international equity securities are subject to custodial credit risk.

Credit Risk

The Town does not have a policy for credit risk of debt securities. At June 30, 2020, the Town's investments were rated as follows:

<u>Quality Rating</u>	<u>Government Sponsored Enterprises</u>	<u>Corporate Bonds</u>
AAA.....	\$ 7,822,526	\$ 240,324
AA+.....	-	240,535
Not Rated.....	1,240,196	720,691
Total.....	<u>\$ 9,062,722</u>	<u>\$ 1,201,550</u>

The Town's investments of \$829,136 in money market mutual funds, \$474,617 of fixed income mutual funds, and \$230,014 in MMDT were unrated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town places no limit on the amount the Town may invest in any one issuer. The Town did not have more than 5% of its investments in any one individual security.

Fair Value of Investments

The Town holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Town's mission, the Town determines that the disclosures related to these investments only need to be disaggregated by major type. The Town chooses a tabular format for disclosing the levels within the fair value hierarchy.

The Town has the following recurring fair value measurements as of June 30, 2020:

Investment Type	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value:				
<u>Debt securities:</u>				
Government sponsored enterprises.....	\$ 9,062,722	\$ 9,062,722	\$ -	\$ -
Corporate bonds.....	1,201,550	-	1,201,550	-
Total debt securities.....	10,264,272	9,062,722	1,201,550	-
<u>Other investments:</u>				
Equity securities.....	4,907,305	4,907,305	-	-
Equity mutual funds.....	2,065,433	2,065,433	-	-
Fixed income mutual funds.....	474,617	474,617	-	-
International equity securities.....	229,594	229,594	-	-
Money market mutual funds.....	829,136	829,136	-	-
Total other investments.....	8,506,085	8,506,085	-	-
Total investments measured at fair value.....	18,770,357	\$ 17,568,807	\$ 1,201,550	\$ -
Investments measured at amortized cost:				
MMDT - Cash portfolio.....	230,014			
Total investments.....	\$ 19,000,371			

Government sponsored enterprises, equity securities, equity mutual funds, international equity securities, and money market mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Corporate bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

MMDT investments are valued at amortized cost. Under the amortized cost method, an investment is valued initially at its cost and adjusted for the amount of interest income accrued each day over the term of the investment to account for any difference between the initial cost and the amount payable at its maturity. If amortized cost is determined not to approximate fair value, the value of the portfolio securities will be determined under procedures established by the Advisor.

NOTE 3 – RECEIVABLES

At June 30, 2020, receivables for the individual major and non-major governmental funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Real estate and personal property taxes.... \$	1,823,836	\$ (20,663)	\$ 1,803,173
Tax liens.....	3,142,761	-	3,142,761
Community preservation fund surtax.....	38,064	-	38,064
Motor vehicle and other excise taxes.....	864,378	(69,060)	795,318
Departmental and other.....	1,153,762	-	1,153,762
Intergovernmental.....	2,906,121	-	2,906,121
Total..... \$	<u>9,928,922</u>	<u>\$ (89,723)</u>	<u>\$ 9,839,199</u>

At June 30, 2020, receivables for the transfer station enterprise fund are as follows:

	Gross Amount	Allowance for Uncollectibles	Net Amount
<u>Receivables:</u>			
Departmental and other..... \$	<u>10,800</u>	<u>\$ -</u>	<u>\$ 10,800</u>

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General Fund	Other Governmental Funds	Total
<u>Receivables and other assets:</u>			
Real estate and personal property taxes... \$	1,378,347	\$ -	\$ 1,378,347
Tax liens.....	3,142,761	-	3,142,761
Community preservation fund surtax.....	-	38,064	38,064
Motor vehicle and other excise taxes.....	795,318	-	795,318
Departmental and other.....	-	956,894	956,894
Intergovernmental.....	1,485,012	760,472	2,245,484
Tax foreclosures.....	287,008	-	287,008
Total..... \$	<u>7,088,446</u>	<u>\$ 1,755,430</u>	<u>\$ 8,843,876</u>

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 32,135,086	\$ 14,940,345	\$ (3,000)	\$ 47,072,431
Construction in progress.....	1,868,483	2,105,339	(1,646,944)	2,326,878
Intangible assets.....	16,178,237	-	-	16,178,237
Total capital assets not being depreciated...	<u>50,181,806</u>	<u>17,045,684</u>	<u>(1,649,944)</u>	<u>65,577,546</u>
<u>Capital assets being depreciated:</u>				
Land improvements.....	3,731,536	228,704	-	3,960,240
Buildings and improvements.....	81,213,242	2,073,426	-	83,286,668
Machinery and equipment.....	10,786,183	1,313,431	(97,180)	12,002,434
Vehicles.....	4,711,073	339,357	(249,083)	4,801,347
Infrastructure.....	20,055,329	1,065,224	-	21,120,553
Total capital assets being depreciated.....	<u>120,497,363</u>	<u>5,020,142</u>	<u>(346,263)</u>	<u>125,171,242</u>
<u>Less accumulated depreciation for:</u>				
Land improvements.....	(1,496,524)	(124,429)	-	(1,620,953)
Buildings and improvements.....	(37,562,271)	(2,043,059)	-	(39,605,330)
Machinery and equipment.....	(7,339,143)	(645,269)	97,180	(7,887,232)
Vehicles.....	(3,802,792)	(485,547)	249,083	(4,039,256)
Infrastructure.....	(13,138,395)	(687,025)	-	(13,825,420)
Total accumulated depreciation.....	<u>(63,339,125)</u>	<u>(3,985,329)</u>	<u>346,263</u>	<u>(66,978,191)</u>
Total capital assets being depreciated, net.....	<u>57,158,238</u>	<u>1,034,813</u>	<u>-</u>	<u>58,193,051</u>
Total governmental activities capital assets, net....	<u>\$ 107,340,044</u>	<u>\$ 18,080,497</u>	<u>\$ (1,649,944)</u>	<u>\$ 123,770,597</u>
Business-Type Activities:				
<u>Capital assets not being depreciated:</u>				
Land.....	\$ 192,500	\$ -	\$ -	\$ 192,500
<u>Capital assets being depreciated:</u>				
Buildings and improvements.....	1,650,181	-	-	1,650,181
Machinery and equipment.....	102,278	-	-	102,278
Vehicles.....	318,180	-	-	318,180
Total capital assets being depreciated.....	<u>2,070,639</u>	<u>-</u>	<u>-</u>	<u>2,070,639</u>
<u>Less accumulated depreciation for:</u>				
Buildings and improvements.....	(1,052,833)	(34,868)	-	(1,087,701)
Machinery and equipment.....	(57,920)	(8,871)	-	(66,791)
Vehicles.....	(281,872)	(36,308)	-	(318,180)
Total accumulated depreciation.....	<u>(1,392,625)</u>	<u>(80,047)</u>	<u>-</u>	<u>(1,472,672)</u>
Total capital assets being depreciated, net.....	<u>678,014</u>	<u>(80,047)</u>	<u>-</u>	<u>597,967</u>
Total business-type activities capital assets, net..	<u>\$ 870,514</u>	<u>\$ (80,047)</u>	<u>\$ -</u>	<u>\$ 790,467</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government.....	\$	302,628
Public safety.....		556,702
Education.....		1,614,607
Public works.....		1,330,297
Health and human services.....		4,805
Culture and recreation.....		176,290

Total depreciation expense - governmental activities... \$ 3,985,329

Business-Type Activities:

Swimming pool.....	\$	34,868
Transfer station.....		45,179

Total depreciation expense - business-type activities.. \$ 80,047

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund receivables and payables, for the year ended June 30, 2020, included an advance of \$39,000 and \$98,048 from the general fund to the Chapter 90 fund and to the General Capital Projects fund, respectively, to meet temporary cash flow needs. Additionally, the Swimming Pool and Recreation Field Maintenance enterprise funds received advances of \$74,823 and \$19,691, respectively, from the general fund to meet temporary cash flow needs.

Interfund transfers for the year ended June 30, 2020, are summarized as follows:

Transfers Out:	Transfers In:			Total	
	General Fund	General Capital Projects	Nonmajor Governmental Funds		
Community Preservation Fund.....	\$ -	\$ 518,000	\$ -	518,000	(1)
Nonmajor Governmental Funds.....	702,806	-	20,000	722,806	(2)
Recreation Field Maintenance Fund..	10,500	-	-	10,500	(3)
Total.....	\$ <u>713,306</u>	\$ <u>518,000</u>	\$ <u>20,000</u>	\$ <u>1,251,306</u>	

- (1) Represents budgeted transfers from the community preservation fund for playground modernization, and for the Loring Parsonage Museum project.
- (2) Represents budgeted transfers from the nonmajor ambulance revolving fund to the general fund.
- (3) Represents budgeted transfers from the recreation field maintenance fund to the synthetic turf field stabilization fund.

NOTE 6 – SHORT-TERM FINANCING

Short-term debt may be authorized and issued to fund the following:

- Current operating costs prior to the collection of revenues through issuance of revenue or tax anticipation notes (RANS or TANS).
- Capital project costs and other approved expenditures incurred prior to obtaining permanent financing through issuance of bond anticipation notes (BANS) or grant anticipation notes (GANS).

Short-term loans are general obligations and carry maturity dates that are limited by statute. Interest expenditures and expenses for short-term borrowings are accounted for in the general fund and enterprise funds, respectively.

The Town had the following short-term financing activity during the year:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2019	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2020
Governmental Funds:							
BAN	General Obligation Bond Anticipation Note...	2.00%	7/2/2020	\$ -	\$ 3,660,000	\$ (3,465,000)	\$ 195,000
BAN	General Obligation Bond Anticipation Note...	3.00%	7/2/2020	-	11,250,000	(11,065,000)	185,000
BAN	MCWT Interim Loan Note.....	0.00%	(1)	-	89,600	-	89,600
Total Governmental Funds.....				\$ -	\$ 14,999,600	\$ (14,530,000)	\$ 469,600

On July 1, 2020, the Town renewed the \$3,660,000 BAN at an interest rate of 2.00% and the \$11,250,000 BAN at an interest rate of 1.25%. Subsequently, on January 26, 2021 the Town issued \$14,530,000 of long-term bonds. The proceeds of these bonds were used to permanently finance \$14,530,000 of bond anticipation notes (BANs) previously due on January 27, 2021. Accordingly, these BANs were presented as long-term debt in the financial statements. The remaining portion of \$380,000 of BANs were paid down using bond premiums.

- (1) The Town entered into an interim loan with the Massachusetts Clean Water Trust (MCWT) in 2020 totaling \$500,000 for a Comprehensive Wastewater Management Plan project. As of June 30, 2020, the Town has incurred \$7,500 of eligible costs related to the project and has received \$89,600 of loan proceeds from MCWT. Once the Town procures permanent financing, the interim loan will be reported as long-term debt.

NOTE 7 – LONG-TERM DEBT

State law permits the Town, under the provisions of Chapter 44, Section 10, to authorize indebtedness up to a limit of 5% of its equalized valuation. Debt issued in accordance with this section of the law is designated as being "inside the debt limit." In addition, however, a Town may authorize debt in excess of that limit for specific purposes. Such debt, when issued, is designated as being "outside the debt limit."

Details related to the outstanding indebtedness at June 30, 2020, and the debt service requirements are as shown on the following page:

Bonds Payable Schedule – Governmental Funds

Project	Maturities Through	Original Loan Amount	Interest Rate (%)	Outstanding at June 30, 2020
General Obligation Refunding Bonds - 2018 (CPA).....	2029	\$ 2,640,000	2.00-4.00	\$ 2,155,000
General Obligation CPA Bonds.....	2031	2,030,000	2.00-4.00	1,100,000
School Construction Refunding Bonds.....	2021	4,870,000	2.00-4.00	450,000
General Obligation Bonds - Noyes Green Repair.....	2022	1,580,000	2.00-3.00	310,000
General Obligation Refunding Bonds - CPA 2004.....	2024	2,455,000	1.50-2.00	900,000
General Obligation Refunding Bonds - CPA 2005.....	2025	1,590,000	1.50-2.00	605,000
General Obligation Bonds - Nixon Roof.....	2024	430,000	2.00-3.00	160,000
General Obligation Bonds - Pantry Brook Farm (CPA).	2024	3,010,000	2.00-4.00	2,290,000
ESCO Loan.....	2030	974,146	2.51	763,235
General Obligation Bonds - Police Station (exempt)....	2035	6,760,000	2.00-5.00	5,058,000
General Obligation Bonds - Johnson (exempt).....	2035	1,724,000	2.00-5.00	1,275,000
General Obligation Bonds - Nixon.....	2025	440,000	2.00-5.00	215,000
General Obligation Bonds - Police.....	2031	280,800	2.00-5.00	202,000
General Obligation Bonds - Johnson (CPA).....	2035	800,000	2.00-5.00	750,000
General Obligation Refunding Bonds - School.....	2021	6,845,000	3.00-5.00	1,370,000
General Obligation Bonds - Police Design.....	2021	627,000	3.00-5.00	100,000
General Obligation Bonds - Broadacres.....	2041	3,465,000	1.00-4.00	3,465,000
General Obligation Bonds - Camp Sewataro.....	2041	11,065,000	1.00-4.00	11,065,000
Total Bonds Payable.....				32,233,235
Add: Unamortized premium on bonds.....				151,558
Total Bonds Payable, net.....				\$ 32,384,793

Debt service requirements for principal and interest for Governmental bonds payable in future years are as follows:

Year	Principal	Interest	Total
2021.....	\$ 3,534,621	\$ 585,302	\$ 4,119,923
2022.....	2,358,908	767,004	3,125,912
2023.....	2,193,503	700,804	2,894,307
2024.....	2,193,116	626,467	2,819,583
2025.....	1,942,845	549,412	2,492,257
2026.....	1,802,895	482,263	2,285,158
2027.....	1,803,273	431,091	2,234,364
2028.....	1,808,787	381,852	2,190,639
2029.....	1,814,641	331,761	2,146,402
2030.....	1,595,646	283,497	1,879,143
2031.....	1,500,000	242,785	1,742,785
2032.....	1,385,000	205,935	1,590,935
2033.....	1,390,000	173,563	1,563,563
2034.....	1,400,000	140,354	1,540,354
2035.....	1,190,000	109,640	1,299,640
2036.....	720,000	82,558	802,558
2037.....	720,000	69,350	789,350
2038.....	720,000	55,875	775,875
2039.....	720,000	42,400	762,400
2040.....	720,000	28,658	748,658
2041.....	720,000	14,462	734,462
Total.....	\$ 32,233,235	\$ 6,305,033	\$ 38,538,268

The Town has been approved to receive school construction assistance through the Massachusetts School Building Authority (MSBA). The MSBA provides resources for eligible construction costs and debt interest and borrowing costs. During 2020, approximately \$1,606,000 of such assistance was received. Approximately \$1,606,000 will be received in future years. Of this amount, approximately \$121,000 represents reimbursement of long-term interest costs, and approximately \$1,485,000 represents reimbursement of approved construction costs. Accordingly, a \$1,485,000 intergovernmental receivable and corresponding unavailable revenue has been recorded in the fund based financial statements and the change in the receivable has been recognized as revenue in the conversion to the government-wide financial statements.

The Town is subject to various debt limits by statute and may issue additional general obligation debt under the normal debt limit. At June 30, 2020, the Town had authorized and unissued debt as follows:

Purpose	Amount
School Building Renovations.....	\$ 621,000
DPW Fuel Storage and Management System.....	1,500,000
Stearns Mill Pond Dam and Dutton Road Bridge...	1,850,000
Broadacres Farm Acquisition.....	195,000
Camp Sewataro Acquisition.....	<u>235,000</u>
Total.....	<u>\$ 4,401,000</u>

Changes in Long-term Liabilities

During the year ended June 30, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance	Bonds and Notes Issued	Bonds and Notes Redeemed	Other Increases	Other Decreases	Ending Balance	Due Within One Year
Governmental Activities:							
Long-term bonds payable.....	\$ 21,208,578	\$ 14,530,000	\$ (3,505,343)	\$ -	\$ -	\$ 32,233,235	\$ 3,534,621
Add: Unamortized premium on bonds...	284,691	-	-	-	(133,133)	151,558	71,904
Total bonds payable.....	<u>21,493,269</u>	<u>14,530,000</u>	<u>(3,505,343)</u>	<u>-</u>	<u>(133,133)</u>	<u>32,384,793</u>	<u>3,606,525</u>
Compensated absences.....	770,435	-	-	71,981	(77,044)	765,372	76,537
Net pension liability.....	63,021,667	-	-	5,206,130	(4,954,617)	63,273,180	-
Net OPEB liability.....	<u>57,852,354</u>	<u>-</u>	<u>-</u>	<u>26,965,099</u>	<u>(1,980,948)</u>	<u>82,836,505</u>	<u>-</u>
Total governmental activity long-term liabilities.....	<u>\$ 143,137,725</u>	<u>\$ 14,530,000</u>	<u>\$ (3,505,343)</u>	<u>\$ 32,243,210</u>	<u>\$ (7,145,742)</u>	<u>\$ 179,259,850</u>	<u>\$ 3,683,062</u>
Business-Type Activities:							
Compensated absences.....	\$ 12,121	\$ -	\$ -	\$ 1,457	\$ (1,366)	\$ 12,212	\$ 1,222
Net pension liability.....	909,909	-	-	75,167	(71,535)	913,541	-
Net OPEB liability.....	<u>418,480</u>	<u>-</u>	<u>-</u>	<u>96,280</u>	<u>(158,880)</u>	<u>355,880</u>	<u>-</u>
Total business-type activity long-term liabilities.....	<u>\$ 1,340,510</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,904</u>	<u>\$ (231,781)</u>	<u>\$ 1,281,633</u>	<u>\$ 1,222</u>

The governmental activities long-term liabilities are generally liquidated by the general fund, except for debt incurred and paid for by the community preservation fund, and the business-type activities long-term liabilities are generally liquidated by the applicable enterprise fund.

NOTE 8 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The Town classifies fund balance according to the constraints imposed on the use of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact. Examples of this classification are prepaid items, inventories, and principal (corpus) of an endowment fund. The Town has reported principal portions of endowment funds as nonspendable.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

Massachusetts General Law Ch.40 §5B allows for the establishment of stabilization funds for one or more different purposes. The creation of a fund requires a two-thirds vote of the legislative body and must clearly define the purpose of the fund. Any change to the purpose of the fund along with any additions to or appropriations from the fund requires a two-thirds vote of the legislative body.

The Town maintains a general stabilization fund with a year-end balance of \$5,016,581 that is reported in the general fund as unassigned fund balance. The Town also maintains an energy stabilization fund, Melone property stabilization fund, a rolling stock stabilization fund, and synthetic turf stabilization fund with balances of \$46,000, \$1,100,000, \$250,100, and \$100 respectively. These special purpose stabilization funds are reported in the general fund as committed fund balance.

The Town has classified its fund balances with the following hierarchy:

	General	Community Preservation	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:					
Nonspendable:					
Permanent fund principal.....	\$ -	\$ -	\$ -	\$ 1,187,792	\$ 1,187,792
Restricted for:					
Health trust fund.....	146,625	-	-	-	146,625
Workers' compensation fund.....	211,867	-	-	-	211,867
Community preservation.....	-	5,652,903	-	-	5,652,903
School lunch.....	-	-	-	181,164	181,164
Affordable housing.....	-	-	-	154,241	154,241
Revolving.....	-	-	-	3,408,298	3,408,298
Receipts reserved for appropriation.....	-	-	-	1,633,010	1,633,010
Grants.....	-	-	-	2,730,563	2,730,563
Other special revenue funds.....	-	-	-	1,216,995	1,216,995
General capital projects.....	-	-	1,321,059	-	1,321,059
Cemetery perpetual care.....	-	-	-	295,295	295,295
Other permanent funds.....	-	-	-	227,408	227,408
Committed to:					
General government.....	137,921	-	-	-	137,921
Public safety.....	19,676	-	-	-	19,676
Education.....	128,088	-	-	-	128,088
Public works.....	312,074	-	-	-	312,074
Culture and recreation.....	86,567	-	-	-	86,567
Rolling stock stabilization.....	250,100	-	-	-	250,100
Energy savings programs stabilization.....	46,000	-	-	-	46,000
Melone property stabilization.....	1,100,000	-	-	-	1,100,000
Synthetic turf field stabilization.....	100	-	-	-	100
Assigned to:					
General government.....	30,726	-	-	-	30,726
Public safety.....	20,463	-	-	-	20,463
Education.....	443,926	-	-	-	443,926
Public works.....	188,036	-	-	-	188,036
Health and human services.....	24,206	-	-	-	24,206
Culture and recreation.....	749	-	-	-	749
Employee benefits.....	56,322	-	-	-	56,322
Unassigned.....	15,541,044	-	(1,920,132)	-	13,620,912
Total Fund Balances.....	\$ 18,744,490	\$ 5,652,903	\$ (599,073)	\$ 11,034,766	\$ 34,833,086

NOTE 9 – RISK FINANCING

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. The Town participates in a premium-based health care and workers' compensation plan for its active employees. The amount of the claim settlements has not exceeded insurance coverage in any of the previous three fiscal years.

NOTE 10 – PENSION PLAN*Plan Description*

The Town is a member of the Middlesex County Retirement System (MCRS), a cost-sharing multiple-employer defined benefit pension plan covering eligible employees of the member units. The MCRS is administered by the Middlesex Retirement Board (the "Board") on behalf of all current employees and retirees except for current teachers and retired teachers. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. The audited financial report may be obtained by visiting <http://middlesexretirement.org>.

The Town is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the Town to the MTRS. Therefore, the Town is considered to be in a special funding situation as defined by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2019. The Town's portion of the collective pension expense, contributed by the Commonwealth, of \$10,348,721 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the Town is \$85,338,062 as of the measurement date.

Benefits Provided

Both Systems provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are, with certain minor exceptions, uniform from system to system. The System provides for retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For persons who became members on or after April 2, 2012, average salary is the average annual rate of regular compensation received during the five consecutive years that produce the highest average, or, if greater, during the last five years (whether or not consecutive) preceding retirement. Benefit payments are based upon a member's age, length of creditable service, level of compensation, and group classification. Members become vested after ten years of creditable service.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's state law during those years are borne by the Commonwealth and are deposited into the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the Board and are borne by the System.

There were no changes in benefit terms that affected the measurement of the total pension liability since the prior measurement date.

Contributions

Chapter 32 of the MGL governs the contributions of plan members and member units. Active plan members are required to contribute to the System at rates ranging from 5% to 9% of gross regular compensation with an additional 2% contribution required for compensation exceeding \$30,000. The percentage rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the MCRS a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The Town's actual contribution for the year ended December 31, 2019, was \$5,026,152, or 27.85% of covered payroll. The Town's actual contribution equaled its proportionate share of the required contribution. The required contribution is actuarially determined as an amount that, when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities

At June 30, 2020, the Town reported a liability of \$64,186,721 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At December 31, 2019, the Town's proportion was 4.01%, which decreased from its proportionate share of 4.10% measured at December 31, 2018.

Pension Expense

For the year ended June 30, 2020, the Town recognized pension expense of \$8,765,715. At June 30, 2020, the Town reported deferred outflows of resources related to pensions of \$6,811,181 and deferred inflows of resources related to pensions of \$3,922,926.

The balances of deferred outflows and inflows of resources related to pensions at June 30, 2020 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience.....	\$ 1,561,800	\$ (145,368)	\$ 1,416,432
Net difference between projected and actual earnings.....	-	(1,665,641)	(1,665,641)
Changes in assumptions.....	4,420,288	-	4,420,288
Changes in proportion and proportionate share of contributions....	829,093	(2,111,917)	(1,282,824)
Total deferred outflows/(inflows) of resources.....	\$ 6,811,181	\$ (3,922,926)	\$ 2,888,255

The deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2021.....	\$ 1,633,379
2022.....	858,571
2023.....	636,481
2024.....	<u>(240,176)</u>
Total.....	\$ <u>2,888,255</u>

Actuarial Assumptions

The total pension liability in the January 1, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was rolled forward to December 31, 2019:

Valuation date.....	January 1, 2020
Actuarial cost method.....	Entry Age Normal Cost Method.
Amortization method.....	Prior year's total contribution increased by 6.5% for fiscal 2020 through fiscal 2027, and thereafter the remaining unfunded liability will be amortized on a 4.0% annual increasing basis; ERI liability amortized in level payments.
Remaining amortization period.....	17 years from July 1, 2018 for non-ERI liability, 1 year from July 1, 2018 for 2002 ERI, 2 years from July 1, 2018 for 2033 ERI, and 4 years from July 1, 2018 for 2010 ERI.
Asset valuation method.....	The difference between the expected return and the actual investment return on a fair value basis is recognized over a five year period. Asset value is adjusted as necessary to be within 20% of the fair value.
Inflation rate.....	3.25%
Projected salary increases.....	Varies by length of service with ultimate rates of 4.00% for Group 1, 4.25% for Group 2 and 4.50% for Group 4.
Cost of living adjustments.....	3.0% of the first \$16,000 of retirement income, as of July 1, 2019
Mortality Rates:	
Pre-Retirement.....	The RP-2014 Blue Collar Employee Mortality Table projected generationally with Scale MP-2017.
Healthy Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table projected generationally with Scale MP-2017.
Disabled Retiree.....	The RP-2014 Blue Collar Healthy Annuitant Mortality Table set forward one year and projected generationally with Scale MP-2017.
Investment rate of return/discount rate....	7.30%, net of pension plan investment expense, including inflation previously 7.50%.

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established by PRIT. Plan assets are managed on a total return basis with a long-term objective of achieving a fully funded status for the benefits provided through the pension plan.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2019 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Long-Term Expected Asset Allocation
Domestic equity.....	6.15%	21.00%
International developed markets equity...	6.78%	13.00%
International emerging markets equity....	8.65%	5.00%
Core fixed income.....	1.11%	15.00%
High-yield fixed income.....	3.51%	8.00%
Real estate.....	4.33%	10.00%
Commodities.....	4.13%	4.00%
Hedge funds, GTAA, risk parity.....	3.19%	11.00%
Private equity.....	9.99%	13.00%
		100.00%

Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.21%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

The discount rate used to measure the total pension liability was 7.30%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the actuarially determined contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.30%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.30%) or 1-percentage-point higher (8.30%) than the current rate:

	1% Decrease (6.30%)	Current Discount (7.30%)	1% Increase (8.30%)
The Town's proportionate share of the net pension liability.....	\$ 78,880,396	\$ 64,186,721	\$ 51,822,370

Changes of Assumptions

The net investment rate of return assumption was lowered from 7.50% to 7.30%.

Changes of Plan Provisions

As permitted by Section 19 of Chapter 188 of the Acts of 2010, the Cost of Living Adjustment base was increased from \$14,000 to \$16,000 as of July 1, 2019.

NOTE 11 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS*Plan Description*

The Town of Sudbury administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides health, dental and life insurance for eligible retirees and their spouses through a single-employer defined Other Postemployment Benefit (OPEB) plan. Chapter 32B of the MGL assigns authority to establish and amend benefit provisions of the plan. Benefit provisions are negotiated between the Town and the unions representing Town employees and are renegotiated each bargaining period. The Retiree Health Plan does not issue a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town. The required contribution is based on a pay-as-you-go financing requirement. The Town contributes 50 percent of the cost of current-year premiums for health and life insurance for eligible retired plan members and their spouses. Plan members receiving benefits contribute the remaining 50 percent of their premium costs for health and life insurance and all of the premiums related to dental insurance. For the year ended June 30, 2020, the Town contributed \$2.3 million to the plan. The average contribution rate for 2020 was 5.52% of covered employee payroll.

The Commonwealth of Massachusetts passed special legislation that enabled the Town to establish a postemployment benefit trust fund for the purpose of accumulating assets to pre-fund its OPEB liabilities.

The Strategic Financial Planning Committee for OPEB Liabilities was created to generate, evaluate and report on strategies and options, both short and long term, for dealing with the unfunded OPEB liabilities facing the Town of Sudbury.

During 2020, the Town pre-funded future OPEB liabilities by contributing \$596,744 to the OPEB Trust Fund in excess of the pay-as-you-go required contribution. These funds are reporting within the Fiduciary Funds financial statements. As of June 30, 2020, the balance of this fund totaled \$8.6 million.

Employees Covered by Benefit Terms – The following table represents the Plan’s membership at July 1, 2019:

Active members.....	571
Inactive members currently receiving benefits....	<u>339</u>
Total.....	<u>910</u>

Components of OPEB Liability – The following table represents the components of the Plan’s OPEB liability as of June 30, 2020:

Total OPEB liability.....	\$ 91,748,227
Less: OPEB plan’s fiduciary net position.....	<u>(8,555,842)</u>
Net OPEB liability.....	<u>\$ 83,192,385</u>
The OPEB plan’s fiduciary net position as a percentage of the total OPEB liability....	9.33%

Significant Actuarial Methods and Assumptions

The total OPEB liability in the July 1, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified, that was updated to June 30, 2020:

Valuation date.....	July 1, 2019
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Increasing at 3.5% over 30 years on an open amortization period.
Amortization period.....	30 years.
Asset valuation method.....	Fair Value.
Investment rate of return.....	6.25%.
Discount rate.....	2.3%, net of investment expenses, including inflation.
Municipal bond rate.....	2.21%, based on the Bond Buyer 20-Bond Go Index published on June 30, 2020.
Inflation rate.....	2.4%.
Payroll growth.....	3.5% per year.

Healthcare cost trend rate.....	7.00% for 2019, decreasing 0.45% per year to 5.2%, then grading down to an ultimate trend rate of 4.0%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Mortality rates.....	RP-2014 BlueCollar, projected with generational mortality improvement using scale MP-2017 for General and Public Safety employees. RP-2014 White Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016 for Teachers.

Rate of Return

For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 1.86%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return of by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Equities.....	65.00%	7.00%
Fixed Income.....	35.00%	1.00%
Total.....	100.00%	

Discount Rate

The discount rate used to measure the total OPEB liability was 2.3% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions will be made in accordance with the Plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments to current plan members. Therefore the long-term expected rate of return on the OPEB plan assets was applied to the first 10 periods of projected future benefit payments, and the municipal bond rate, based on the Bond Buyer 20-Bond Index published on June 30, 2020, was applied to all periods thereafter to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan	
		Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at June 30, 2019.....	\$ 66,064,843	\$ 7,794,009	\$ 58,270,834
Changes for the year:			
Service cost.....	2,625,560	-	2,625,560
Interest.....	2,537,691	-	2,537,691
Changes of benefit terms.....	(928,278)	-	(928,278)
Differences between expected and actual experience....	(2,832,407)	-	(2,832,407)
Changes of assumptions.....	25,956,202	-	25,956,202
Net investment income.....	-	165,091	(165,091)
Employer contributions.....	-	596,744	(596,744)
Employer contributions to pay OPEB benefits.....	-	1,675,382	(1,675,382)
Benefit payments.....	(1,675,382)	(1,675,382)	-
Net change.....	25,683,386	761,835	24,921,551
Balances at June 30, 2020.....	\$ 91,748,229	\$ 8,555,844	\$ 83,192,385

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following table presents the net OPEB liability, calculated using the discount rate of 2.3%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.3%) or 1-percentage-point higher (3.3%) than the current rate.

	1% Decrease (1.3%)	Current Discount Rate (2.3%)	1% Increase (3.3%)
Net OPEB liability... \$	<u>104,328,849</u>	<u>83,192,385</u>	<u>67,165,938</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Trend

The following table presents the net OPEB liability, calculated using the current healthcare trend rate of 7.0% initially, decreasing 0.45% per year to 5.2%, then grading down to an ultimate rate of 4.0%, as well as what the net OPEB liability would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher.

	1% Decrease	Current Trend	1% Increase
Net OPEB liability..... \$	<u>65,284,306</u>	<u>83,192,385</u>	<u>107,539,137</u>

OPEB Expense and Deferred Outflows of Resources Related to OPEB

For the financial reporting year ended June 30, 2020 the Town recognized OPEB expense of \$9,128,070 and reported deferred outflows of resources related to OPEB from the following sources:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience..... \$	-	\$ (5,501,262)	\$ (5,501,262)
Net difference between projected and actual earnings, net..	475,146	-	475,146
Changes in assumptions.....	30,428,316	-	30,428,316
Total deferred outflows/(inflows) of resources..... \$	<u>30,903,462</u>	<u>\$ (5,501,262)</u>	<u>\$ 25,402,200</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Reporting year ended June 30:

2021.....	\$ 5,492,606
2022.....	5,492,605
2023.....	5,394,648
2024.....	4,935,804
2025.....	3,819,868
Thereafter.....	<u>266,669</u>
Total.....	<u>\$ 25,402,200</u>

Changes of Assumptions

The discount rate changed from 3.74% as of June 30, 2019 to 2.3% as of June 30, 2020. In addition, many other assumptions were updated in this valuation, including the inflation rate, healthcare trend rates, mortality tables and mortality improvement rates, percent retiring with covered spouses, and participation rates.

Changes in Plan Provisions – None.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Town is committed to completing various projects throughout the Town which will be funded with long-term debt totaling approximately \$4.4 million.

The general fund has various pending transactions for goods and services related to articles and encumbrances totaling \$1.4 million.

The Town participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by

the granting agencies cannot be determined at this time, although it is expected such amounts, if any, to be immaterial.

Various legal actions and claims are pending against the Town. Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2020, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Town at June 30, 2020.

NOTE 13 – COVID-19

On March 10, 2020, the Massachusetts Governor declared a state of emergency in response to the coronavirus outbreak. The World Health Organization officially declared the novel Coronavirus (COVID-19) a pandemic the following day. In an attempt to slow the spread of COVID-19, governments issued various stay at home orders that caused global economic shutdowns and substantial financial market impact. Starting in March 2020, the Governor continued to issue orders allowing governments to operate and carry out essential functions safely. These included modifying the state's Open Meeting Law, issuing a stay-at-home order, and introducing a phased approach to reopening State businesses. The Town is considered an essential business and although it was closed to the public for a period of time, departments remained operational and most employees continued to perform their daily duties.

A number of businesses have been forced to stop or significantly reduce operations, decreasing the Town's portion of certain revenue. The Town has also incurred unanticipated costs specifically related to the pandemic.

On March 27, 2020 the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the budget most recently approved as of March 27, 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 30, 2021. The Commonwealth and communities throughout the Commonwealth were awarded a portion of this federal funding. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

NOTE 14 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 29, 2021, which is the date the financial statements were available to be issued.

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During 2020, the following GASB pronouncement was implemented:

- GASB Statement #95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This pronouncement postponed the effective dates of certain provisions in GASB Statements and Implementation Guides that first became effective or are scheduled to be effective for periods beginning after June 15, 2018 or later.

The following GASB pronouncements will be implemented in the future:

- The GASB issued Statement #84, *Fiduciary Activities*, which is required to be implemented in 2021.
- The GASB issued Statement #87, *Leases*, which is required to be implemented in 2022.
- The GASB issued Statement #89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which is required to be implemented in 2022.
- The GASB issued Statement #90, *Majority Equity Interests – an amendment of GASB Statements #14 and #61*, which is required to be implemented in 2021.
- The GASB issued Statement #91, *Conduit Debt Obligations*, which is required to be implemented in 2023.
- The GASB issued Statement #92, *Omnibus 2020*, which is required to be implemented in 2022.
- The GASB issued Statement #93, *Replacement of Interbank Offered Rates*, which is required to be implemented in 2022.
- The GASB issued Statement #94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #96, *Subscription-Based Information Technology Arrangements*, which is required to be implemented in 2023.
- The GASB issued Statement #97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, in which certain paragraphs are required to be implemented in 2021 and 2022.

Management is currently assessing the impact the implementation of these pronouncements will have on the basic financial statements.

Required Supplementary Information

General Fund Budgetary Comparison Schedule

The General Fund is the general operating fund of the Town. It is used to account for all the financial resources, except those required to be accounted for in another fund.

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Real estate and personal property taxes, net of tax refunds.....	\$ 88,276,699	\$ 89,076,699	\$ 88,969,947	\$ -	\$ (106,752)
Tax liens.....	-	-	223,956	-	223,956
Motor vehicle and other excise taxes.....	3,550,000	3,550,000	3,785,076	-	235,076
Penalties and interest on taxes.....	-	-	374,868	-	374,868
Payments in lieu of taxes.....	60,000	60,000	12,347	-	(47,653)
Licenses and permits.....	826,856	826,856	748,076	-	(78,780)
Fines and forfeitures.....	16,000	16,000	25,569	-	9,569
Intergovernmental.....	8,197,469	8,197,469	8,847,292	-	649,823
Departmental and other.....	290,500	290,500	661,738	-	371,238
Investment income.....	20,200	20,200	85,345	-	65,145
TOTAL REVENUES.....	101,237,724	102,037,724	103,734,214	-	1,696,490
EXPENDITURES:					
Current:					
General Government:					
Selectmen/Town Manager					
Personal services.....	417,115	423,315	423,204	-	111
Expenditures.....	130,822	253,122	180,110	72,969	43
Total.....	547,937	676,437	603,314	72,969	154
Assistant Town Manager/Personnel					
Personal services.....	218,874	156,774	156,594	-	180
Expenditures.....	9,413	5,113	4,385	-	728
Total.....	228,287	161,887	160,979	-	908
Accounting					
Personal services.....	306,156	313,756	313,670	-	86
Expenditures.....	61,900	61,900	59,752	-	2,148
Total.....	368,056	375,656	373,422	-	2,234
Finance Committee					
Personal services.....	4,608	2,408	2,315	-	93
Assessors					
Personal services.....	228,798	228,798	228,798	-	-
Expenditures.....	60,846	59,646	58,257	1,300	89
Total.....	289,644	288,444	287,055	1,300	89
Finance Director/Treasurer/Collector					
Personal services.....	352,422	271,610	271,112	-	498
Expenditures.....	25,790	28,414	23,505	244	4,665
Total.....	378,212	300,024	294,617	244	5,163
Information Systems					
Personal services.....	217,012	218,312	218,282	-	30
Expenditures.....	289,945	324,533	286,001	34,771	3,761
Total.....	506,957	542,845	504,283	34,771	3,791
Law					
Personal services.....	30,134	30,134	24,465	-	5,669
Expenditures.....	301,150	475,454	462,770	11,542	1,142
Total.....	331,284	505,588	487,235	11,542	6,811
Town Clerk and Registrars					
Personal services.....	279,900	274,700	274,673	-	27
Expenditures.....	38,110	38,110	31,858	2,505	3,747
Total.....	318,010	312,810	306,531	2,505	3,774

(Continued)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Conservation					
Personal services.....	121,038	108,038	106,976	-	1,062
Expenditures.....	20,050	20,750	16,733	4,000	17
Total.....	141,088	128,788	123,709	4,000	1,079
Planning and Board of Appeals					
Personal services.....	296,487	265,487	265,014	-	473
Expenditures.....	137,357	132,857	92,198	40,616	43
Total.....	433,844	398,344	357,212	40,616	516
Town-Wide Operations					
Expenditures.....	175,997	175,997	154,174	700	21,123
Reserve Fund.....	429,469	5,301	-	-	5,301
Total General Government.....	4,153,393	3,874,529	3,654,846	168,647	51,036
Public Safety:					
Police					
Personal services.....	3,629,626	3,731,895	3,634,651	-	97,244
Expenditures.....	491,125	492,325	484,349	7,956	20
Total.....	4,120,751	4,224,220	4,119,000	7,956	97,264
Fire					
Personal services.....	3,938,482	3,938,482	3,873,437	-	65,045
Expenditures.....	1,025,271	1,060,271	987,155	28,830	44,286
Total.....	4,963,753	4,998,753	4,860,592	28,830	109,331
Building					
Personal services.....	275,752	275,752	255,553	-	20,199
Expenditures.....	17,120	43,120	39,515	3,353	252
Total.....	292,872	318,872	295,068	3,353	20,451
Total Public Safety.....	9,377,376	9,541,845	9,274,660	40,139	227,046
Education:					
School Department.....	65,745,817	65,993,817	65,243,290	572,014	178,513
Public Works:					
Engineering					
Personal services.....	438,293	437,993	426,871	-	11,122
Expenditures.....	117,610	242,910	200,989	38,385	3,536
Total.....	555,903	680,903	627,860	38,385	14,658
Streets and Roads					
Personal services.....	1,209,505	1,209,505	1,127,124	-	82,381
Expenditures.....	1,934,864	2,036,914	1,530,366	245,032	261,516
Total.....	3,144,369	3,246,419	2,657,490	245,032	343,897
Snow and Ice					
Expenditures.....	424,750	544,700	544,700	-	-
Trees and Cemetery					
Personal services.....	332,656	334,406	334,357	-	49
Expenditures.....	110,030	193,280	152,352	23,437	17,491
Total.....	442,686	527,686	486,709	23,437	17,540
Parks and Grounds					
Personal services.....	169,322	200,322	200,110	-	212
Expenditures.....	115,620	110,620	90,777	17,288	2,555
Total.....	284,942	310,942	290,887	17,288	2,767

(Continued)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Facilities					
Personal services.....	336,346	336,346	321,246	-	15,100
Expenditures.....	981,321	1,108,441	893,260	175,968	39,213
Total.....	1,317,667	1,444,787	1,214,506	175,968	54,313
Total Public Works.....	6,170,317	6,755,437	5,822,152	500,110	433,175
Health and Human Services					
Board of Health					
Personal services.....	339,213	342,313	342,225	-	88
Expenditures.....	130,281	168,456	127,644	22,638	18,174
Total.....	469,494	510,769	469,869	22,638	18,262
Council on Aging					
Personal services.....	307,512	307,512	298,709	-	8,803
Expenditures.....	12,196	12,196	8,993	1,568	1,635
Total.....	319,708	319,708	307,702	1,568	10,438
Veterans Affairs					
Personal services.....	12,669	12,969	12,927	-	42
Expenditures.....	71,608	71,308	60,128	-	11,180
Total.....	84,277	84,277	73,055	-	11,222
Total Health and Human Services.....	873,479	914,754	850,626	24,206	39,922
Culture and Recreation:					
Goodnow Library					
Personal services.....	959,915	959,915	884,386	-	75,529
Expenditures.....	296,218	296,218	292,226	-	3,992
Total.....	1,256,133	1,256,133	1,176,612	-	79,521
Recreation					
Personal services.....	154,727	154,726	135,293	-	19,433
Expenditures.....	64,975	104,976	18,409	86,567	-
Total.....	219,702	259,702	153,702	86,567	19,433
Historic Commission					
Expenditures.....	5,800	5,800	3,144	749	1,907
Historic Districts Commission					
Personal services.....	5,747	5,747	1,244	-	4,503
Expenditures.....	317	317	283	-	34
Total.....	6,064	6,064	1,527	-	4,537
Total Culture and Recreation.....	1,487,699	1,527,699	1,334,985	87,316	105,398
Pension Benefits					
County Retirement System and Pension Benefits					
Expenditures.....	5,051,152	5,051,152	5,040,389	-	10,763
Employee Benefits					
Workers Compensation					
Expenditures.....	232,451	270,451	270,435	-	16
Unemployment Compensation					
Expenditures.....	126,291	126,291	2,976	56,322	66,993
Medical Premiums					
Expenditures.....	6,878,605	6,840,605	6,823,238	-	17,367
Life Insurance					
Expenditures.....	4,563	4,563	2,678	-	1,885

(Continued)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
Medicare Tax					
Expenditures.....	680,474	680,474	664,043	-	16,431
Total Employee Benefits.....	7,922,384	7,922,384	7,763,370	56,322	102,692
Property and Liability Insurance					
Expenditures.....	353,028	353,028	339,148	-	13,880
State and County Charges					
Expenditures.....	194,690	194,690	263,334	-	(68,644)
Debt Service Principal					
Expenditures.....	2,620,343	2,620,343	2,620,343	-	-
Debt Service Interest					
Expenditures.....	490,082	490,082	470,082	-	20,000
TOTAL EXPENDITURES.....	104,439,760	105,239,760	102,677,225	1,448,754	1,113,781
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(3,202,036)	(3,202,036)	1,056,989	(1,448,754)	2,810,271
OTHER FINANCING SOURCES (USES):					
Transfers in.....	660,000	660,000	762,174	-	102,174
Transfers out.....	(10,100)	(10,100)	(10,100)	-	-
TOTAL OTHER FINANCING SOURCES (USES).....	649,900	649,900	752,074	-	102,174
NET CHANGE IN FUND BALANCE.....	(2,552,136)	(2,552,136)	1,809,063	(1,448,754)	2,912,445
BUDGETARY FUND BALANCE, Beginning of year.....	9,935,091	9,935,091	9,935,091	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 7,382,955	\$ 7,382,955	\$ 11,744,154	\$ (1,448,754)	\$ 2,912,445

(Concluded)

See notes to required supplementary information.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Community Preservation Fund Budgetary Comparison Schedule

The Community Preservation Fund is used to account for the acquisition, creation, preservation, or rehabilitation of areas of open space, historic preservation, affordable housing and recreation. Funding is provided primarily by a property tax surcharge of up to 3%, along with matching state funds.

COMMUNITY PRESERVATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Budgetary Amounts	Amounts Carried Forward To Next Year	Variance to Final Budget
	Original Budget	Final Budget			
REVENUES:					
Community preservation taxes.....	\$ 1,800,000	\$ 1,800,000	\$ 2,085,433	\$ -	\$ 285,433
Penalties and interest.....	-	-	3,869	-	3,869
Intergovernmental.....	305,000	305,000	525,058	-	220,058
Investment income.....	20,000	20,000	76,161	-	56,161
TOTAL REVENUES.....	2,125,000	2,125,000	2,690,521	-	565,521
EXPENDITURES:					
Community preservation.....	1,993,489	1,993,489	112,821	1,812,304	68,364
Debt service:					
Principal.....	885,000	885,000	885,000	-	-
Interest.....	255,210	255,210	255,210	-	-
TOTAL EXPENDITURES.....	3,133,699	3,133,699	1,253,031	1,812,304	68,364
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(1,008,699)	(1,008,699)	1,437,490	(1,812,304)	633,885
OTHER FINANCING SOURCES (USES):					
Transfers out.....	(518,000)	(518,000)	(518,000)	-	-
NET CHANGE IN FUND BALANCE.....	(1,526,699)	(1,526,699)	919,490	(1,812,304)	633,885
BUDGETARY FUND BALANCE, Beginning of year.....	4,733,413	4,733,413	4,733,413	-	-
BUDGETARY FUND BALANCE, End of year.....	\$ 3,206,714	\$ 3,206,714	\$ 5,652,903	\$ (1,812,304)	\$ 633,885

See notes to required supplementary information.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Pension Plan Schedules

The Schedule of the Town's Proportionate Share of the Net Pension Liability presents multi-year trend information on the Town's net pension liability and related ratios.

The Schedule of the Town's Contributions presents multi-year trend information on the Town's required and actual contributions to the pension plan and related ratios.

The Schedule of the Special Funding Amounts of the Net Pension Liability for the Massachusetts Teachers Contributory Retirement System presents multi-year trend information on the liability and expense assumed by the Commonwealth of Massachusetts on behalf of the Town along with related ratios.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
MIDDLESEX COUNTY RETIREMENT SYSTEM**

<u>Year</u>	<u>Proportion of the net pension liability (asset)</u>	<u>Proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Net pension liability as a percentage of covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
December 31, 2019.....	4.01%	\$ 64,186,721	\$ 17,867,775	359.23%	49.45%
December 31, 2018.....	4.10%	63,931,576	16,560,368	386.05%	46.40%
December 31, 2017.....	4.14%	58,772,716	15,869,459	370.35%	49.27%
December 31, 2016.....	3.98%	56,372,784	15,254,095	369.56%	45.49%
December 31, 2015.....	4.02%	51,874,232	14,865,858	348.95%	46.13%
December 31, 2014.....	4.05%	48,635,848	14,294,094	340.25%	47.65%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
MIDDLESEX COUNTY RETIREMENT SYSTEM

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2020.....	\$ 5,026,152	\$ (5,026,152)	\$ -	\$ 18,046,453	27.85%
June 30, 2019.....	4,468,265	(4,468,265)	-	16,725,972	26.71%
June 30, 2018.....	4,185,908	(4,191,182)	(5,274)	16,028,154	26.15%
June 30, 2017.....	3,961,686	(3,961,686)	-	15,444,771	25.65%
June 30, 2016.....	3,710,907	(3,710,907)	-	15,051,681	24.65%
June 30, 2015.....	3,458,181	(3,458,181)	-	14,472,770	23.89%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE SPECIAL FUNDING AMOUNTS
OF THE NET PENSION LIABILITY
MASSACHUSETTS TEACHERS' RETIREMENT SYSTEM**

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Therefore, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the associated collective net pension liability; the portion of the collective pension expense as both a revenue and pension expense recognized; and the Plan's fiduciary net position as a percentage of the total liability.

<u>Year</u>	<u>Commonwealth's 100% Share of the Associated Net Pension Liability</u>	<u>Expense and Revenue Recognized for the Commonwealth's Support</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Liability</u>
2020.....	\$ 85,338,062	\$ 10,348,721	53.95%
2019.....	79,886,091	8,093,272	54.84%
2018.....	79,071,794	8,252,953	54.25%
2017.....	74,707,293	7,620,634	52.73%
2016.....	68,827,354	5,582,511	55.38%
2015.....	54,298,794	3,772,398	61.64%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

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Other Postemployment Benefit Plan Schedules

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered employee payroll.

The Schedule of Town's Contributions presents multi-year trend information on the Town's actual contributions to the other postemployment benefit plan and related ratios.

The Schedule of Investment Return presents multi-year trend information on the money-weighted investment return on the Plan's other postemployment assets, net of investment expense.

These schedules are intended to present information for ten years. Until a ten year trend is compiled, information is presented for those years for which information is available.

**SCHEDULE OF CHANGES IN THE
TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB Liability				
Service Cost.....	\$ 2,554,435	\$ 2,050,213	\$ 2,142,474	\$ 2,625,560
Interest.....	2,248,478	2,471,259	2,498,452	2,537,689
Changes of benefit terms.....	-	-	-	(928,278)
Differences between expected and actual experience.....	-	(6,260,543)	-	(2,832,407)
Changes of assumptions.....	(6,789,769)	9,184,285	6,217,539	25,956,202
Benefit payments.....	(1,417,777)	(1,411,650)	(1,509,308)	(1,675,382)
Net change in total OPEB liability.....	(3,404,633)	6,033,564	9,349,157	25,683,384
Total OPEB liability - beginning.....	54,086,755	50,682,122	56,715,686	66,064,843
Total OPEB liability - ending (a).....	<u>\$ 50,682,122</u>	<u>\$ 56,715,686</u>	<u>\$ 66,064,843</u>	<u>\$ 91,748,227</u>
Plan fiduciary net position				
Employer contributions.....	\$ 442,920	\$ 576,107	\$ 730,439	\$ 596,744
Employer contributions for OPEB payments.....	1,417,777	1,411,650	1,509,308	1,675,382
Net investment income (loss).....	198,566	(27,161)	634,424	165,089
Benefit payments.....	(1,417,777)	(1,411,650)	(1,509,308)	(1,675,382)
Net change in plan fiduciary net position.....	641,486	548,946	1,364,863	761,833
Plan fiduciary net position - beginning of year.....	5,238,714	5,880,200	6,429,146	7,794,009
Plan fiduciary net position - end of year (b).....	<u>\$ 5,880,200</u>	<u>\$ 6,429,146</u>	<u>\$ 7,794,009</u>	<u>\$ 8,555,842</u>
Net OPEB liability - ending (a)-(b).....	<u>\$ 44,801,922</u>	<u>\$ 50,286,540</u>	<u>\$ 58,270,834</u>	<u>\$ 83,192,385</u>
Plan fiduciary net position as a percentage of the total OPEB liability.....	11.60%	11.34%	11.80%	9.33%
Covered-employee payroll.....	\$ 38,721,911	\$ 35,461,031	\$ 39,495,099	\$ 41,146,333
Net OPEB liability as a percentage of covered-employee payroll.....	115.70%	141.81%	147.54%	202.19%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF THE TOWN'S CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution deficiency (excess)</u>	<u>Covered- employee payroll</u>	<u>Contributions as a percentage of covered- employee payroll</u>
June 30, 2020.....	\$ 4,806,807	\$ (2,272,126)	\$ 2,534,681	\$ 41,146,333	5.52%
June 30, 2019.....	4,185,097	(2,239,747)	1,945,350	39,495,099	5.67%
June 30, 2018.....	3,999,612	(1,987,757)	2,011,855	35,461,031	5.61%
June 30, 2017.....	4,244,275	(1,860,697)	2,383,578	38,721,911	4.81%

Note: this schedule is intended to present information for 10 years.
Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**SCHEDULE OF INVESTMENT RETURNS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

<u>Year</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
June 30, 2020.....	1.86%
June 30, 2019.....	8.35%
June 30, 2018.....	-0.39%
June 30, 2017.....	3.26%

Note: this schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

NOTE A – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITYBudgetary Information

Municipal Law requires the Town to adopt a balanced budget that is approved by Town Meeting. The Town legally adopts a budget for the General Fund and Community Preservation Fund. The Finance Committee presents an annual budget to Town Meeting, which includes estimates of revenues and other financing sources and recommendations of expenditures and other financing uses. Town Meeting, which has full authority to amend and/or reject the budget or any individual line item, adopts the expenditure budget by majority vote. Increases or transfers between departments subsequent to the approval of the annual budget, requires majority Town Meeting approval via a supplemental appropriation.

The majority of the Town's appropriations are non-continuing which lapse at the end of each year. Others are continuing appropriations for which the governing body has authorized that an unspent balance from a prior year be carried forward and made available for spending in the current year. These carry forwards are included as part of the subsequent year's original budget.

Generally, expenditures may not exceed the legal level of spending authorized for an appropriation account. However, the Town is statutorily required to pay debt service, regardless of whether such amounts are appropriated. Additionally, expenditures for disasters, natural or otherwise, and final judgments may exceed the level of spending authorized by majority vote of the Town Meeting.

The original 2020 approved budget for the general fund authorized \$101.9 million in appropriations and other amounts to be raised, as well as \$2.6 million of encumbrances and capital articles carried forward from the prior year. During the year, the Town approved supplemental appropriations totaling \$800,000 for capital projects.

Total revenues came in over budget by \$1.7 million, which related to surpluses in nearly every category. Total expenditures came in under budget by \$1.1 million.

The Town Accountant's office has the responsibility to ensure that budgetary control is maintained on an individual line item appropriation account basis. Budgetary control is exercised through the Town's accounting system.

Budgetary - GAAP Reconciliation

For budgetary financial reporting purposes, the Uniform Municipal Accounting System basis of accounting (established by the Commonwealth of Massachusetts) is followed, which differs from the GAAP basis of accounting. A reconciliation of budgetary-basis to GAAP-basis results for both the general fund and for the community preservation fund for the year ended June 30, 2020, is presented below:

	<u>General</u>	<u>Community Preservation</u>
Net change in fund balance - budgetary basis.....	\$ 1,809,063	\$ 919,490
<u>Perspective differences:</u>		
Activity of the stabilization fund recorded in the general fund for GAAP.....	131,245	-
<u>Basis of accounting differences:</u>		
Net change in recording tax refunds payable.....	(103,760)	-
Net change in recording 60 day receipts.....	57,659	-
Recognition of revenue for on-behalf payments.....	10,348,721	-
Recognition of expenditures for on-behalf payments....	<u>(10,348,721)</u>	<u>-</u>
Net change in fund balance - GAAP basis.....	<u>\$ 1,894,207</u>	<u>\$ 919,490</u>

NOTE B – PENSION PLANSchedule of the Town's Proportionate Share of the Net Pension Liability

The Schedule of the Town's Proportionate Share of the Net Pension Liability details the Town's allocated percentage of the net pension liability (asset), the Town's proportionate share of the net pension liability, and the Town's covered payroll. It also demonstrates the Town's net position as a percentage of the Town's pension liability and the Town's net pension liability as a percentage of the Town's covered payroll.

Schedule of Town's Contributions

Governmental employers are required to pay an annual appropriation as established by PERAC. The Town's appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the system's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The Town's appropriations are payable on July 1 and January 1. The Town may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual Town contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the Town based on covered payroll.

Schedule of the Special Funding Amounts of the Net Pension Liabilities

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the Town does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the Town; the portion of the collective pension expense as both revenue and pension expense recognized by the Town; and the Plan's fiduciary net position as a percentage of the total liability.

Changes of Assumptions

The net investment rate of return assumption was lowered from 7.50% to 7.30%.

Changes of Plan Provisions

As permitted by Section 19 of Chapter 188 of the Acts of 2010, the Cost of Living Adjustment base was increase from \$14,000 to \$16,000 as of July 1, 2019.

NOTE C – OTHER POSTEMPLOYMENT BENEFITS PLAN

The Town administers a single-employer defined benefit healthcare plan (Plan). The Plan provides lifetime healthcare, dental and life insurance for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, including teachers.

The Other Postemployment Benefit PlanSchedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios

The Schedule of Changes in the Town's Net Other Postemployment Benefit Liability and Related Ratios presents multi-year trend information on changes in the Plan's total OPEB liability, changes in the Plan's net position, and ending net OPEB liability. It also demonstrates the Plan's net position as a percentage of the total liability and the Plan's net other postemployment benefit liability as a percentage of covered-employee payroll.

Schedule of the Town's Contributions

The Schedule of the Town's Contributions includes the Town's annual required contribution to the Plan, along with the contribution made in relation to the actuarially determined contribution and the covered-employee payroll. The Town is not required to fully fund this contribution. It also demonstrates the contributions as a percentage of covered-employee payroll.

Methods and assumptions used to determine contribution rates are as follows:

Valuation date.....	July 1, 2019
Actuarial cost method.....	Entry Age Normal.
Amortization method.....	Increasing at 3.5% over 30 years on an open amortization period.
Amortization period.....	30 years.
Asset valuation method.....	Fair Value.
Investment rate of return.....	6.25%.
Discount rate.....	2.3%, net of investment expenses, including inflation.
Municipal bond rate.....	2.21%, based on the Bond Buyer 20-Bond Go Index published on June 30, 2020.
Inflation rate.....	2.4%.
Payroll growth.....	3.5% per year.
Healthcare cost trend rate.....	7.00% for 2019, decreasing 0.45% per year to 5.2%, then grading down to an ultimate trend rate of 4.0%, utilizing the Society of Actuaries Getzen Medical Trend Model. The ultimate medical inflation rate is reached in 2075.
Mortality rates.....	RP-2014 BlueCollar, projected with generational mortality improvement using scale MP-2017 for General and Public Safety employees. RP-2014 White Collar Mortality Table, base year 2014, projected with generational mortality improvement using scale MP-2016 for Teachers.

Schedule of Investment Returns

The Schedule of Investment Returns includes the money-weighted investment return on the Plan’s other postemployment assets, net of investment expenses.

Changes of Assumptions

The discount rate changed from 3.74% as of June 30, 2019 to 2.3% as of June 30, 2020. In addition, many other assumptions were updated in this valuation, including the inflation rate, healthcare trend rates, mortality tables and mortality improvement rates, percent retiring with covered spouses, and participation rates.

Changes in Plan Provisions

None.

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Combining and Individual Fund Statements

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

School Lunch Fund – This fund is used to account for all cafeteria activities and is funded by user charges, federal and state grants, and commodities received.

Affordable Housing Fund – This fund is used to account for activities relating to the preservation and creation of affordable housing in the Town.

Revolving Funds – This fund is used to account for the activity of various revolving funds established in accordance with MGL Chapter 44, Section 53E ½, Chapter 71 and other applicable statutes.

Receipts Reserved for Appropriation – This fund is used to account for receipts from a specific revenue source that by law is accounted for separately from the general fund and must be spent by appropriation.

Grants – This fund is used to account for grant funds received from state and federal governments that are restricted for specific programs.

Other Special Revenue Funds – This fund is used to account for the activity of other special revenues funds that are not categorized within any of the other funds.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Chapter 90 Projects – This fund is used to account for the funds received from the State Highway Department, which are used for the construction, reconstruction and improvement of roadways.

Permanent Funds

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support governmental programs.

Cemetery Perpetual Care – This fund is used to account for all contributions associated with cemetery care and maintenance.

Other Permanent Funds – This fund is used to account for all small permanent funds that are not categorized within any of the other funds.

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2020

	Special Revenue Funds				
	School Lunch	Affordable Housing	Revolving	Receipts Reserved for Appropriation	Grants
ASSETS					
Cash and cash equivalents.....	\$ 181,164	\$ 154,241	\$ 3,409,901	\$ 1,633,010	\$ 3,358,995
Investments.....	-	-	-	-	-
Receivables, net of uncollectibles:					
Departmental and other.....	-	-	-	956,894	-
Intergovernmental.....	-	-	-	-	315,078
TOTAL ASSETS.....	\$ 181,164	\$ 154,241	\$ 3,409,901	\$ 2,589,904	\$ 3,674,073
LIABILITIES					
Warrants payable.....	\$ -	\$ -	\$ 1,603	\$ -	\$ 943,510
Due to other funds.....	-	-	-	-	-
TOTAL LIABILITIES.....	-	-	1,603	-	943,510
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue.....	-	-	-	956,894	-
FUND BALANCES					
Nonspendable.....	-	-	-	-	-
Restricted.....	181,164	154,241	3,408,298	1,633,010	2,730,563
TOTAL FUND BALANCES.....	181,164	154,241	3,408,298	1,633,010	2,730,563
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 181,164	\$ 154,241	\$ 3,409,901	\$ 2,589,904	\$ 3,674,073

(Continued)

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Special Revenue Funds		Capital Project Funds	Permanent Funds			Total Nonmajor Governmental Funds
Other Special Revenue	Subtotal	Chapter 90 Projects	Cemetery Perpetual Care	Other Permanent Funds	Subtotal	
\$ 1,219,006	\$ 9,956,317	\$ -	\$ -	\$ 4,258	\$ 4,258	\$ 9,960,575
-	-	-	1,220,735	490,302	1,711,037	1,711,037
-	956,894	-	-	-	-	956,894
-	<u>315,078</u>	<u>1,106,031</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,421,109</u>
<u>\$ 1,219,006</u>	<u>\$ 11,228,289</u>	<u>\$ 1,106,031</u>	<u>\$ 1,220,735</u>	<u>\$ 494,560</u>	<u>\$ 1,715,295</u>	<u>\$ 14,049,615</u>
\$ 2,011	\$ 947,124	\$ 306,559	\$ 4,800	\$ -	\$ 4,800	\$ 1,258,483
-	-	39,000	-	-	-	39,000
<u>2,011</u>	<u>947,124</u>	<u>345,559</u>	<u>4,800</u>	<u>-</u>	<u>4,800</u>	<u>1,297,483</u>
-	956,894	760,472	-	-	-	1,717,366
-	-	-	920,640	267,152	1,187,792	1,187,792
<u>1,216,995</u>	<u>9,324,271</u>	<u>-</u>	<u>295,295</u>	<u>227,408</u>	<u>522,703</u>	<u>9,846,974</u>
<u>1,216,995</u>	<u>9,324,271</u>	<u>-</u>	<u>1,215,935</u>	<u>494,560</u>	<u>1,710,495</u>	<u>11,034,766</u>
<u>\$ 1,219,006</u>	<u>\$ 11,228,289</u>	<u>\$ 1,106,031</u>	<u>\$ 1,220,735</u>	<u>\$ 494,560</u>	<u>\$ 1,715,295</u>	<u>\$ 14,049,615</u>

(Concluded)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 2020

	Special Revenue Funds				
	School Lunch	Affordable Housing	Revolving	Receipts Reserved for Appropriation	Grants
REVENUES:					
Intergovernmental.....	\$ 117,170	\$ -	\$ -	\$ -	\$ 3,499,551
Intergovernmental - COVID-19 relief.....	-	-	-	-	425,815
Departmental and other.....	428,188	73,696	1,904,231	791,422	16,456
Contributions and donations.....	-	-	4,658	1,538	119,156
Investment income.....	-	12,947	-	-	85
TOTAL REVENUES.....	545,358	86,643	1,908,889	792,960	4,061,063
EXPENDITURES:					
Current:					
General government.....	-	-	89,750	-	352,358
Public safety.....	-	-	52,713	-	275,750
Education.....	570,307	-	226,508	-	2,769,719
Public works.....	-	-	302,325	-	35,900
Health and human services.....	-	-	276,850	-	62,541
Culture and recreation.....	-	-	547,396	-	26,200
Community preservation.....	-	154,967	-	-	-
COVID-19.....	-	-	-	-	425,815
TOTAL EXPENDITURES.....	570,307	154,967	1,495,542	-	3,948,283
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES.....	(24,949)	(68,324)	413,347	792,960	112,780
OTHER FINANCING SOURCES (USES):					
Transfers in.....	-	-	-	-	20,000
Transfers out.....	-	-	-	(660,000)	(62,806)
TOTAL OTHER FINANCING SOURCES (USES).....	-	-	-	(660,000)	(42,806)
NET CHANGE IN FUND BALANCES.....	(24,949)	(68,324)	413,347	132,960	69,974
FUND BALANCES AT BEGINNING OF YEAR.....	206,113	222,565	2,994,951	1,500,050	2,660,589
FUND BALANCES AT END OF YEAR.....	\$ 181,164	\$ 154,241	\$ 3,408,298	\$ 1,633,010	\$ 2,730,563

(Continued)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Special Revenue Funds		Capital Project Funds	Permanent Funds			Total Nonmajor Governmental Funds
Other Special Revenue	Subtotal	Chapter 90 Projects	Cemetery Perpetual Care	Other Permanent Funds	Subtotal	
\$ -	\$ 3,616,721	\$ 958,365	\$ -	\$ -	\$ -	\$ 4,575,086
-	425,815	-	-	-	-	425,815
-	3,213,993	-	-	-	-	3,213,993
178,050	303,402	-	20,100	3,466	23,566	326,968
-	13,032	-	71,175	27,871	99,046	112,078
<u>178,050</u>	<u>7,572,963</u>	<u>958,365</u>	<u>91,275</u>	<u>31,337</u>	<u>122,612</u>	<u>8,653,940</u>
247,946	690,054	-	-	1,738	1,738	691,792
1,600	330,063	-	-	-	-	330,063
-	3,566,534	-	-	-	-	3,566,534
1,855	340,080	958,365	51,472	-	51,472	1,349,917
7,029	346,420	-	-	2,156	2,156	348,576
1,250	574,846	-	-	17,957	17,957	592,803
-	154,967	-	-	-	-	154,967
-	425,815	-	-	-	-	425,815
<u>259,680</u>	<u>6,428,779</u>	<u>958,365</u>	<u>51,472</u>	<u>21,851</u>	<u>73,323</u>	<u>7,460,467</u>
<u>(81,630)</u>	<u>1,144,184</u>	<u>-</u>	<u>39,803</u>	<u>9,486</u>	<u>49,289</u>	<u>1,193,473</u>
-	20,000	-	-	-	-	20,000
-	(722,806)	-	-	-	-	(722,806)
-	(702,806)	-	-	-	-	(702,806)
<u>(81,630)</u>	<u>441,378</u>	<u>-</u>	<u>39,803</u>	<u>9,486</u>	<u>49,289</u>	<u>490,667</u>
<u>1,298,625</u>	<u>8,882,893</u>	<u>-</u>	<u>1,176,132</u>	<u>485,074</u>	<u>1,661,206</u>	<u>10,544,099</u>
\$ <u>1,216,995</u>	\$ <u>9,324,271</u>	\$ <u>-</u>	\$ <u>1,215,935</u>	\$ <u>494,560</u>	\$ <u>1,710,495</u>	\$ <u>11,034,766</u>

(Concluded)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Agency Fund

This fund is used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governmental units. The majority of the assets in the agency fund relate to performance bonds, police details, and student activity deposits.

AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 2020

	June 30, 2019	Additions	Deletions	June 30, 2020
ASSETS				
CURRENT:				
Cash and cash equivalents.....	\$ 166,215	\$ 1,290,342	\$ (1,429,660)	\$ 26,897
Receivables, net of allowance for uncollectibles:				
Departmental and other.....	<u>141,658</u>	<u>204,303</u>	<u>(149,093)</u>	<u>196,868</u>
TOTAL ASSETS.....	<u>\$ 307,873</u>	<u>\$ 1,494,645</u>	<u>\$ (1,578,753)</u>	<u>\$ 223,765</u>
LIABILITIES				
Liabilities due depositors.....	<u>\$ 307,873</u>	<u>\$ 1,494,645</u>	<u>\$ (1,578,753)</u>	<u>\$ 223,765</u>

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

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Statistical Section



Broadacres Farm. A 34-acre former horse farm acquired by the Town in FY2020.

Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

Financial Trends

- These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

- These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity

- These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

- These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

SOURCES: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Net Position By Component

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets.....	\$ 55,452,411	\$ 58,397,014	\$ 65,231,955	\$ 68,063,911	\$ 74,065,551	\$ 75,723,325	\$ 83,392,412	\$ 83,825,266	\$ 88,816,801	\$ 92,401,216
Restricted.....	23,923,074	23,976,367	18,622,121	17,072,468	18,326,355	14,001,170	9,271,513	11,108,868	9,433,178	10,490,517
Unrestricted.....	13,670,650	11,781,998	10,254,635	10,357,514	(44,621,401)	(41,554,785)	(72,517,200)	(74,085,645)	(77,253,672)	(86,818,056)
Total governmental activities net position.....	\$ 93,046,135	\$ 94,155,379	\$ 94,108,711	\$ 95,493,893	\$ 47,770,505	\$ 48,169,710	\$ 20,146,725	\$ 20,848,489	\$ 20,996,307	\$ 16,073,677
Business-type activities										
Net investment in capital assets.....	\$ 664,801	\$ 749,902	\$ 1,061,676	\$ 1,026,536	\$ 1,037,079	\$ 1,112,014	\$ 1,030,608	\$ 950,561	\$ 870,514	\$ 790,467
Unrestricted.....	313,845	582,152	534,803	550,103	(327,965)	(544,919)	(760,629)	(660,998)	(820,041)	(865,851)
Total business-type activities net position.....	\$ 978,646	\$ 1,332,054	\$ 1,596,479	\$ 1,576,639	\$ 709,114	\$ 567,095	\$ 269,979	\$ 289,563	\$ 50,473	\$ (75,384)
Primary government										
Net investment in capital assets.....	\$ 56,117,212	\$ 59,146,916	\$ 66,293,631	\$ 69,090,447	\$ 75,102,630	\$ 76,835,339	\$ 84,423,020	\$ 84,775,827	\$ 89,687,315	\$ 93,191,683
Restricted.....	23,923,074	23,976,367	18,622,121	17,072,468	18,326,355	14,001,170	9,271,513	11,108,868	9,433,178	10,490,517
Unrestricted.....	13,984,495	12,364,150	10,789,438	10,907,617	(44,949,366)	(42,099,704)	(73,277,829)	(74,746,643)	(78,073,713)	(87,683,907)
Total primary government net position.....	\$ 94,024,781	\$ 95,487,433	\$ 95,705,190	\$ 97,070,532	\$ 48,479,619	\$ 48,736,805	\$ 20,416,704	\$ 21,138,052	\$ 21,046,780	\$ 15,998,293

* The Town implemented GASB Statement #68 related to Pension Accounting in 2015 which accounts for the significant decrease in Net Position compared to prior years.
 * The Town implemented GASB Statement #75 in fiscal year 2018 and revised the fiscal year 2017 balance to reflect the net OPEB liability being recorded for the first time.

Changes in Net Position
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government.....	\$ 4,428,038	\$ 4,355,961	\$ 4,500,902	\$ 4,139,295	\$ 4,122,220	\$ 4,048,396	\$ 4,887,644	\$ 6,602,094	\$ 5,918,420	\$ 5,841,595
Public safety.....	10,073,036	10,387,335	10,666,663	10,738,149	9,946,647	10,968,017	11,533,488	11,875,217	12,891,246	14,449,806
Education.....	66,646,480	68,899,135	71,085,898	72,249,710	71,815,723	75,005,571	80,495,857	82,076,976	87,132,949	94,686,278
Public works.....	5,325,052	4,778,930	5,374,561	7,091,304	7,804,522	8,817,554	8,238,262	9,386,393	8,229,955	8,908,002
Community preservation.....	-	-	-	-	-	547,875	407,813	338,891	663,553	267,788
COVID-19.....	-	-	-	-	-	-	-	-	-	425,815
Health and human services.....	1,167,143	1,419,463	2,155,946	1,269,543	1,428,806	1,495,223	1,434,376	1,497,603	1,628,608	1,661,179
Culture and recreation.....	2,520,748	2,593,202	2,577,746	2,681,831	2,805,844	2,934,658	2,799,670	2,795,788	2,797,959	2,869,264
Interest.....	1,476,258	1,276,313	1,260,213	976,892	1,111,995	1,003,112	850,668	805,372	647,490	474,513
Total government activities expenses.....	91,636,755	93,710,339	97,621,929	99,146,724	99,035,757	104,820,406	110,647,778	115,378,334	119,910,180	129,584,240
Business-type activities:										
Swimming pool.....	550,289	453,150	594,509	588,492	620,356	572,679	560,699	484,694	564,572	362,602
Transfer station.....	271,114	266,437	235,529	233,471	258,024	356,787	346,160	334,099	385,933	242,665
Recreation field maintenance.....	192,249	130,075	151,004	190,320	227,819	247,115	264,340	212,255	229,624	145,536
Total business-type activities expenses.....	1,013,652	849,662	981,042	1,012,283	1,106,199	1,176,581	1,171,199	1,031,048	1,180,129	750,803
Total primary government expenses.....	\$ 92,650,407	\$ 94,560,001	\$ 98,602,971	\$ 100,159,007	\$ 100,141,956	\$ 105,996,987	\$ 111,818,977	\$ 116,409,382	\$ 121,090,309	\$ 130,335,043
Program Revenues										
Governmental activities:										
General government charges for services.....	\$ 594,722	\$ 926,973	\$ 828,595	\$ 875,118	\$ 811,131	\$ 1,268,289	\$ 225,863	\$ 582,225	\$ 583,005	\$ 710,959
Education charges for services.....	1,925,602	1,969,066	1,885,121	1,842,931	1,978,766	1,259,179	1,483,208	1,313,820	1,556,852	1,219,390
Other charges for services.....	2,145,915	2,344,633	2,403,811	2,442,621	2,474,899	2,658,217	3,298,261	3,943,295	3,470,787	2,615,745
Operating grants and contributions.....	13,821,768	13,247,930	13,628,905	14,184,088	12,579,719	13,587,012	10,495,915	13,123,543	12,013,671	15,984,725
Capital grants and contributions.....	892,330	1,824,885	1,771,662	1,680,999	711,403	2,828,635	982,063	1,085,456	1,754,155	548,098
Total government activities program revenues.....	19,380,337	20,313,487	20,518,094	21,025,757	18,555,918	21,601,332	16,485,310	20,048,339	19,378,470	21,078,917
Business-type activities:										
Swimming pool charges for services.....	487,165	475,774	524,908	492,366	505,487	535,355	486,309	478,401	443,086	303,046
Transfer station charges for services.....	362,895	220,218	337,290	338,654	305,071	290,909	385,369	352,734	284,834	245,861
Recreation field maintenance charges for services.....	183,741	218,163	203,344	202,036	197,422	171,704	180,327	217,687	209,934	86,539
Operating grants and contributions.....	1,268	781	1,226	954	1,132	914	-	-	-	-
Capital grants and contributions.....	-	21,280	187,500	62,500	-	-	-	-	-	-
Total business-type activities program revenues.....	1,035,069	936,216	1,254,268	1,096,510	1,009,112	998,882	1,052,005	1,048,822	937,854	635,446
Total primary government program revenues.....	\$ 20,415,406	\$ 21,249,703	\$ 21,772,362	\$ 22,122,267	\$ 19,565,030	\$ 22,600,214	\$ 17,537,315	\$ 21,097,161	\$ 20,316,324	\$ 21,714,363
Net (Expense)/Program Revenue										
Governmental activities.....	\$ (72,256,418)	\$ (73,396,852)	\$ (77,103,835)	\$ (78,120,967)	\$ (80,479,839)	\$ (83,219,074)	\$ (94,162,468)	\$ (95,329,995)	\$ (100,531,710)	\$ (108,505,323)
Business-type activities.....	21,417	86,554	273,226	84,227	(97,087)	(177,699)	(119,194)	17,774	(242,275)	(115,357)
Total primary government net (expense)/program revenue.....	\$ (72,235,001)	\$ (73,310,298)	\$ (76,830,609)	\$ (78,036,740)	\$ (80,576,926)	\$ (83,396,773)	\$ (94,281,662)	\$ (95,312,221)	\$ (100,773,985)	\$ (108,620,680)

(Continued)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Changes in Net Position
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and other Changes in Net Position										
Governmental activities:										
Real estate and personal property taxes, net of tax refunds payable.....	\$ 67,178,824	\$ 68,762,270	\$ 70,572,635	\$ 72,718,472	\$ 72,873,481	\$ 76,224,990	\$ 80,326,042	\$ 82,992,362	\$ 86,386,933	\$ 89,285,488
Tax and other liens.....	-	-	-	-	-	-	180,976	151,147	203,432	223,956
Motor vehicle and other excise taxes.....	2,886,859	2,992,057	3,265,121	3,447,691	3,657,166	3,919,447	3,861,189	4,138,186	4,314,739	4,355,860
Penalties and interest on taxes.....	204,686	288,058	255,978	224,025	186,333	306,133	329,083	208,289	284,241	378,737
Payment in lieu of taxes.....	64,515	31,030	53,377	38,629	89,934	48,783	7,350	83,613	61,537	12,347
Community preservation taxes.....	1,492,938	1,527,275	1,581,340	1,636,741	1,666,981	1,758,188	1,842,032	1,928,868	2,003,914	2,100,691
Grants and contributions not restricted to specific programs.....	1,238,505	1,062,794	1,250,168	1,296,446	1,321,924	1,374,751	6,395,091	6,607,480	6,634,232	6,823,597
Unrestricted investment income.....	175,476	109,456	69,757	40,078	32,657	21,667	225,745	273,466	438,848	391,517
Transfers.....	29,595	(266,854)	8,801	104,067	100,643	39,127	-	-	-	-
Total governmental activities.....	<u>73,271,398</u>	<u>74,506,086</u>	<u>77,057,177</u>	<u>79,506,149</u>	<u>79,929,119</u>	<u>83,693,086</u>	<u>93,167,508</u>	<u>96,383,411</u>	<u>100,327,876</u>	<u>103,572,193</u>
Business-type activities:										
Unrestricted investment income.....	-	-	-	-	-	-	1,304	1,810	3,185	-
Transfers.....	(29,595)	266,854	(8,801)	(104,067)	(100,643)	(39,127)	-	-	-	-
Total business-type activities.....	<u>(29,595)</u>	<u>266,854</u>	<u>(8,801)</u>	<u>(104,067)</u>	<u>(100,643)</u>	<u>(39,127)</u>	<u>1,304</u>	<u>1,810</u>	<u>3,185</u>	<u>-</u>
Total primary government general revenues and other changes in net positions.....	<u>\$ 73,241,803</u>	<u>\$ 74,772,940</u>	<u>\$ 77,048,376</u>	<u>\$ 79,402,082</u>	<u>\$ 79,828,476</u>	<u>\$ 83,653,959</u>	<u>\$ 93,168,812</u>	<u>\$ 96,385,221</u>	<u>\$ 100,331,061</u>	<u>\$ 103,572,193</u>
Changes in Net Position										
Governmental activities.....	\$ 1,014,980	\$ 1,109,234	\$ (46,658)	\$ 1,385,182	\$ (550,720)	\$ 474,012	\$ (994,960)	\$ 1,053,416	\$ (203,834)	\$ (4,933,130)
Business-type activities.....	(8,178)	353,408	264,425	(19,840)	(197,730)	(216,826)	(117,890)	19,584	(239,090)	(115,357)
Total primary government changes in net position.....	<u>\$ 1,006,802</u>	<u>\$ 1,462,642</u>	<u>\$ 217,767</u>	<u>\$ 1,365,342</u>	<u>\$ (748,450)</u>	<u>\$ 257,186</u>	<u>\$ (1,112,850)</u>	<u>\$ 1,073,000</u>	<u>\$ (442,924)</u>	<u>\$ (5,048,487)</u>

(Concluded)

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Fund Balances, Governmental Funds

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted.....	\$ 6,779,627	\$ 6,399,835	\$ 5,771,754	\$ 4,912,009	\$ 5,140,867	\$ 5,624,580	\$ 330,853	\$ 351,652	\$ 355,164	\$ 358,492
Committed.....	231,092	242,864	209,001	1,914,264	2,685,774	2,372,996	2,474,734	2,130,571	3,072,549	2,080,526
Assigned.....	1,570,833	1,411,288	1,371,499	1,915,715	1,557,983	1,058,893	1,167,752	2,369,021	875,787	764,428
Unassigned.....	<u>3,961,520</u>	<u>5,603,341</u>	<u>7,721,185</u>	<u>9,022,099</u>	<u>7,158,149</u>	<u>3,479,922</u>	<u>9,873,780</u>	<u>9,812,217</u>	<u>12,546,783</u>	<u>15,541,044</u>
Total general fund.....	\$ <u>12,543,072</u>	\$ <u>13,657,328</u>	\$ <u>15,073,439</u>	\$ <u>17,764,087</u>	\$ <u>16,542,773</u>	\$ <u>12,536,391</u>	\$ <u>13,847,119</u>	\$ <u>14,663,461</u>	\$ <u>16,850,283</u>	\$ <u>18,744,490</u>
All Other Governmental Funds										
Nonspendable.....	\$ 1,013,539	\$ 1,034,051	\$ 1,034,876	\$ 1,084,580	\$ 1,102,743	\$ 1,133,605	\$ 1,163,154	\$ 1,163,154	\$ 1,180,254	\$ 1,187,792
Restricted.....	16,684,900	16,057,555	11,222,092	10,538,414	16,606,664	11,545,492	13,770,514	17,008,468	15,698,833	16,820,936
Committed.....	65,621	60,222	6,022	62,883	55,033	43,405	-	-	-	-
Unassigned.....	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,920,132)</u>
Total all other governmental funds.....	\$ <u>17,764,060</u>	\$ <u>17,151,828</u>	\$ <u>12,262,990</u>	\$ <u>11,685,877</u>	\$ <u>17,764,440</u>	\$ <u>12,722,502</u>	\$ <u>14,933,668</u>	\$ <u>18,171,622</u>	\$ <u>16,879,087</u>	\$ <u>16,088,596</u>

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Changes in Fund Balances, Governmental Funds

Last Ten Years

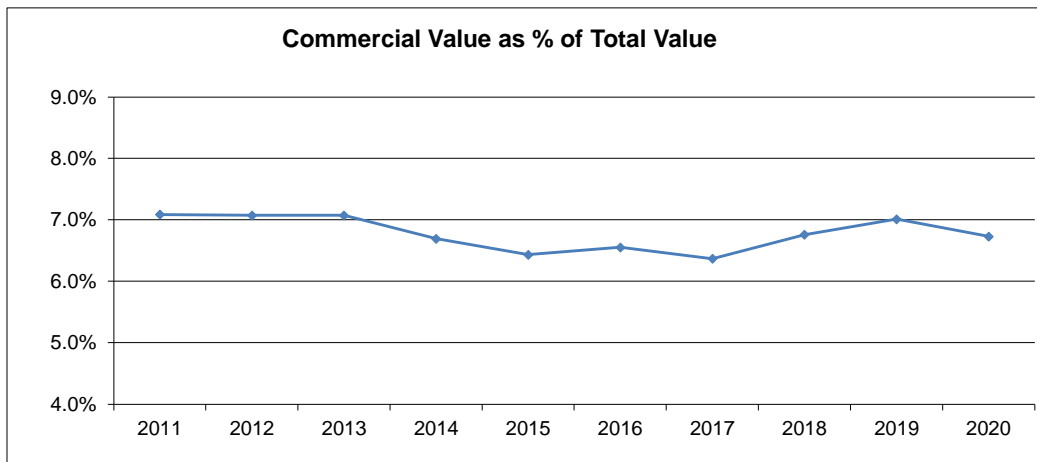
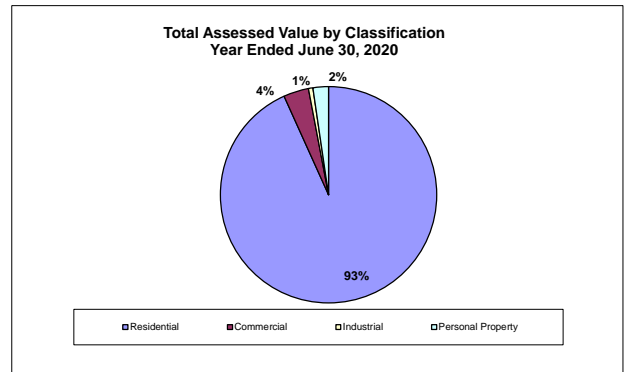
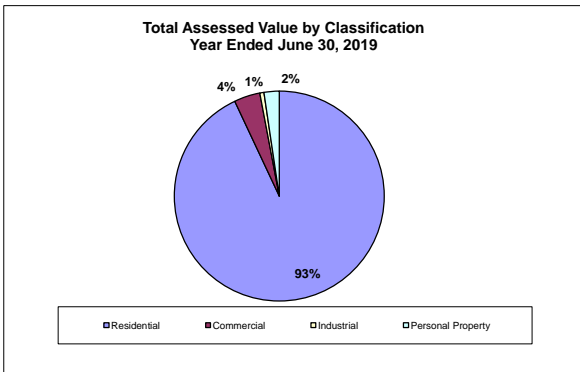
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Real estate and personal property taxes, net of tax refunds.....	\$ 66,299,400	\$ 68,328,105	\$ 69,936,527	\$ 72,439,807	\$ 72,210,203	\$ 76,420,221	\$ 80,435,678	\$ 82,385,311	\$ 86,498,484	\$ 88,923,845
Motor vehicle and other excise taxes.....	2,824,879	2,953,422	3,137,442	3,479,052	3,778,204	3,702,251	4,044,745	4,071,435	4,263,360	3,895,034
Tax liens.....	330,168	476,967	522,311	187,499	241,824	202,152	104,819	64,953	115,256	223,956
Payments in lieu of taxes.....	64,515	31,030	53,377	38,629	89,934	48,783	7,350	83,613	61,537	12,347
Community preservation taxes.....	1,494,705	1,529,459	1,582,040	1,643,844	1,662,709	1,756,562	1,844,752	1,917,476	2,005,675	2,085,433
Intergovernmental.....	16,350,975	16,897,919	16,962,299	17,534,425	10,731,708	13,086,130	18,876,071	21,014,817	20,549,130	24,296,157
Penalties and interest on taxes.....	204,686	288,058	255,978	224,025	186,333	306,133	291,741	208,289	284,241	378,737
Licenses and permits.....	511,537	554,433	778,448	708,163	746,655	819,242	1,147,063	1,553,193	1,159,863	748,076
Fines and forfeitures.....	91,472	89,439	76,302	82,894	86,250	63,083	37,342	37,711	36,418	25,569
Intergovernmental - COVID-19 relief.....	-	-	-	-	-	-	-	-	-	425,815
Departmental and other.....	4,052,761	4,516,309	4,364,877	4,263,600	4,418,544	4,297,707	4,273,848	4,100,809	4,304,546	3,765,773
Contributions.....	208,744	227,708	246,187	367,022	302,659	243,641	252,661	608,826	967,495	336,968
Interest income.....	548,552	268,019	231,324	331,410	85,504	125,650	225,745	273,466	438,848	391,517
Total Revenue.....	92,982,394	96,160,868	98,147,112	101,300,370	94,540,527	101,071,555	111,541,815	116,319,899	120,684,853	125,509,227
Expenditures:										
General government.....	6,148,845	3,242,101	11,686,201	3,256,717	6,233,818	3,732,597	3,498,506	5,093,683	5,246,989	19,385,358
Public safety.....	7,007,846	7,140,784	7,631,877	7,832,862	11,521,631	11,808,341	8,174,832	8,707,893	8,852,263	9,641,293
Education.....	52,710,026	56,079,405	56,325,461	58,782,463	59,901,358	61,131,536	62,385,862	62,579,469	66,761,974	69,149,726
Public works.....	4,734,423	4,197,544	4,709,953	6,280,856	7,889,516	9,191,644	6,521,352	7,366,387	7,055,720	8,889,310
Community preservation.....	-	-	-	-	-	-	407,813	338,891	3,308,635	267,788
COVID-19.....	-	-	-	-	-	-	-	-	-	425,815
Health and human services.....	853,183	1,100,346	1,900,880	910,979	1,053,644	1,158,185	1,043,930	1,079,532	1,161,178	1,199,202
Culture and recreation.....	2,076,690	2,005,940	2,065,764	2,432,273	2,174,517	2,561,484	2,116,894	2,109,081	2,624,419	2,148,013
Pension benefits.....	7,877,511	8,184,635	8,612,651	8,882,087	3,482,548	3,738,774	11,582,320	12,463,856	12,586,537	15,389,110
Employee benefits.....	7,173,083	8,245,029	7,163,045	6,650,548	5,865,834	6,098,164	6,949,924	7,337,462	7,376,116	7,711,290
Property and liability insurance.....	213,481	218,576	224,452	238,000	263,973	272,418	301,610	312,058	328,256	339,148
State and county charges.....	192,672	186,114	179,483	157,416	227,330	197,943	192,255	205,840	209,519	263,334
Debt service:										
Principal.....	8,925,000	3,790,000	5,431,588	5,300,000	11,085,000	3,762,321	3,720,041	3,688,057	3,426,950	3,505,343
Principal payment on current refunding.....	-	-	-	-	-	-	-	2,750,000	-	-
Interest.....	1,392,389	1,271,605	1,085,513	962,524	888,265	1,266,881	1,124,582	1,046,207	852,010	725,292
Total Expenditures.....	99,305,149	95,662,079	107,016,868	101,686,725	110,587,434	104,920,288	108,019,921	115,078,416	119,790,566	139,040,022
Excess of revenues over (under) expenditures.....	(6,322,755)	498,789	(8,869,756)	(386,355)	(16,046,907)	(3,848,733)	3,521,894	1,241,483	894,287	(13,530,795)
Other Financing Sources (Uses)										
Issuance of bonds.....	3,610,000	-	3,440,000	-	11,805,946	-	-	-	-	14,530,000
Issuance of refunding bonds.....	4,870,000	-	4,045,000	1,950,000	6,845,000	-	-	2,640,000	-	-
Premium from issuance of bonds.....	1,555	48,974	-	99,014	925,710	-	-	-	-	94,011
Premium from issuance of refunding bonds.....	270,580	-	144,361	75,215	911,298	-	-	172,813	-	-
Payments to refunded bond escrow agent.....	-	-	(2,501,953)	-	-	-	-	-	-	-
Proceeds from capital leases.....	226,104	221,115	260,819	271,594	315,559	-	-	-	-	-
Transfers in.....	728,684	810,738	986,915	3,118,082	1,779,092	1,246,311	2,459,512	1,451,315	2,118,638	1,251,306
Transfers out.....	(699,089)	(1,077,592)	(978,113)	(3,014,015)	(1,678,449)	(6,445,898)	(2,459,512)	(1,451,315)	(2,118,638)	(1,240,806)
Total other financing sources (uses).....	9,007,834	3,235	5,397,029	2,499,890	20,904,156	(5,199,587)	-	2,812,813	-	14,634,511
Net change in fund balance.....	\$ 2,685,079	\$ 502,024	\$ (3,472,727)	\$ 2,113,535	\$ 4,857,249	\$ (9,048,320)	\$ 3,521,894	\$ 4,054,296	\$ 894,287	\$ 1,103,716
Debt service as a percentage of noncapital expenditures.....	10.71%	5.54%	6.70%	6.31%	11.92%	5.24%	4.55%	6.62%	3.78%	3.57%

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Assessed Value and Actual Value of Taxable Property by Classification and Tax Rates

Last Ten Years

Year	Assessed and Actual Values and Tax Rates								
	Residential Value	Residential Tax Rate	Commercial Value	Industrial Value	Personal Property	Total Commercial Value	Commercial Tax Rate	Total Direct Rate	Total Town Value
2011	\$ 3,599,570,656	\$ 17.03	\$ 145,535,412	\$ 60,872,200	\$ 68,303,560	\$ 274,711,172	\$ 22.27	\$ 17.40	\$ 3,874,281,828
2012	3,566,779,121	17.60	145,365,519	59,764,900	66,426,000	271,556,419	22.95	17.98	3,838,335,540
2013	3,590,745,895	17.99	146,995,002	59,403,300	66,938,910	273,337,212	23.52	18.38	3,864,083,107
2014	3,695,489,903	18.03	146,588,764	51,549,800	66,955,670	265,094,234	24.94	18.49	3,960,584,137
2015	3,825,857,903	17.60	147,618,442	51,552,200	63,887,360	263,058,002	24.88	18.07	4,088,915,905
2016	3,953,667,699	17.80	153,832,208	52,641,600	70,742,800	277,216,608	25.11	18.28	4,230,884,307
2017	4,128,077,415	17.74	161,710,160	28,896,800	90,269,320	280,876,280	25.01	18.20	4,408,953,695
2018	4,252,412,677	17.93	172,317,688	29,891,300	106,053,550	308,262,538	24.30	18.36	4,560,675,215
2019	4,396,808,625	17.91	189,613,218	30,823,000	111,118,740	331,554,958	24.30	18.36	4,728,363,583
2020	4,451,809,500	18.45	179,424,076	30,823,000	111,016,580	321,263,656	24.97	18.89	4,773,073,156



Source: Assessor's Department, Town of Sudbury
All property in the Commonwealth of Massachusetts is assessed at 100% of fair cash value.

Note: Chapter 59, Section 21C of the Massachusetts General Laws, known as "Proposition 2 1/2", imposes 2 separate limits on the annual tax levy of the Town. The primary limitation is that the tax levy cannot exceed 2 1/2 percent of the full and fair cash value. The secondary limitation is that the tax levy cannot exceed the maximum levy limit for the preceding year as determined by the State Commissioner of Revenue by more than 2 1/2 percent, subject to an exception for property added to the tax rolls and for certain substantial valuation increases other than as part of a general revaluation. The secondary limit may be exceeded in any year by a majority vote of the voters, however it cannot exceed the primary limitation.

Principal Taxpayers
Current Year and Nine Years Ago

Name	Property Type	2020			2011		
		Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total Taxable Assessed Value
NSTAR Electric & Gas Company	Utility	\$ 73,149,730	1	1.53%			
Sudbury Avalon Inc.	Apartments	\$ 58,581,330	2	1.23%			
Chiswick Park LLC	Manufacturer	\$ 22,287,000	3	0.47%			
Sudbury Crossing, Ltd	Shopping Center	\$ 12,114,080	4	0.25%	\$ 11,139,100	5	0.29%
Verizon	Utility	\$ 11,203,000	5	0.23%	\$ 17,958,700	3	0.46%
Wellyn Inc.	Shopping Center	\$ 10,144,200	7	0.21%			
PRI Longfellow Glen LLC	Apartments	\$ 13,533,500	6	0.28%	\$ 11,328,500	7	0.29%
Boston Gas Company	Utility	\$ 9,988,100	8	0.21%			
Stanmar/Snider	Auto Dealership	\$ 8,050,600	9	0.17%			
Richard J Bosse Holdings	Health Club	\$ 7,303,500	10	0.15%	\$ 7,240,800	9	0.19%
Raytheon Corporation	Research & Development				\$ 30,126,000	1	0.78%
Boston Edison	Utility				\$ 29,239,180	2	0.75%
Paris Trust LLC	Office Space				\$ 13,748,900	4	0.35%
Richardson Christine L. TRS	Shopping Center				\$ 9,620,300	6	0.31%
Boston Gas Company	Utility				\$ 10,543,603	8	0.27%
E B Realty LLC	Manufacturer				\$ 7,060,900	10	0.18%
	Totals	<u>\$ 226,355,040</u>		<u>4.74%</u>	<u>\$ 148,005,983</u>		<u>3.88%</u>

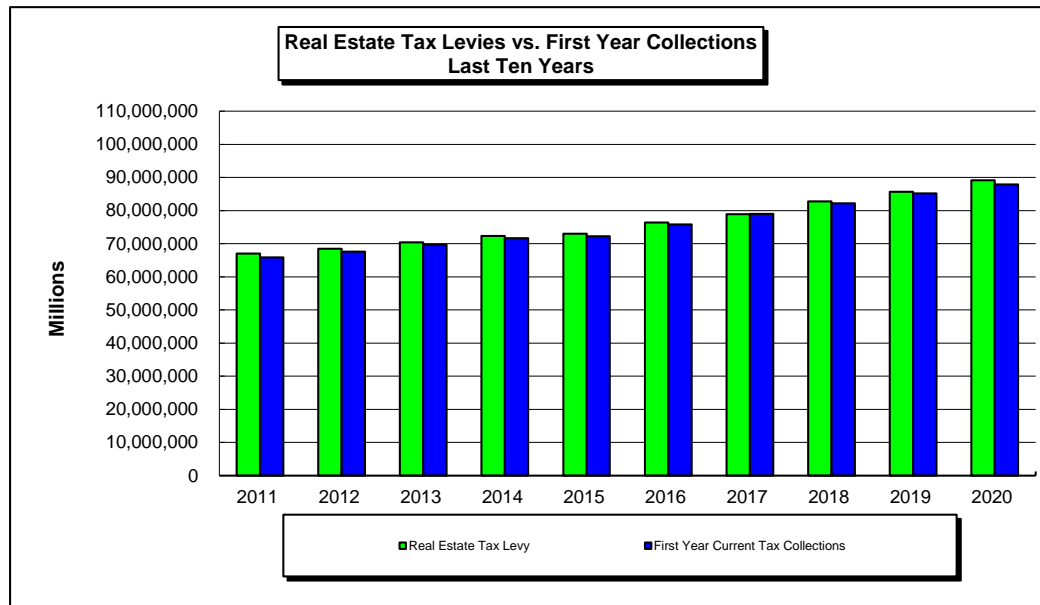
Source: Official Statement for Sale of Bonds

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Property Tax Levies and Collections

Last Ten Years

Year	(1) Total Tax Levy	Less Abatements & Exemptions	(1) Net Tax Levy	First Year Current Tax Collections	Percent of Net Levy Collected	Delinquent Tax Collections	Total Tax Collections	(2) Percent of Total Tax Collections to Net Tax Levy
2011	\$ 67,418,506	\$ 428,876	\$ 66,989,630	\$ 65,823,252	98.26%	\$ 557,272	\$ 66,380,524	99.09%
2012	69,007,532	508,032	68,499,500	67,608,625	98.70%	320,887	67,929,512	99.17%
2013	71,026,410	630,143	70,396,267	69,641,532	98.93%	416,153	70,057,685	99.52%
2014	72,951,707	593,665	72,358,042	71,687,443	99.07%	514,335	72,201,778	99.78%
2015	73,549,580	562,545	72,987,035	72,251,311	98.99%	603,461	72,854,772	99.82%
2016	76,997,530	561,430	76,436,100	75,768,929	99.13%	614,187	76,383,116	99.93%
2017	79,892,487	984,546	78,907,941	78,956,353	100.06%	353,192	79,309,545	100.51%
2018	83,323,444	584,388	82,739,056	82,147,081	99.28%	465,485	82,612,566	99.85%
2019	86,384,635	726,568	85,658,067	85,188,157	99.45%	425,437	85,613,594	99.95%
2020	89,733,894	627,195	89,106,699	87,853,592	98.59%	-	87,853,592	98.59%



(1) Includes tax liens.

(2) If the actual abatements and exemptions are lower than the estimate the actual collections can exceed the net levy.

Source: Assessor's Department, Town of Sudbury

Ratios of Outstanding Debt by Type
Last Ten Years

Year	Governmental Activities		Total Debt Outstanding	Percentage of Personal Income	U. S. Census Population	Debt Per Capita
	General Obligation Bonds	Capital Leases				
2011	\$ 35,760,000	\$ 597,081	\$ 36,357,081	1.89%	17,207	\$ 2,113
2012	31,970,000	534,148	32,504,148	1.99%	17,714	1,835
2013	31,705,000	520,353	32,225,353	1.90%	17,659	1,825
2014	28,355,000	507,890	28,862,890	1.67%	17,919	1,611
2015	36,802,575	562,642	37,365,217	2.23%	18,119	2,062
2016	32,903,010	352,275	33,255,285	1.85%	18,367	1,811
2017	28,939,237	183,341	29,122,578	1.50%	18,737	1,554
2018	25,101,589	64,801	25,166,390	1.18%	18,867	1,334
2019	21,493,269	-	21,493,269	0.99%	18,874	1,139
2020	32,384,793	-	32,384,793	1.62%	18,874	1,716

Source: Audited Financial Statements, U.S. Census, Division of Local Services

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Ratios of Outstanding Debt and General Bonded Debt

Last Ten Years

Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2011	\$ 35,760,000	0.92%	\$ 2,078
2012	31,970,000	0.83%	1,805
2013	31,705,000	0.82%	1,795
2014	28,355,000	0.72%	1,582
2015	36,802,575	0.90%	2,031
2016	32,903,010	0.78%	1,791
2017	28,939,237	0.66%	1,544
2018	25,101,589	0.55%	1,330
2019	21,493,269	0.45%	1,139
2020	32,384,793	0.68%	1,716

Source: Audited Financial Statements, U.S. Census, Division of Local Services

Direct and Overlapping Governmental Activities Debt

As of June 30, 2020

<u>Town of Sudbury, Massachusetts:</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Lincoln Sudbury Regional High School District.....	\$ 3,025,000	88%	\$ 2,658,975
General governmental debt.....			<u>32,384,793</u>
Total direct and overlapping debt.....			<u>\$ 35,043,768</u>

Methodologies used to calculate overlapping debt:

Lincoln Sudbury Regional High School District.

The Town's overlap is based on pupil enrollment.

Source: Official Statement for Sale of Bonds

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the Town. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the taxpayers of the town. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Computation of Legal Debt Margin
Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Equalized Valuation.....\$	<u>4,522,988,100</u>	<u>\$ 4,256,033,800</u>	<u>\$ 4,256,033,800</u>	<u>\$ 4,110,402,700</u>	<u>\$ 4,110,402,700</u>	<u>\$ 4,154,472,500</u>	<u>\$ 4,154,472,500</u>	<u>\$ 4,796,024,700</u>	<u>\$ 4,796,024,700</u>	<u>\$ 5,131,906,400</u>
Debt Limit - 5% of Equalized Valuation...\$	226,149,405	\$ 212,801,690	\$ 212,801,690	\$ 205,520,135	\$ 205,520,135	\$ 207,723,625	\$ 207,723,625	\$ 239,801,235	\$ 239,801,235	\$ 256,595,320
Less:										
Outstanding debt applicable to limit.....	15,885,000	15,755,000	14,035,000	15,985,000	25,276,800	23,080,000	20,915,000	18,675,000	16,795,000	17,703,234
Authorized and unissued debt.....	-	<u>1,570,000</u>	<u>6,760,500</u>	<u>7,827,000</u>	<u>621,000</u>	<u>621,000</u>	<u>621,000</u>	<u>3,971,000</u>	<u>18,931,000</u>	<u>18,931,000</u>
Legal debt margin..... \$	<u>210,264,405</u>	<u>\$ 195,476,690</u>	<u>\$ 192,006,190</u>	<u>\$ 181,708,135</u>	<u>\$ 179,622,335</u>	<u>\$ 184,022,625</u>	<u>\$ 186,187,625</u>	<u>\$ 217,155,235</u>	<u>\$ 204,075,235</u>	<u>\$ 293,229,554</u>
Total debt applicable to the limit as a percentage of debt limit.....	7.02%	8.14%	9.77%	11.59%	12.60%	11.41%	10.37%	9.44%	14.90%	14.28%

Source: Official Statement for Sale of Bonds

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Demographic and Economic Statistics

Last Ten Years

Year	Population Estimates	Personal Income	Per Capita Personal Income	Median Age	Unemployment Rate
2011	17,207	\$ 1,923,622,000	\$ 111,793	43	5.0%
2012	17,714	1,634,559,000	92,275	43	4.5%
2013	17,659	1,695,132,000	95,993	43	5.2%
2014	17,919	1,732,929,000	96,709	43	4.0%
2015	18,119	1,673,761,000	92,376	43	3.5%
2016	18,367	1,802,409,000	98,133	43	3.4%
2017	18,737	1,939,767,000	103,526	44	3.5%
2018	18,867	2,128,537,000	112,818	44	3.0%
2019	18,874	2,178,362,000	115,416	44	2.8%
2020	18,874	2,001,550,000	106,048	44	10.7%

Source: Commonwealth of Mass, Division of Local Services, Executive Office of Labor and Workforce Development. Median age is based on most recent census data.

Principal Employers (excluding Town)
Current Year and Nine Years Ago

Employer	Nature of Business	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Sudbury Farms	Grocery Store	250	1	3%	300	2	4%
Lincoln-Sudbury Regional School District	Public School District	225	2	3%	200	6	3%
Whole Foods Market	Grocery Store	210	3	3%			
Staples Industrial	Packaging Materials	190	4	2%	175	7	2%
Adtech Systems	Audio/Visual Services	150	5	2%			
Bosse Sports	Health Club	150	6	2%	110	8	1%
Sudbury Pines Extended Care	Extended Care Facility	130	7	2%			
Longfellow's Wayside Inn Restaurant	Restaurant	130	8	2%			
Shaw's Supermarket	Grocery Store	125	9	2%	105	10	1%
Mass State Police Crime Lab	Public Safety	110	10	1%			
Raytheon Corporation	Research & Development				300	1	4%
APC	Pest Control				200	3	3%
Cavicchio Greenhouses, Inc.	Florists				200	4	3%
Jones & Bartlett Publishers	Publishing				200	5	3%
Methods Machine Tools, Inc.	Wholesaler				110	9	1%

Source: Massachusetts Department of Workforce Development

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Full-Time Equivalent Town Employees

Last Ten Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
<u>Full-Time Equivalents</u>										
Town.....	30	30	30	30	29	31	30	30	31	30
Public Safety.....	78	78	77	77	74	78	78	78	83	88
School.....	391	379	386	396	402	413	414	404	372	383
Public Works.....	30	30	30	34	36	34	34	34	34	34
Health and Human Services.....	6	6	6	7	9	9	7	7	8	10
Culture and Recreation.....	<u>16</u>	<u>16</u>	<u>16</u>	<u>14</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>18</u>	<u>18</u>
Total	<u>551</u>	<u>539</u>	<u>545</u>	<u>558</u>	<u>566</u>	<u>581</u>	<u>580</u>	<u>570</u>	<u>546</u>	<u>563</u>

Source: Annual Budget Report, School Department

Attachment1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Operating Indicators by Function/Program

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Population.....	17,207	17,714	17,659	17,919	18,119	18,367	18,737	18,867	18,874	18,874
Selectmen's meetings.....	33	31	33	36	45	59	44	35	46	44
Licenses issued.....	78	78	78	78	81	82	82	140	89	88
Payroll processed.....	18,009	19,134	18,528	18,835	19,591	19,941	19,907	19,555	19,599	19,259
Invoices paid.....	18,601	18,500	17,329	17,350	16,216	15,882	14,816	15,343	16,639	15,126
Taxable property parcels.....	6,507	6,556	6,585	6,589	6,605	6,645	6,658	6,658	6,657	6,673
Motor vehicle excise processed.....	18,081	18,217	18,145	19,516	18,203	19,459	19,654	19,067	19,873	18,868
Certified vital records.....	1,152	1,100	1,620	1,263	1,408	1,415	1,350	1,494	1,473	1,615
Zoning board of appeals application filed.....	35	40	36	40	43	31	32	35	47	34
Public Safety										
Police										
Calls for service.....	14,951	15,927	15,612	15,965	17,021	17,341	13,379	15,936	14,504	14,017
Walk-in traffic.....	N/A	10,651	9,699	9,682	10,051	N/A	11,408	12,630	10,706	7,417
Arrests.....	160	93	143	133	128	84	46	57	57	60
Criminal complaints.....	189	195	169	215	247	191	111	156	148	140
Motor vehicle accidents.....	644	519	529	518	511	550	507	554	464	310
Alarms.....	837	914	832	847	750	839	603	601	600	519
Medical call responses.....	902	873	844	818	984	948	907	910	886	1,115
Fire										
Incidents										
Calls for assistance.....	2,071	2,071	2,063	1,918	2,246	2,193	2,034	2,310	2,084	2,200
Structure fire responses.....	10	10	14	21	13	19	19	22	38	26
Emergency medical responses.....	1,151	1,151	1,148	1,109	1,237	1,221	1,278	1,332	1,287	1,361
Building Department										
Building inspections.....	1,211	1,400	1,450	1,504	1,643	1,961	1,769	2,012	2,249	2,212
Education										
Public school enrollment.....	4,464	4,446	4,367	4,340	4,505	4,424	4,471	4,064	3,998	4,070
Public Works										
Depository of property plans.....	5,450	5,475	5,500	5,500	5,500	4,110	6,805	6,830	6,830	4,000
Transfer station stickers issued.....	1,569	1,477	1,500	1,525	1,922	2,209	2,371	2,170	2,133	2,097
Recyclables (tons).....	1,900	1,500	1,500	750	599	580	608	575	500	463
Health and Human Services										
Senior Center program attendance.....	2,040	2,000	1,900	1,900	1,900	1,600	1,542	1,700	1,850	1,870
Senior Center referrals.....	100	220	361	358	276	195	106	168	195	420
Veteran population (Federal census estimate).....	1,220	1,220	1,220	1,220	1,218	509	483	531	531	474
Senior and veteran tax work-off participants.....	50	50	50	52	56	55	55	57	60	56
Culture and Recreation										
Library circulation.....	408,000	395,000	380,000	447,275	457,612	408,422	398,447	376,594	415,092	363,176
Library resources sharing.....	139,789	140,000	99,600	109,660	104,845	106,321	106,882	107,000	110,010	79,353
Park & recreation programs.....	680	700	737	691	493	515	679	680	600	N/A
Pool use (admittance).....	83,293	84,000	83,670	80,423	77,000	77,000	75,000	75,000	75,000	N/A

Source: Various Town Departments and Annual Town Report
 N/A: Information not available

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety										
Police										
Number of Stations.....	1	1	1	1	1	1	1	1	1	1
Fire										
Number of Stations.....	3	3	3	3	3	3	3	3	3	3
Trucks.....	7	7	7	7	7	7	7	7	7	7
Education										
Public school buildings.....	5	5	5	5	5	5	5	5	5	5
Public Works										
Streets (miles).....	141	141	141	141	141	141	141	141	141	141
Streetlights.....	627	627	627	627	627	627	627	627	627	627
Traffic signals.....	2	2	2	2	2	2	2	2	2	2
Trucks/ rolling stock equipment.....	77	79	83	83	83	83	83	83	91	91
Culture and Recreation										
Public libraries.....	1	1	1	1	1	1	1	1	1	1
Community centers.....	1	1	1	1	1	1	1	1	1	1
Town park and playground acreage.....	96	96	96	96	96	96	96	96	96	96

Source: Various Town Departments

Attachment 1.a: Sudbury FY2020 CAFR (4615 : FY20 Audit Presentation)

TOWN OF SUDBURY, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020



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To the Honorable Select Board
Town of Sudbury, Massachusetts

In planning and performing our audit of the financial statements of the Town of Sudbury, Massachusetts (“the Town”), as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

However, during our audit we became aware of several matters that represent opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions concerning those matters.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Town personnel and will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management of the Town of Sudbury, Massachusetts, and is not intended to be and should not be used by anyone other than these specified parties.

Powers & Sullivan LLC

January 29, 2021

Attachment 1.b: Sudbury FY2020 Management Letter (4615 : FY20 Audit Presentation)

TOWN OF SUDBURY, MASSACHUSETTS

MANAGEMENT LETTER

JUNE 30, 2020

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Attachment 1.b: Sudbury FY2020 Management Letter (4615 : FY20 Audit Presentation)

Prior Year Comments

PRIOR SIGNIFICANT DEFICIENCY – DOCUMENTATION OF INTERNAL CONTROLS OVER FEDERAL AWARDS

Prior Year Comment

In December 2013, the U.S. Office of Management and Budget (OMB) issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) in an effort to (1) streamline guidance for federal awards while easing the administrative burden and (2) to strengthen oversight over the expenditure of federal funds and to reduce the risks of waste, fraud and abuse. The Uniform Guidance superseded and streamlined requirements from eight different federal grant circulars (including OMB Circular A-133) into one set of guidance. Local governments were required to implement the new administrative requirements and cost principles in fiscal year 2016.

In conformance with Uniform Guidance, the non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States (the Green Book) and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The COSO internal control framework is generally accepted as a best practice within the industry including the best practices prescribed by the Government Finance Officers Association (GFOA). COSO is a joint initiative of 5 private sector organizations dedicated to providing thought leadership through the development of frameworks and guidance on enterprise risk management, internal control and fraud deterrence. The original COSO framework was published in 1992 and has been revised several times for changes in operations, technology, and audit risk. The most recent updates to the COSO Internal Control - Integrated Framework were issued in 2013 and are available at www.coso.org.

Management is responsible for internal control and to see that the entity is doing what needs to be done to meet its objectives. Governments have limited resources and constraints on how much can be spent on designing, implementing, and conducting systems of internal control. The COSO Framework can help management consider alternative approaches and decide what action it needs to take to meet its objectives. Depending on circumstances, these approaches and decisions can contribute to efficiencies in the design, implementation, and conduct of internal control. With the COSO Framework, management can more successfully diagnose issues and assert effectiveness regarding their internal controls and, for external financial reporting, help avoid material weaknesses or significant deficiencies.

The COSO internal control framework incorporates 5 major components of internal control, which are supported by 17 principles of internal control that support the COSO framework: Refer to www.coso.org for articles describing the 5 components and their 17 principles in detail. Management must evaluate and assess the government’s internal control system to determine whether: each of the five essential elements of a comprehensive framework of internal control is present; whether each element addresses all of the associated principles; and whether all five elements effectively function together.

In the prior year, management had not yet documented compliance with the federal requirement.

Current Status – Resolved

Management has established and documented their internal control system using the COSO Internal Control Framework.

UNTIMELY SCHOOL DEPARTMENT FINANCIAL REPORTING

Prior Year Comment

The School Department is required to complete a variety of annual financial reports to outside State and Federal agencies. In completing our audit procedures, we noted that there was a significant delay in the School Department's submission of the required End of Year Report (EOYR) to the State Department of Education. The EOYR as of June 30, 2018 was required to be submitted to the State Department of Education by October 31, 2018. The Sudbury EOYR as of June 30, 2018 was not submitted until January 17, 2019.

As a result of the School Department's delay in submitting the 2018 EOYR, the State temporarily withheld \$393,555 of Chapter 70 Aid distributions to the Town during the second half of FY2019. Although the distributions were eventually restored and the Town was made whole, the delay in payment impacted cash flow needs as well as the annual interest earnings of the Town.

Current Status – Resolved

The School Department has implemented procedures to ensure the timely completing of all State and Federal reporting requirements.

Current Year Comment

TIMELINESS OF ACTUARIAL INFORMATION FOR OPEB FINANCIAL REPORTING AND DISCLOSURE

Comment

The Town is required to report Other Postemployment Benefits (OPEB) liabilities and other disclosure and trend information related to those liabilities in the annual financial statements. This information is provided through valuation reports obtained from independent actuaries. The actuaries base their reports on a significant amount of information provided by various Departments of the Town. The actuarial valuation is required to be completed every two years for Trust reporting with updates required on each of the off years. The actuary also provides an annual report, which includes the employer required adjustments to the financial statements. Obtaining the required information to record and audit the liability and the related disclosures requires the timely coordination of information between the Town, the actuary and the auditors.

The Town has established an annual closing process and an audit schedule that anticipates an audit fieldwork completion date of late November, to allow sufficient time to complete and review the audit reports prior to any deadlines. This process was delayed in 2020 due to the availability of the OPEB actuarial valuation report.

Recommendation

We recommend that the Town establish and agree to delivery dates with their actuary that will help to ensure that the Town's financial information is available by the scheduled audit fieldwork date. This should include deadlines for the Town to provide all required information to the actuary and a subsequent turn-around time from the actuary.

TOWN OF SUDBURY, MASSACHUSETTS
REPORTS ON FEDERAL AWARD PROGRAMS
YEAR ENDED JUNE 30, 2020



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor’s Report

To the Honorable Select Board
Town of Sudbury, Massachusetts

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sudbury, Massachusetts, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Sudbury, Massachusetts’ basic financial statements, and have issued our report thereon dated January 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Sudbury, Massachusetts’ internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Sudbury, Massachusetts’ internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Sudbury, Massachusetts’ internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Sudbury, Massachusetts’ financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Attachment1.c: Sudbury FY2020 SEFA (4615 : FY20 Audit Presentation)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Powers & Sullivan LLC

January 29, 2021



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

Independent Auditor’s Report

To the Honorable Select Board
Town of Sudbury, Massachusetts

Report on Compliance for Each Major Federal Program

We have audited the Town of Sudbury, Massachusetts’ compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Sudbury, Massachusetts’ major federal programs for the year ended June 30, 2020. The Town of Sudbury, Massachusetts’ major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Sudbury, Massachusetts’ major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of *Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Sudbury, Massachusetts’ compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Sudbury, Massachusetts’ compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Sudbury, Massachusetts complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Attachment 1.c: Sudbury FY2020 SEFA (4615 : FY20 Audit Presentation)

Report on Internal Control Over Compliance

Management of the Town of Sudbury, Massachusetts is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Sudbury, Massachusetts' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Sudbury, Massachusetts' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Powers & Sullivan LLC

March 31, 2021



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**REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditor's Report

To the Honorable Select Board
Town of Sudbury, Massachusetts

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Sudbury, Massachusetts as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Sudbury Massachusetts's basic financial statements. We issued our report thereon dated January 29, 2021, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Powers & Sullivan LLC

January 29, 2021

Attachment1.c: Sudbury FY2020 SEFA (4615 : FY20 Audit Presentation)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Amount Passed Through to Sub-Recipients	Expenditures
CHILD NUTRITION CLUSTER:				
U.S. DEPARTMENT OF AGRICULTURE:				
<u>Passed through State Department of Elementary and Secondary Education:</u>				
Non-Cash Assistance (Commodities):				
National School Lunch Program.....	10.555	09-288	\$ -	\$ 46,850
Cash Assistance:				
National School Lunch Program.....	10.555	09-288	-	85,011
COVID-19 National School Lunch Program.....	10.555	09-288	-	1,507
Total National School Lunch Program.....			-	133,368
Cash Assistance:				
School Breakfast Program.....	10.553	09-288	-	15,643
COVID-19 School Breakfast Program.....	10.553	09-288	-	955
Total National School Breakfast Program.....			-	16,598
TOTAL CHILD NUTRITION CLUSTER.....			-	149,966
HIGHWAY SAFETY CLUSTER:				
U.S. DEPARTMENT OF TRANSPORTATION:				
<u>Passed through Highway Safety Bureau:</u>				
State and Community Highway Safety.....	20.600	2020PDTOENFSUDBURY	-	7,940
National Priority Safety Programs.....	20.616	2020PDTOENFSUDBURY	-	3,613
TOTAL HIGHWAY SAFETY CLUSTER.....			-	11,553
SPECIAL EDUCATION CLUSTER:				
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through State Department of Elementary and Secondary Education:</u>				
Special Education Grants to States (IDEA, Part B).....	84.027	240-314575-2020-0288	-	584,342
<u>Passed through State Department of Early Education and Care:</u>				
Special Education Preschool Grants (IDEA, Preschool).....	84.173	262-314576-2020-0288	-	12,519
Special Education Preschool Grants (IDEA, Preschool).....	84.173	26220SUDBURYPUBLICSC	-	5,481
Total Special Education Preschool Grants (IDEA, Preschool).....			-	18,000
TOTAL SPECIAL EDUCATION CLUSTER.....			-	602,342
AGING CLUSTER:				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<u>Direct Program:</u>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers.....	93.044	N/A	-	8,902
OTHER PROGRAMS:				
U.S. DEPARTMENT OF JUSTICE:				
<u>Direct Program:</u>				
Bulletproof Vest Partnership Program.....	16.607	N/A	-	2,685
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Direct Programs:</u>				
Assistance to Firefighters Grant.....	97.044	N/A	-	74,482
Staffing for Adequate Fire and Emergency Response (SAFER).....	97.083	N/A	-	211,592
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			-	286,074
PASS-THROUGH PROGRAMS:				
U.S. DEPARTMENT OF TREASURY:				
<u>Passed through Executive Office of Administration and Finance:</u>				
COVID-19 - Coronavirus Relief Fund.....	21.019	COVID19 288	-	74,574
U.S. DEPARTMENT OF EDUCATION:				
<u>Passed through State Department of Elementary and Secondary Education:</u>				
Title I Grants to Local Educational Agencies (Fiscal Year 2020).....	84.010	305-291382-2020-0288	-	61,479
Title I Grants to Local Educational Agencies (Fiscal Year 2019).....	84.010	305-210044-2019-0288	-	5,090
Total Title I Grants to Local Educational Agencies.....			-	66,569
Improving Teacher Quality State Grants (Fiscal Year 2020).....	84.367	140-291381-2020-0288	-	28,367
Improving Teacher Quality State Grants (Fiscal Year 2019).....	84.367	140-210045-2019-0288	-	301
Total Improving Teacher Quality State Grants.....			-	28,668
Title 4A Student Support and Academic Enrichment.....	84.424	309-291383-2020-0288	-	5,284
TOTAL U.S. DEPARTMENT OF EDUCATION.....			-	100,521
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<u>Passed through the State Emergency Management Agency:</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters).....	97.036	4379DR	-	429,755
Emergency Management Performance Grants.....	97.042	FY20EMPG1900000SUDBU	-	4,579
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY.....			-	434,334
TOTAL.....			\$ -	\$ 1,670,951

See notes to Schedule of Expenditures of Federal Awards.

Attachment 1.c: Sudbury FY2020 SEFA (4615 : FY20 Audit Presentation)

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Town of Sudbury, Massachusetts under programs of the federal government for the year ended June 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Sudbury, Massachusetts, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Sudbury, Massachusetts.

Note 2 – Summary of Significant Accounting Policies

The accounting and reporting policies of the Town of Sudbury, Massachusetts are set forth below:

- (a) Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting. Accordingly, expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (b) Cash Assistance – National School Lunch Program and School Breakfast Program – Program expenditures represent federal reimbursement for meals provided during the year.
- (c) Non-Cash Assistance (Commodities) – National School Lunch Program – Program expenditures represent the value of donated foods received during the year.
- (d) Disaster grants – Severe winter storm grants have been reported the year reimbursement was received.
- (e) The Town of Sudbury, Massachusetts has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the financial statements of the Town of Sudbury, Massachusetts.
2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Town of Sudbury, Massachusetts, were disclosed during the audit.
4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for the Town of Sudbury, Massachusetts, expresses an unmodified opinion on all major federal award programs.
6. There were no audit findings relative to the major federal award programs for the Town of Sudbury, Massachusetts.
7. The program tested as a major grant is the Disaster Grants – Public Assistance (Presidentially Declared Disasters).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Town of Sudbury, Massachusetts was determined to be a low-risk auditee.

B. Findings – Financial Statements Audit

None.

C. Findings and Questioned Costs – Major Federal Award Programs

None.

D. Prior Year Findings and Questioned Costs – Major Federal Award Programs**Significant Deficiency****2019-001: Document Policies and Procedures Over Federal Awards**

All Federal Programs

Condition and Criteria: OMB's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* established significant new requirements related to Federal awards. The new requirements stipulate that federal award recipients must document their policies and procedures over certain aspects of financial and program management. Specifically, written policies are required for the following:

- Cash management
- Determination of allowable costs
- Employee travel
- Procurement
- Subrecipient monitoring and management
-

In the prior year, the Town had not formalized written policies and procedures related to Federal awards as required under the Uniform Guidance. We recommended the Town ensure that written policies and procedures be compiled and adopted.

Current Status: The corrective action has been taken.



SUDBURY SELECT BOARD
Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

2: Financial policies update

REQUESTOR SECTION

Date of request:

Requestor: Chair Roberts

Formal Title: Financial policies update. Chair Roberts and Board Member Schineller to report.

Recommendations/Suggested Motion/Vote: Financial policies update. Chair Roberts and Board Member Schineller to report.

Background Information:

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

SELECT BOARD POLICIES & PROCEDURES REVIEW SUBCOMMITTEE OVERVIEW

SUBCOMMITTEE GOALS (2/2/21)

Subcommittee has accomplished to date (5/4/21 or 5/11/21):

- Work on bringing to full Select Board revised set of **Financial Policies**:
 - Subcommittee do mechanics of documents and zero in on key **'policy'** decisions.
 - Solicit input of Finance Director.
 - Bring back to full Select Board for full review and discussion.
- Review Capital Planning/ Funding program:
 - Review recommendations of Strategic Financial Planning Committee for Capital Funding (SFPCC).
 - Analyze DLS Recommendations.
 - Subcommittee to recommend to Select Board if/where DLS recommendations and SFPCC be incorporated into Select Board or other Town policies.
 - Subcommittee recommend to Select Board if/where DLS and SFPCC recommendations be **actioned** upon e.g. Town Meeting articles (to modify town fund accounts etc.)
 - Action Plan, Roadmap to achieve goals...
 - Charlie "Bridge Letter..."
- Maintain transparent communication to the public and solicit public feedback at our public meetings:
 - In how we conduct the subcommittee.
 - As a theme in how we write policies for ease of understanding town finances.
 - Transparent capital plan / needs / forecast.

PROGRESS TO DATE:

The subcommittee has produced a revised 19-page financial policies manual, a spreadsheet of 42 key policy considerations for the Select Board, and a draft Q&A Finance Director document.

Subcommittee meetings on:

2/2: Kick-off, define goals and deliverables, approach, and timeline. Start review of draft financial policy document identifying key questions/comments.

2/17: Continue review of draft policy document identifying key questions/comments.

3/11: Continue review of draft financial policy document/and started review of DLS recommendations to incorporate into draft policy document.

3/18: Review DLS report to incorporate recommendations into draft policy document.

3/25: Finalize policy questions/comments for Dennis Keohane (Town Finance Director) meeting.

4/01: Finalize policy questions/comments for Dennis Keohane (Town Finance Director) meeting.

4/08: Meeting with Dennis Keohane to discuss questions/comments.

4/12: Meeting with Dennis Keohane to discuss questions/comments.

4/15: Final edits to financial policy draft.

4/22: Final edits to financial policy draft.

4/23: Financial draft review with Dennis Keohane.

4/28: Financial draft review with Dennis Keohane.

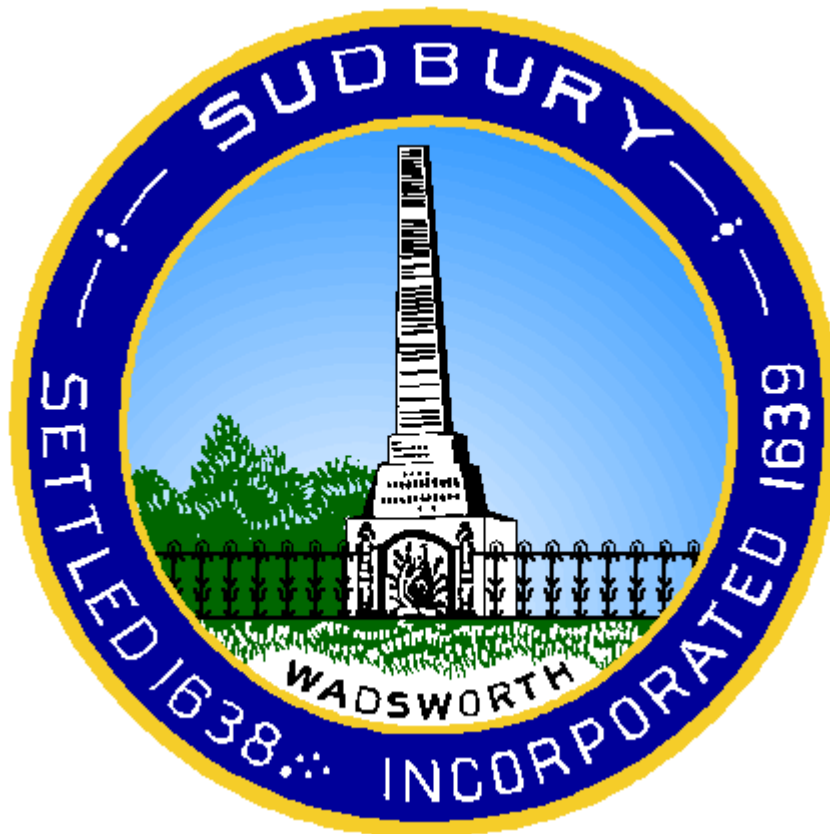
4/29: Financial policy documents final editing.

5/4, 5/11, or 5/18: Share Financial Policy document draft and policy decisions with Select Board.

DOCUMENT ORIGIN: JAN 5, 2021 DRAFT BY DENNIS KEOHANE (Finance Dir.) INCORPORATING 2020 DLS RECOMMENDATIONS. EDITED BY SELECT BOARD POLICIES AND PROCEDURES SUBCOMMITTEE AS OF APRIL 29, 2021

Town of Sudbury, Massachusetts Financial Policies Manual

DRAFT



Attachment 2.b: Select Board Financial Policies WORKING DRAFT 2021 04.29.21 (4617 : Financial policies update)

Introduction

The Town of Sudbury is committed to safeguarding public funds, protecting local assets, and complying with financial standards and regulations. To that end, this manual of financial policies provides guidance for local planning and decision making. The policies as a whole are intended to outline objectives, provide formal direction, and define authority to help ensure sound fiscal stewardship and management practices. Each is a living document that should be reviewed periodically and updated as necessary.

With these policies, the Town of Sudbury, through its [Select Board](#), Town Manager, and employees, commits to the following objectives:

- Sustaining a consistent level of service and value for residents
- Safeguarding financial integrity and minimizing risk through a system of internal controls
- Ensuring the quality and maintenance of capital assets [\(see Appendix A for definition of capital assets\)](#)
- Conforming to general law, uniform professional standards, and municipal best practices
- Protecting and enhancing the town's credit rating
- Promoting transparency and public disclosure

DOCUMENT ORIGIN: JAN 5, 2021 DRAFT BY DENNIS KEOHANE (Finance Dir.) INCORPORATING 2020 DLS RECOMMENDATIONS. EDITED BY SELECT BOARD POLICIES AND PROCEDURES SUBCOMMITTEE AS OF APRIL 29, 2021

Town of Sudbury, Massachusetts

Financial Policies Manual

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DRAFT

Attachment2.b: Select Board Financial Policies WORKING DRAFT 2021 04.29.21 (4617 : Financial policies update)

FINANCIAL RESERVES

PURPOSE

To help the Town stabilize finances and maintain operations during difficult economic periods, this policy establishes prudent practices for appropriating to and expending reserve funds. With well-planned sustainability, Sudbury can use its reserves to finance emergencies and other unforeseen needs, to hold money for specific future purposes, or in limited instances, to serve as revenue sources for the annual budget. Reserve balances and policies can also positively impact the Town's credit rating and consequently its long-term cost to fund major projects.

APPLICABILITY

This policy pertains to short- and long-range budget decision making and applies to the Select Board, Sudbury Public School Committee, and Town Manager in those duties. It also applies to the related job duties of the Finance Director, the Town Accountant, the Board of Assessors, and the Finance Committee.

POLICY

The Town of Sudbury commits to building and maintaining its reserves so as to have budgetary flexibility for unexpected events and significant disruptions in revenue-expenditure patterns and to provide a source of available funds for future capital expenditures. **The Town will strive to maintain overall reserves in the level of 10-12% of the prior year General Fund budget.** These reserves are comprised of the general stabilization fund, special purpose stabilization funds and free cash target. Adherence to this policy will help the Town withstand periods of decreased revenues and control spending during periods of increased revenues. Other types of reserves include retained earnings and overlay surplus.

A. Free Cash

The Division of Local Services (DLS) defines free cash as “the remaining, unrestricted funds from operations of the previous fiscal year, including unexpended free cash from the previous year.” DLS must certify free cash before the Town can appropriate it in the new year.

By August 15th each year, the Town Accountant shall submit to DLS a year-end balance sheet, free cash checklist, and year-end reporting checklist. Once DLS certifies free cash, the Town Accountant will provide copies of the certified balance to the Select Board, Town Manager, and Finance Director.

Each spring, the Town Manager shall include the Town's free cash balance in the proposed budget submitted to the Select Board and Finance Committee for the ensuing fiscal year, along with details on the proposed uses of and/or retention level of free cash. Any proposed use of free cash for capital equipment or improvements shall be consistent with needs identified in the Town's capital improvement program.

The Town shall set a year-to-year goal of maintaining its free cash in the range of **3-5% of the prior year's General Fund budget.** To achieve this, the Finance Director shall assist the Town Manager in proposing budgets with conservative revenue projections, and department heads

shall carefully manage their appropriations to produce excess income and budget turn backs. Further, budget decision makers will avoid fully depleting the Town's free cash in any year, so that the succeeding year's calculation can begin with a positive balance. Moreover, as much as practicable, the Town will limit its use of free cash to funding one-time expenditures (like capital projects or emergencies and other unanticipated expenditures) and will appropriate any free cash excess above 5% of the General Fund budget to reserves, to offset unfunded liabilities, or to set aside for existing debt.

B. Stabilization Funds

A stabilization fund is a reserve account allowed by state law to set aside monies to be available for future spending purposes, including emergencies or capital expenditures, although it may be appropriated for any lawful purpose. Prior to the adoption of this policy, the Town established and appropriated to a general stabilization fund and special purpose stabilization funds for capital projects.

General Stabilization: The Town will endeavor to maintain a minimum balance of 5% of the prior year's General Fund budget in its general stabilization fund. Withdrawals from general stabilization should only be used to mitigate emergencies or other unanticipated events that cannot be supported by current General Fund appropriations. When possible, withdrawals of funds should be limited to the amount available above the 5% minimum reserve target level. If any necessary withdrawal drives the balance below the minimum level, the withdrawal should be limited to one-third of the general stabilization fund balance at a time, endeavoring to never fully deplete it. Replenishment of the funds should be made annually at the Fall Town Meeting, or the earliest available meeting after free cash has been certified.

Special Purpose Stabilization Funds

Capital Stabilization: The Town will appropriate annually to the capital stabilization fund so that over time it achieves a target balance sufficient to cover the Town's cash outlay for capital. Doing so enables the Town to pay outright for moderate-range (under \$1M) capital expenditures and thereby preserve debt capacity for major, higher-dollar purchases or projects. This approach balances debt with pay-as-you-go practices and protects against unforeseen costs. The Town should endeavor to achieve and maintain a combined target balance for all capital-related special purpose stabilization funds equal to 2% of prior year General Fund budget.

Withdrawals from the Capital Stabilization Fund should be avoided until the target balance has been achieved. Once achieved, funds should be replenished annually at the Fall Town Meeting, or the earliest available meeting after free cash has been certified (subject to free cash availability).

Turf Stabilization: The Town maintains a special purpose fund to offset the cost of periodic replacement of designated town-owned turf fields. As originally created, this fund applies to the Cutting Field but could be expanded to other fields in the future.

C. Overlay Surplus

The overlay is a reserve the Town uses to offset unrealized revenues resulting from property tax abatements and exemptions. Sudbury officials will prudently manage the overlay in accordance with the Town's Overlay policy to avoid the need to raise overlay deficits in the tax levy. At the conclusion of each fiscal year, the Board of Assessors shall submit to the Town Manager and Finance Director an update of the overlay reserve with data that includes, but is not limited to, the gross balance, potential abatement liabilities, and any transfers to surplus. If the balance exceeds the amount of potential liabilities, the Town Manager may request that the Board of Assessors vote to declare those balances surplus, available for one-time expenditures (as with free cash).

DRAFT

FORECASTING

PURPOSE

To assess the range of choices available to budget decision makers when determining how to allocate resources, this policy establishes guidelines for evaluating revenue sources and the requirement to determine an expenditure strategy as part of the annual budget process and longer-range fiscal planning. Forecasting helps local officials understand the long-range implications of pending near-term decisions.

APPLICABILITY

This policy applies to the Town Manager as the Town's chief budget decision maker. It also applies to the job responsibilities of the Finance Director, [Sudbury Public Schools Superintendent](#), [Sudbury Public Schools Business Manager](#), [Select Board](#), [Sudbury Public Schools Committee](#), and Finance Committee.

POLICY

A. Revenue Guidelines

The Town will continually seek to diversify its revenue to improve the equity and stability of sources. Each year and whenever appropriate, the Town will reexamine existing revenues and explore potential new sources. A balance will be sought between elastic and inelastic revenues to minimize any adverse effects caused by inflation or other economic changes. Additionally, intergovernmental revenues (e.g., local aid, grants) will be reviewed annually to determine their short- and long-term stability in order to minimize detrimental impacts.

The Town will generally avoid using one-time revenues to fund ongoing or recurring operating expenditures. These one-time revenue sources can include, but are not limited to, free cash, bond premiums, overlay surplus, sale of municipal equipment, legal settlements, insurance proceeds, and gifts. Additionally, the Town hereby establishes the following priority order when appropriating one-time revenues:

- General Stabilization Fund (maintenance of 5% of prior year's General Fund budget)
- Annual Capital Spending (non-debt; target of 3% of prior year's General Fund budget)
- Capital Stabilization Fund (target of 2% of prior year's General Fund budget)
- OPEB Trust Fund
- Existing debt

New growth (residential or commercial) permanently adds to the tax base. The Town should endeavor to contribute any new growth in excess of 1% of prior year's General Fund budget to capital expenditures or reserves.

Economic downturns or unanticipated fiscal stresses may compel reasonable exceptions to the use of one-time revenue. In such cases, the Town Manager, in consultation with the Finance Director, can recommend its use for operational appropriations. Such use will trigger the Town Manager to develop a plan to avoid continued reliance on one-time revenues.

State laws impose further restrictions on how certain types of one-time revenues may be used. The Town will consult the following General Laws when the revenue source is:

- Sale of real estate: [M.G.L. c. 44, §63](#) and [M.G.L. c. 44, §63A](#)
- Gifts and grants: [M.G.L. c. 44, §53A](#) and [M.G.L. c. 53A½](#)
- Bond proceeds: [M.G.L. c. 44, §20](#)
- Sale of moveable property: [M.G.L. c. 44, § 53](#)

This policy further entails the following expectations regarding revenues:

- The Assessing Department will maintain property assessments for the purpose of taxation at full and fair market value as prescribed by state law.
- Town departments that charge fees (Enterprise Funds and recreation programs, for example) shall annually review their fee schedules and propose adjustments when needed to ensure coverage of service [costs and endeavor to generate retained earnings of 3-5% of prior year's enterprise fund budgets for asset replacement.](#)
- The Building Department will notify the Finance Director of any moderate-to-large developments that could impact building permit volume.
- Department heads will strive to be informed of all available grants and other aid and will carefully consider any related restrictive covenants or matching requirements (both dollar and level-of-effort) to determine the cost-benefit of pursuing them.
- Revenue estimates will be adjusted throughout the budget cycle as more information becomes available.

B. Expenditure Guidelines

Annually, the Town will determine a particular budget approach for forecasting expenditures, either maintenance (level service), level funded, or one that adjusts expenditures by specified increase or decrease percentages (either across the board or by department). A maintenance budget projects the costs needed to maintain the current staffing level and mix of services into the future. A level funded budget appropriates the same amount of money to each municipal department as in the prior year and is tantamount to a budget cut because inflation in mandated costs and other fixed expenses still must be covered.

C. Financial Forecast Guidelines

To determine the Town's operating capacity for each forthcoming fiscal year, the Finance Director will annually create and provide the Town Manager with a detailed budget forecast. The Finance Director shall also annually prepare a three-year financial projection of revenues and expenditures for all operating funds.

These forecasts shall be used as planning tools in developing the following year's operating budget as well as the five-year capital improvement plan.

To ensure the Town's revenues are balanced and capable of supporting desired levels of services, forecasts for property taxes, local receipts, and state aid shall be conservative based on historical trend analyses and shall use generally accepted forecasting techniques and appropriate data. To avoid potential revenue deficits, estimates for local receipts (e.g., inspection fees, investment income, license fees) should generally not exceed 90% of the prior year's actual collections without firm evidence that higher revenues are achievable.

Additionally, the forecast model should assume that:

- The Town will maintain its current level of services.
- Property taxes (absent overrides) will grow within the limits of Proposition 2½.
- New growth will be projected conservatively, considering the Town's three-year average by property class.
- The Town will annually meet or exceed the state's net school spending requirements.
- Local receipts and state aid will reflect economic cycles.
- The Town will pay the service on existing debt and adhere to its Debt Management policy.
- The Town will make its annual pension contributions and continue appropriating to its other postemployment benefits trust fund.
- The Town will build and maintain reserves in compliance with its Financial Reserves policy.

OVERLAY

PURPOSE

To set guidelines for determining the annual overlay amount in the Town's budget and for deciding whether any overlay balance can be certified as surplus.

The allowance for abatements and exemptions, commonly referred to as the overlay, is an account whose purpose is to offset anticipated abatements and exemptions of committed real and personal property taxes. Effective December 7, 2016, the Municipal Modernization Act ([Chapter 218 of the Acts of 2016](#)) provides for a single overlay account. Previously, a community had to maintain separate overlay reserves for each fiscal year and could not use the surplus from one year to cover another year's deficit without a multistep process involving the assessors, accounting officer, and local legislative body. However, the Act allows all existing overlay balances to be transferred to a single account. Although this policy treats overlay as a single account, to continue historical information and facilitate reconciliations, the Town may elect to maintain subsidiary ledgers by levy year for overlay balances.

APPLICABILITY

This policy applies to the job duties of the Board of Assessors, Director of Assessing, Town Manager, and Finance Director.

POLICY

A. Annual Overlay

Each year, the Board of Assessors shall vote in an open meeting to authorize a contribution to the overlay account as part of the budget process and to raise it without appropriation on the Town's Tax Recap Sheet. The Principal Assessor will propose this annual overlay amount to the Board of Assessors based on the following:

- Current balance in the overlay account
- Five-year average of granted abatements and exemptions
- Potential abatement liability in cases pending before, or on appeal from, the Appellate Tax Board (ATB)
- Timing of the next certification review by the Division of Local Services (scheduled every five years under the Municipal Modernization Act) The Board of Assessors shall notify the Finance Director of the amount of overlay voted

B. Excess Overlay

Annually, the Finance Director and Director of Assessing will conduct an analysis to see if there is any excess in the overlay account by factoring the following:

- Current balance in the overlay account after reconciling with the Town Accountant's records

- Balance of the property tax receivables, which represents the total real and personal property taxes still outstanding for all levy years
- Estimated amount of potential abatements, including any cases subject to ATB hearings or other litigation

Upon determining any excess in the overlay account, the Principal Assessor shall present the analysis to the Board of Assessors for its review.

C. Overlay Surplus

If there is an excess balance in the overlay account, the Board of Assessors shall formally vote in an open meeting to certify the amount to transfer to overlay surplus and shall notify the Town Manager and Finance Director in writing of its vote. If the Town Manager makes a written request for a determination of overlay surplus, the Board of Assessors shall vote on the matter within the next 10 days and notify the Town Manager and Finance Director of the result in writing. At the annual Tax Classification Hearing, the Select Board shall request an update from the Board of Assessors on the balance of the overlay account.

After being certified, Town Meeting may appropriate overlay surplus for any lawful purpose until the end of the fiscal year. However, the appropriation should be as prescribed in the Town's Forecasting policy (re: treatment of one-time revenues) and its Financial Reserves policy (re: overlay surplus). Overlay surplus not appropriated by year-end closes to the General Fund's undesignated fund balance.

DEBT MANAGEMENT

PURPOSE

To provide for the appropriate issuance and responsible use of debt, this policy defines the parameters and provisions governing debt management. Policy adherence will help the Town to responsibly address capital needs, provide flexibility in current and future operating budgets, control borrowing, and maintain capital investment capacity. This policy is also intended to maintain and enhance the town's bond rating so as to achieve long-term interest savings.

APPLICABILITY

This policy applies to the Town Manager, Select Board, Sudbury Public School Committee, and Finance Committee in their budget decision making and in the Finance Director's debt reporting. It also applies to the Finance Director's budget analysis duties. Additionally, in the role as Treasurer/Collector, the statutory responsibilities associated with debt management.

POLICY

Under the requirements of federal and state laws, the Town may periodically issue debt obligations to finance the construction, reconstruction, or acquisition of infrastructure and other assets or to refinance existing debt. The Town will issue and manage debt obligations in such a manner as to obtain the best long-term financial advantage and will limit the amount of debt to minimize the impact on taxpayers. Debt obligations, which include general obligation bonds, revenue bonds, bond anticipation notes, lease/purchase agreements, and any other debt obligations permitted to be issued under Massachusetts law, shall only be issued to construct, reconstruct, or purchase capital assets that cannot be acquired with current revenues.

A. Debt Financing

Debt may be financed either within the levy, or beyond the levy (a debt exclusion which requires a Proposition 2 ½ voter referendum).

In financing with debt, the Town **will:**

1. Issue long-term debt only for objects or purposes authorized by state law and only when the financing sources have been clearly identified.
2. **Use available funds to the greatest extent possible to reduce the amount of borrowing on all debt-financed projects.**
3. Confine long-term **(QUESTION)** borrowing to capital improvements and projects that cost at least \$100,000 and that have useful lifespans of at least ten years or whose lifespans will be prolonged by at least ten years.
4. Restrict debt exclusion borrowing to proposals which meet all three of these criteria:
 - (1) useful life of 20 years or more
 - (2) estimated cost of the **principal payment in the first year of the debt issuance** must be **greater than 1%** of the prior year's General Fund revenue
 - (3) the expenditure is either for town-owned land, buildings, or infrastructure or for a LSRHS capital assessment.

5. Refrain from using debt to fund any recurring purpose, such as current operating and maintenance expenditures.
6. The policy of the Select Board shall be to include sufficient debt capacity within the levy, such that capital items can be more predictably funded.
7. As debt within the levy decreases annually, this amount shall be used for capital, future debt, or set aside for future capital.

B. Debt Limits and Targets

The Town will adhere to these debt parameters:

1. Total annual debt service, including debt exclusions and any self-supporting debt, shall be limited to 10% of General Fund revenues, with a target of 5-7%.
2. As dictated by state statute MGL ch 44 section 10, the Town's debt limit shall be 5% of its most recent equalized valuation.
3. The Town shall endeavor to gradually and consistently pursue future debt issuances financed by within-levy dollars with a target of 3% of prior year's General Fund budget.

C. Structure and Term of Debt

The following shall be the Town's guidelines on debt terms and structure:

1. The term of any debt shall not exceed the expected useful life of the capital asset being financed and in no case shall it exceed the maximum allowed by law.
2. The Town will limit bond maturities to no more than 10 years, except for major buildings, water and water facility projects, land acquisitions, and other purposes in accordance with the useful life borrowing limit guidelines published by the Division of Local Services (DLS).
3. For non-excluded debt the Town will generally choose terms less than 20 years and structure as level principal payments, so that over time the annual debt payment goes down, opening up capacity for future capital.
4. Any vote to authorize borrowing will include authorization to reduce the amount of the borrowing by the amount of the net premium and accrued interest.
5. The Town will work closely with its financial advisor to follow federal regulations and set time frames for spending borrowed funds to avoid committing arbitrage, paying rebates, fines and penalties to the federal government, and jeopardizing any debt issuance's tax-exempt status.

D. Bond Refunding

To achieve potential debt service savings on long-term debt through bond refunding, the Town will:

1. Issue debt with optional call dates no later than 10 years from issue.
2. Analyze potential refunding opportunities on outstanding debt as interest rates change.
3. Use any net premium and accrued interest to reduce the amount of the refunding.

4. Work with the Town's financial advisor to determine the optimal time and structure for bond refunding.

E. Protection of Bond Rating

To protect its bond rating, the Town will:

1. Maintain good communications with bond rating agencies, bond counsel, banks, financial advisors, and others involved in debt issuance and management.
2. Follow a policy of full disclosure on every financial report and bond prospectus, including data on total outstanding debt per capita, as a percentage of per capita personal income, and as a percentage of total assessed property value.
3. The Town will not rely on reserves to sustain operating deficits. Use of such reserves will be limited to helping the Town deal with short-term or emerging financial stress, but then the Town will either reduce spending to within the limits of recurring revenues, or seek approval for additional revenues from the voters of the Town.
4. The Town will not defer current costs to a future date. This includes costs such as pension costs or benefits costs. From time to time, the State offers municipalities the option of deferring payments to their pension system, or other costs, as a short-term way of balancing a fiscal year's budget. However, it is the intention of the Town of Sudbury not to rely on these options.
5. The Town will follow the policies as outlined in this policy statement.

F. Reporting

1. The Town's Annual Town Report, Town Manager's Budget Request and Annual Town Meeting Warrant will give comprehensive summaries of the debt obligations of the Town.
2. The Finance Director will include an indebtedness summary as part of a report on receipts and expenditures in Sudbury's Annual Town Report.
3. The Finance Director, with the Town's financial advisor, will file the annual audit and official disclosure statement within 270 days of the end of the fiscal year.

INVESTMENTS

PURPOSE

To ensure the Town's public funds achieve the highest possible, reasonably available rates of return while following prudent standards associated with safety, liquidity, and yield, this policy establishes investment guidelines and responsibilities. It is further designed to comply with the Governmental Accounting Standards Board's recommendation that each community disclose its key policies affecting cash deposits and other long-term investments to ensure they are managed prudently and not subject to extraordinary risk.

APPLICABILITY

This policy pertains to short-term operating funds, including general funds, special revenue funds, bond proceeds, capital project funds, and to all accounts designated as long-term (e.g., trusts, stabilization funds, other postemployment benefits trust fund (OPEB), and others the Town may set aside for long-term use, including scholarship and perpetual care funds). It does not pertain to the Town's retirement fund, which is managed by the Middlesex County Retirement Board. This policy applies to the Finance Director, in the role as Treasurer, his or her designee(s), and any advisors or other professionals in their responsibilities for investing and managing Town funds.

POLICY

The Finance Director shall invest funds in a manner that meets the Town's daily operating cash flow requirements and conforms to state statutes governing public funds while also adhering to generally accepted diversification, collateralization, and the prudent investment principles regarding safety, liquidity, and yield.

See additional details in the Town of Sudbury Investment Policy ([TODO: ADD DOC TO WEBSITE AND LINK](#)) document as well as the [Town of Sudbury CPA Investment Policy](#) document.

CAPITAL ASSETS

PURPOSE

To ensure Sudbury's capital assets can cost-effectively sustain the town's desired service levels into the future.

APPLICABILITY

This policy applies to the Town Manager as the Town's chief budget decision maker. It also applies to the job responsibilities of the Finance Director, School Superintendent, School Business Manager, [Select Board](#), [Sudbury Public School Committee](#), and Finance Committee.

POLICY

A. Capital Improvement Plan

The Town Manager shall maintain an inventory of all Town 'capital assets' (defined in Appendix A), their age, value, and condition. The Town Manager will update and adopt annually a five-year capital improvement plan ("CIP"), including the upcoming annual capital improvement budget ("CIB") and a four-year projection of capital needs and expenditures, which details the estimated cost, description and anticipated funding sources for capital projects. The CIP should govern projects undertaken either to build, buy, expand or replace a long-life asset or to an asset's condition beyond its original state of quality, efficiency, or useful life expectation.

Annually, the minimum level of capital spending the town should target year to year should be equivalent to 6% of the prior year's General Fund budget, drawn equally from within-levy debt and cash capital sources.

The 6% target shall guide how much capital spending can be planned in each year of the CIP.

1. The Town Manager shall establish criteria to determine capital asset prioritization, including but not limited to:
 - mitigation of safety hazards
 - legal compliance
 - ADA compliance (Americans with Disabilities Act)
 - operating cost reduction
 - service or efficiency improvement
 - availability of outside funding sources
 - conformance to asset replacement schedule
 - enhancement of quality of life
2. The Town Manager shall consult with Department Heads annually regarding the composition and prioritization of the capital plan and create an ordered list sorted by urgency score, with appropriate justification.
3. A Capital Project Submission Sheet shall be required for every item listed on the five-year CIP.

4. The CIP shall not include items that cost less than \$20,000 or have a useful life of less than 5 years. Items that do not meet this threshold should be included within the Town's operating budget.
5. Alongside the CIP prioritization, potential Funding Sources shall be identified. Wherever possible, funding sources should be derived from 'cash capital' and within levy debt funding options. Funding sources for capital may include:
 - Community Preservation Act (CPA) funds (if eligible; Open Space, Recreation, Historic)
 - Town Manager's Capital Budget (items <\$100K)
 - New growth dedicated to capital
 - Capital Stabilization Fund
 - Special-purpose stabilization funds
 - Free Cash
 - In-levy Debt
 - Dedicated revenue sources (i.e. Sewataro revenue share).
 - Capital Exclusion
 - Debt Exclusion
6. The Town will emphasize preventive maintenance as a cost-effective approach to infrastructure maintenance. Exhausted capital goods will be replaced as necessary.
7. The CIP shall not include items deemed to be departmental maintenance. Rather, such smaller, shorter life maintenance items should be included in departmental budgets.
8. Annually, the Town shall request LSRHS's 5 and 15 year capital plans. The Town's obligation per the LSRHS agreement shall be factored into the Town CIP.

B. Risk Management

1. The Town will maintain an effective risk management program that provides adequate coverage, minimizes losses, and reduces costs.
2. The Town will annually work with the Town's insurance carrier to update all listings of Town owned assets and the value and condition of such covered assets.

C. Reporting

1. Annually, the 5 year capital improvement plan shall be posted and accessible for public view on town website for public review at all times, reflecting updates for any changes made. The Capital Project Submission Sheet for each project on the 5 year CIP shall be posted and linked from the CIP.
2. The Town Manager will submit a capital program annually to the Capital Improvement Advisory Committee (CIAC). The proposed program will detail each capital project, the estimated cost, description and funding.
3. The Town Manager shall submit Town Meeting articles for the CIB by January 31st.
4. The Select Board shall report all requests for capital appropriations to the Finance Committee on or before February 5. (Bylaws Article IV Section 5).
5. The Town Manager will present the CIB for approval at the Annual Town Meeting (generally the 1st Monday in May).

OTHER POSTEMPLOYMENT BENEFITS LIABILITY (OPEB)

PURPOSE

To provide the basis for a responsible plan for meeting the Town's obligation to provide other postemployment benefits (OPEBs) to eligible current and future retirees. This policy provides guidelines designed to ensure OPEB sustainability and achieve generational equity among those called upon to financially support OPEBs, thereby avoiding transferring costs into the future.

APPLICABILITY

This policy encompasses OPEB-related budget decisions, accounting, financial reporting, and investment.

BACKGROUND

In addition to salaries, the Town of Sudbury compensates employees in a variety of other forms. Many earn benefits over their years of service that they will not receive until after retirement. A pension is one such earned benefit. Another is a set of retirement insurance plans for health, dental, and life. These are collectively referred to as other postemployment benefits or OPEBs.

OPEBs represent a significant liability for the Town that must be properly measured, reported, and planned for financially. As part of a long-range plan to fund this obligation, the Town established an OPEB Trust Fund, which allows for long-term asset investment at higher rates of return than those realized by general operating funds.

POLICY

The Town of Sudbury is committed to funding the long-term cost of the benefits promised its employees. To do so, the Town will accumulate resources for future benefit payments in a disciplined, methodical manner during the active service life of employees. The Town will also periodically assess strategies to mitigate its OPEB liability. This involves evaluating the structure of offered benefits and their cost drivers while at the same time avoiding benefit reductions that would place undue burdens on employees or risk making the Town an uncompetitive employer.

A. Accounting and Reporting

The Finance Director will obtain actuarial analyses of the Town's OPEB liability every two years and will annually report the Town's OPEB obligations in financial statements that comply with the current guidelines of the Governmental Accounting Standards Board.

The Town Auditor shall ensure that the Town's independent audit firm reviews compliance with the provisions of this policy as part of its annual audits.

B. Mitigation

On an ongoing basis, the Town will assess healthcare cost containment measures and evaluate strategies to mitigate its OPEB liability. The Finance Director shall monitor proposed laws

affecting OPEBs and Medicare and analyze their impacts. The Human Resources Director shall regularly audit the group insurance and retiree rolls and drop any participants found to be ineligible based on work hours, active Medicare status, or other factors.

C. Funding

To address the OPEB liability, decision makers shall analyze a variety of funding strategies and subsequently implement them as appropriate with the intention of fully funding the obligation. The Town shall derive funding to invest in the OPEB trust from taxation, free cash, and any other legal form.

Appendices

Appendix A: Definition of Capital

Sudbury Capital Asset "Definition"

Capital Assets are the community-owned collection of significant, long-lasting, and expensive real and personal property used in the operation of government, including land and land improvements; infrastructure, such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. In order to be included in Sudbury's Capital Improvement Program, Capital Assets must cost \$20,000 or more and have a useful life of 5 or more years. Items or improvements that do not meet this threshold should be included within the Town's operating budget.

Appendix B: Protection of Credit Rating Policy

Maintenance of the highest-level credit rating possible is important to the continued financial health of Sudbury as it reduces the costs of issuing debt. Credit rating firms consider management practices to be very important factors. Poor management practices can inadvertently jeopardize the financial health of a local government. To be proactive in assuring the Town of Sudbury does not engage in these practices, the Select Board of the Town of Sudbury has adopted the following credit rating protection policies. The Town will not rely on reserves to sustain operating budgets. Use of such reserves will be limited to helping the Town deal with short-term or emerging financial stress. In the subsequent year, the Town will either reduce spending to within the limits of recurring revenues or seek approval for additional revenues from the voters of the Town. The Town will not defer current costs, such as pension or benefit costs, to a future date.

Policy Decision	Description	Comments
1 Name a second document for Action Plan (versus Policy doc)	"How to achieve targets Plan": For example: consider over time increasing the in-levy debt capacity. E.g. when there is capital that we might have historically considered paying with debt or capital exclusions, attempt to fit within the levy. FIRE STATION EXAMPLE...	
2 HOWTO: initially achieve Capital Stabilization Fund target balance	Map out in How to document, plan to get to 2% target. (Approach may include "wheel of free cash")	
3 overall reserves target	10-12 percent of prior year General Fund budget (Stabilization funds (5%) + Free Cash (3%) + Capital Stabilization Fund (2%))	
4 free cash target	year-to-year goal of maintaining free cash in the range of 3-5 percent of prior year General Fund budget	
5 acceptable uses of free cash what to do with free cash in excess of max	Town will limit its use of free cash to funding one-time expenditures (like capital projects or emergencies and other unanticipated expenditures)	
6 target	appropriate any excess above 5 % of the General Fund to reserves or to offset unfunded liabilities or to set aside for existing debt	
7 general Stabilization Fund target	5% of prior year general fund budget	
8 general Stabilization Fund withdrawal policy	If any necessary withdrawal drives the balance below the minimum level, the withdrawal should be limited to one-third of the general stabilization fund balance	
9 general Stabilization Fund replenishment policy	Replenishment of the funds should be made annually at the Fall Town Meeting, or the earliest available meeting after Free Cash has been certified.	
10 capital-related Special Purpose Stabilization Fund(s) target	2% of prior year General Fund budget (per DLS)	
11 Capital Stabilization Fund target	Capital Stabilization Fund (target of 2% of prior year general fund budget). Also we are recommending not using fund until target balance is achieved. If funds are used they should be replenished at the next Town Meeting as free cash allows.	
12 Close Melone Stabilization Fund and transfer to Capital Stabilization Fund	DLS recommendation "Close Melone Stabilization Fund"	
13 Limit the number of stabilization funds to small few that have clear but broadly defined purposes	does Turf fund fit this recommendation (clear but broadly defined?) and to what degree do we want to limit stabilization funds?	

- 14 Turf Stabilization Fund
 - Do we want to keep this? DLS recommendation to eliminate special purpose stabilization funds. Currently we put \$20K a year in (\$10K from field maintenance enterprise fund and \$10K from the general fund.)
 - Sale of moveable property: M.G.L. c. 44, § 53 *** DLS option... if we want to divert to Capital Stabilization, we could accept 4th para of ... M.G.L. c. 40 § 5B and specify a percentage of each sale (of moveable property e.g. Vehicles that will be dedicated, without further appropriation, to the capital stabilization fund.
- 15 adopt Sale of Moveable property policy (to fix Vehicle Surplus bylaw problem)
 - 16 use of Overlay Surplus funds policy
 - 17 Annual Capital Spending (non-debt) target policy
 - target of 3% of prior year's General Fund budget [see DLS pg 22 terminology and targets]
 - How to determine how much each year, considering 'catch up contributions' - we chose to not specify within Policies (consider for How To document)
- 18 OPEB Trust Fund annual contribution policy
 - In policies, "set aside for existing debt" e.g. Sewataro. Can't 'pre-pay' in this year's debt payment, but can make conscious decision to set aside revenue and not to raise corresponding amount of funds from levy next year for next years payment
- 19 special one-time revenue to offset Debt policy
 - New growth (residential or commercial) permanently adds to the tax base. The Town should attempt to dedicate 50 to 75% of all (commercial?) new growth levy amounts to capital expenditures or reserves. In talking to Dennis determined this was too aggressive. Changed to "The Town should endeavor to contribute any new growth in excess of 1 percent of prior year's general fund budget to capital expenditures or reserves."
- 20 special New growth revenue towards capital expenditures policy
 - Town departments that charge fees (Enterprise Funds and recreation programs, for example) shall annually review their fee schedules and propose adjustments when needed to ensure coverage of service costs and endeavor to generate retained earnings of 3-5% of prior year's enterprise fund budgets for asset replacement.
- 21 Policy on "Town departments that charge fees (Enterprise Funds and recreation programs...)"
 - costs and endeavor to generate retained earnings of 3-5% of prior year's enterprise fund budgets for asset replacement.

22 Overlay Surplus transparency
 Minimizing debt by maximizing use of
 23 available funds

At the annual Tax Classification Hearing, the Select Board shall request an update from the Board of Assessors on the balance of the overlay account

Use available funds to the greatest extent possible to reduce the amount of borrowing on all debt-financed projects

Confine long-term borrowing to capital improvements and projects that cost at least \$100,000 and that have useful lifespans of at least ten years or whose lifespans will be prolonged by at least ten years.

24 Long-term borrowing circumstances

25 Debt exclusion circumstances

Restrict debt exclusion borrowing to proposals which meet all three of these criteria:

- (1) useful life of 20 years or more;
- (2) estimated cost of the **principal payment in the first year** of the debt issuance must be greater than **1% of the prior year's general fund revenue** ; and
- (3) the expenditure is either for town-owned land, buildings, or infrastructure or for a LSRHS capital assessment.

The policy of the Select Board shall be to include sufficient debt capacity within the levy, such that capital items can be more predictably funded.

As debt within the levy decreases annually, this amount shall be used for capital, future debt, or set aside for future capital.

26 Debt within the levy

1.Total debt service, including debt exclusions and any self-supporting debt, shall be limited to 10 percent of general fund revenues, with a target balance of 5-7 percent.

27 Total debt service limit

The Town will limit bond maturities to no more than 10 years, except for major buildings, water and water facility projects, land acquisitions, and other purposes in accordance with the useful life borrowing limit guidelines published by the Division of Local Services (DLS).

28 Bond term limit 10 years except for...

NOTE: is this too aspirational / infeasible
 Might we make the notional 1% a value that the Select Board initially sets at lower bar, and increases as we gain more discipline and debt within the levy capacity? (Back of envelope: 1% of prior years general fund revenue is ~ \$1M. Only purchases of around \$20M or more would have first year Principal payment of > \$1M. ?? So this would say Broadacres, Sewataro would not have qualified for a debt exclusion.)

29 Debt re-funding options Issue debt with optional call dates no later than 10 years from issue

Annually, the minimum level of capital funding (spending) the town should target year to year should be equivalent to 6% of the prior year’s general fund budget, (drawn equally from within-levy debt and cash capital sources).

30 Annual Capital Spending Target require a Capital Project Submission Sheet for every item listed on CIB
Requirement for adding item to CIB and CIP (this year) and CIP (5 years plan)

31 list The CIP shall not include items that cost less than \$20,000 or have a useful life of less than 5 years. Items that do not meet this threshold should be included within the Town’s operating budget.

32 CIP inclusion / exclusion threshold Alongside the CIP prioritization, potential Funding Sources shall be identified. Wherever possible, funding sources should be derived from ‘cash capital’ and within levy debt funding options. Funding sources for capital may include:

- Community Preservation Act (CPA) funds (if eligible; Open Space, Recreation, Historic)
- Town Manager’s Capital Budget (items <\$100K)
- New growth dedicated to capital
- Capital Stabilization Fund
- Special-purpose stabilization funds
- Free Cash
- In-levy Debt
- Dedicated revenue sources (i.e. Sewataro revenue share).
- Capital Exclusion
- Debt Exclusion

require potential funding sources including CPA eligibility be in the CIP (for each project submission)

33 34 put maintenance and small, shorter life capital in Dept budget The CIP shall not include items deemed to be departmental maintenance. Rather, such smaller, shorter life maintenance items should be included in departmental budgets

do not include / itemize LSRHS capital in
 35 Sudbury CIP

LSRHS capital assets, while funded by Sudbury and Lincoln taxpayers, are not to be itemized in the Town of Sudbury Capital Improvement Plan. Rather, a single line item per year in each of the 5 and 15 year plans shall represent Sudbury’s contribution to LSRHS’s own independent capital plan (We did not choose to do this).

36 Transparency of CIP edits

Annually, the 5 year capital improvement plan shall be posted and accessible for public view on town website for public review at all times, reflecting updates for any changes made. The Capital Project Submission Sheet for each project on the 5 year CIP shall be posted and linked from the CIP.

37 Continue CIAC?

or eliminate this step from policies: "The Town Manager will submit a capital program to the Capital Improvement Advisory Committee (CIAC). The proposed program will detail each capital project, the estimated cost, description and funding. **** POLICY DECISION – IF WE FOLLOW DLS TAB’S RECOMMENDATION TO DISCONTINUE CIAC FOR LEANER, CENTRALIZED PROCESS / EMPOWERED TOWN MANAGER... THEN CAN ELIMINATE THIS STEP OF SUBMITTING TO CIAC. ***"

38 Deadlines

confirm Jan 31 for articles for CIB, Feb 5 bylaw to send to Fincom appropriate and compatible dates

Prescriptive Use of Free Cash (Wheel of Free
 39 Cash)

Decided to keep out of Policies, more appropriate for How to Get There document

Decided not to address in Policies, other than to list M.G.L. c. 40 § 5B with laws we comply with. *** DLS option... if we want to divert to Capital Stabilization, we could accept 4th para of ... M.G.L. c. 40 § 5B and specify a percentage of each sale (of moveable property e.g.

40 Moveable property

Vehicles that will be dedicated, without further appropriation, to the capital stabilization fund.

41 Capital Asset Inventory

Town Manager shall maintain an inventory of all 'capital assets" (see Financial Policies Draft Appendix for definition).

42 Debt Schedule Length Policy

Removed policy of "The Town will attempt to maintain a long-term debt schedule so that at least 50 percent of outstanding principal will be paid within 10 years."

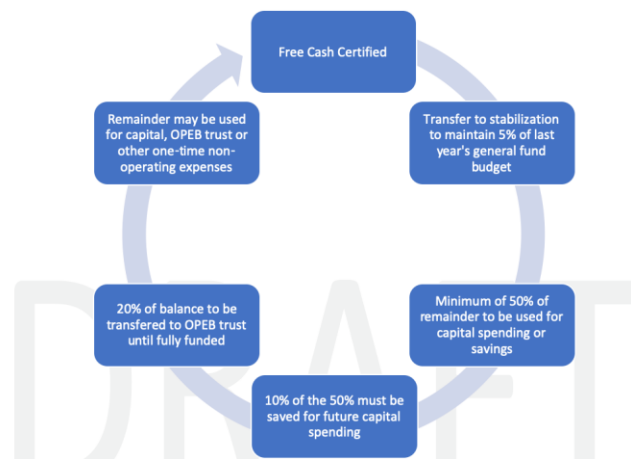
Changed to 3. For non-excluded debt the Town will generally choose terms less than 20 years and structure as level principal payments, so that over time the annual debt payment goes down, opening up capacity for future capital.

**Q&A for Dennis Keohane (Sudbury Finance Director)
for Financial Policies Update Process 05.18.21**

1. Q: Opinion on policy for replenishing Capital Stabilization Fund after we withdraw from it?
 - a. **A: policy to “evaluate on annual basis how to achieve goal” and after achieve level, then policy kicks in to try to evaluate annually maintaining goal. (don’t be too prescriptive in policy)**
 - b. **Evaluate on annual basis. If we have free cash, then we can replenish. Address in free cash policy. Goal to achieve the target. DON’T have policy ‘shall replenish in subsequent FY’. Policy establishes goal and our ability to do it is a function of free cash...**
 - c. **Suggest as part of Select Board annual goals, we set goals on progress to achieve/maintain targets.**
2. Q: The Town will strive to maintain overall reserves in the level of 8-10 percent of the annual operating budget. These reserves are comprised of Stabilization funds + Free Cash target + ~~Overlay funds~~.
 - a. Please comment on where 8-10 percent target came from:
 - i. Has this always been our policy?
 - ii. Is it consistent with DLS recommendation (pg 6)?: “A 5% minimum target for the general stabilization fund is reasonable only if there are also targets for other reserves, such that the total combined reserves target equates to 10 to 12% of the prior year’s general fund budget (i.e., the total operating budget minus CPA and enterprise funds). Here, “total combined reserves” refers to the total of free cash and the town’s general and special purpose stabilizations funds all together.” **A: The 8-10 relates to General Stabilization 5% plus DLS recommendation of 3-5 for free cash. Dennis says other stabilization funds (e.g. Capital Stabilization fund target pct) would be ADDITIVE to the 8-10%, tending to make overall 10-13%.**
 - b. Please confirm ‘overall reserves’ = Stabilization funds + Free Cash target + Overlay funds. Anything else? **A: Exclude Overlay from this calculus**
3. Year-to-year goal of maintaining its free cash in the range of 3-5 percent of the annual budget
 - a. where did 3-5% target come from? **DLS Recommendation**
4. “Town will limit its use of free cash to funding one-time expenditures (like capital projects or emergencies and other unanticipated expenditures) and will appropriate any excess above 5 percent of the annual budget to reserves or to offset unfunded liabilities”
 - a. Please confirm interpretation: is this saying 5 percent is the MAX free cash to leave, therefore automatically put anything above 5 percent towards...? **A. Dennis says Yes, anything above the 5% allocate to unfunded liabilities... In practice haven’t really been generating more than 5% free cash**

- b. i.e. by “offset unfunded liabilities” (OPEB etc?)
- c. Might we also put towards paying down Debt? **A: Can’t just prepay like a mortgage because of bonds and call date. But *could* set aside to use to pay debt in future years. e.g. if in policies, say evaluate on annual basis, determine if you have to raise the funds to pay debt from taxpayers.**
5. Do you recommend prescriptive “Wheel of Free Cash” be included in Financial Policies? **A: not in the policies, rather in the separate document / Bridge letter / plan to achieve goals of “How do we get there.” Dennis recommends this, and particularly some of the prescriptive stuff like ‘50% of remainder to X’ be kept out of policies, and rather put in the separate How to get there annual doc.**

Free Cash Flow Chart (from 'BOS Financial Policies 2019 mmranddkfinpolicies')



6. If any necessary withdrawal drives the balance below the minimum level, the withdrawal should be limited to one-third of the general stabilization fund balance. Replenishment of the funds should be made annually at the Fall Town Meeting, or the earliest available meeting after Free Cash has been certified.
- Please elaborate on this.
 - Where did this guideline come from?
 - One-third at a time? E.g. one-third of balance, then another one-third of remaining balance if needed again?
 - Is more policy language needed to explain that regardless of how severe emergency need in any one fiscal year, max use 1/3 of stabilization fund? Is/should there be a policy about who to ask if need more? e.g. the Fincom, special town meeting?
- A: Dennis doesn't recall exactly where came from, but intent of policy is to prevent from using too much of general stabilization fund at one time.**
7. Please reconcile DLS statement (page 7) “all capital-related special purpose stabilization funds equal to 2% of prior year General Fund revenues” against your draft statement in Forecasting section A bullet 3 “Capital Stabilization Fund (target of 3% of operating budget)”

- a. Which one do you recommend? **A: in spirit was thinking a year's worth of usual capital spending in the Cap Stab. Could aspire to get to the point that every year you spend on capital the balance of Cap Stab from prior year. And that the levy just replenishes the Cap Stab Fund. E.g. if we had \$3M in Cap Stab Fund. That's the source of funding for next year's capital. And then next step is to replenish the Cap Stab Fund with \$3M from levy. No free cash for the usual capital. Only free cash for big nonrecurring...**
 - b. How to reconcile language? **A: Revenues is everything less ambulance receipts less free cash. Operating budget = appropriations.**
8. Capital Stabilization acceptable expenditures
- a. "Moderate range capital expenditures" – how to define?
 - b. Would you recommend a more concrete policy such as?:
 - i. (e.g. \$1M or less drawn) **A: Dennis agrees yes \$1M is good cutoff. Generally anything over \$1M is something you want to bond.**
 - ii. Given that the target balance of CSF is 2% of Gen Fund, could alternatively phrase as "capital expenditures of less than half of the CSF may be used?"
9. Capital Stabilization – achieving and maintaining/replenish target balance
- a. Please opine on how to go about initially achieving target balance
 - i. Should such approach be documented inside Fin Policies?
 - 1. (or keep out, into separate Howto doc...?) **A: not in the policies, rather in the separate document / Bridge letter / plan to achieve goals of "How do we get there. Dennis recommends this, and particularly some of the prescriptive wording like '50% of remainder to X' be kept out of policies, and rather put in the separate How to get there annual doc.**
 - b. Replenishment policy
 - i. Please suggest written policy (as with general Stabilization Fund?) for Replenishing Capital Stabilization Fund
 - 1. Once achieved
 - 2. As we progress towards the target balance and perhaps cheat and take from it along the way **A: policy to "evaluate on annual basis how to achieve goal" and after achieve level, then policy kicks in to try to evaluate annually maintaining goal. (don't be too prescriptive in policy) Evaluate on annual basis. If we have free cash, then we can replenish. Address in free cash policy. Goal to achieve the target. DON'T have policy 'shall replenish in subsequent FY'. Policy establishes goal and our ability a function of free cash... Suggest as part of Select Board annual goals, we set goals on progress to achieve/maintain targets**
 - 3.

10. Special Purpose Stabilization Funds

- a. Would you recommend keeping Turf Stabilization Fund separate from Capital Stabilization Fund? (How many Special Purpose Stabilization Funds are ok?) **A. Dennis thinks ok to keep Turf fund. Trying to get rid of would cause more problems. But agrees with DLS don't create a bunch more special purpose stabilization funds.**

11. Overlay Surplus (financial reserves)

- a. Please recommend clear consistent language concerning timing of Overlay Surplus. Compare the following:
 - i. Conclusion of each fiscal year (in section C. Overlay Surplus)
 - ii. Overlay Surplus section (silent on timing) **A: Dennis says best time to ask is in the Fall. After we set the tax rate Oct/Nov. Ask for the number, ask their opinion.**
- b. Who if anybody (the Board (of Assessors?) own vote?) restricts what the Overlay surplus can be used for? "Town's capital improvement plan or for any other one-time expense." **A: Mass General Law says any legal purpose. In current fiscal year, need TM to appropriate. "Town's capital improvement plan or for any other one-time expense." Was just a restatement of policy we state elsewhere**

12. Re: "Annual Capital Budget (target of 3% of operating budget)"

- a. Please reconcile this term and target versus how DLS breaks down on pg. 22 of DLS report

To have a successful CIP requires a community to develop its annual budgets with the intent of ensuring the due allocation of funds toward capital investment. Given the wide scope of services Sudbury provides and its access to low borrowing rates, we advise that the minimum level of capital funding the town should seek to achieve and then maintain year to year should be equivalent to 6% of the prior year's general fund revenue, drawn equally from within-levy debt and cash capital sources. Beyond this minimum target, the town should seek to further enhance its capital investment by supplementing it with other revenue streams, such as the CPA program, state and federal grants, donations as they are offered, and so on. The table below shows the gaps between the town's recent capital investment totals and the recommended targets.

*General Fund Capital Investment
vs. Target Funding Levels, FY2018-FY2020*

	FY2018	FY2019	FY2020	
Prior Year General Fund Revenues:	94,025,172	100,052,644	102,000,958	
Capital Funding Sources				Targets
Excluded Debt	3,297,860	2,945,115	2,935,815	Excluded Debt
% of prior year revenues	3.51%	2.94%	2.88%	no target
Nonexcluded Debt	155,190	155,510	154,610	Nonexcluded Debt
% of prior year revenues	0.17%	0.16%	0.15%	3%
Free Cash +	1,962,000	1,426,500	570,000	
<u>Tax Levy</u>	<u>413,190</u>	<u>422,000</u>	<u>745,000</u>	Cash Capital
Cash Capital Total	2,375,190	1,848,500	1,315,000	3%
% of prior year revenues	2.53%	1.85%	1.29%	
Capital Total	5,828,240	4,949,125	4,405,425	Capital Total
% of prior year revenues	6.20%	4.95%	4.32%	6%

A: Dennis interprets, should be spending 6M per year including debt on capital. (if your total budget 100M.)

- b. Please opine/confirm your intention about allocating one-time revenues to 4 or 5 bullets.

Attachment2.d: DennisQandA-051821 (4617 : Financial policies update)

- i. Are these in priority order?
 - ii. Three of these are RESERVE funds. (Gen Stab, Cap Stab, OPEB)
 - iii. “Annual Capital Budget” represents this year EXPENDITURES
A: Town manager’s capital operating budget plus any other budget articles that are capital.
 - iv. Correct?
- 13. Allocating “one-time revenues” to prepay Debt
 - a. Would we ever do this, have we ever done this? paying off more than the required debt payment in a given year (i.e. prepaying)
 - b. i.e. Sewataro variable revenue share, using to offset its Debt payments
A: Don’t create Enterprise fund. But in policy a specific policy on Sewataro saying that setting aside revenues so that we will not raise via levy. E.g. will NOT raise the full amount required for bond payment for Sewataro in levy. Rather if we owe \$500K, take in \$120K from Sew revenues. And only raise \$380K. Even though the state says we have levy limit of X, our policy says limit ourselves to raise X minus \$120K.
- 14. Allocating New Growth revenues towards capital
 - a. DLS recommendation on page 23
 - b. PROPOSED policy in Forecasting/Revenue guidelines section: New growth (residential or commercial) permanently adds to the tax base. The Town should attempt to dedicate 50 to 75% of all (commercial?) new growth levy amounts to capital expenditures or reserves.
 - c. QUESTION: if we formalized such policy for New Growth, how would this impact our current budgeting approach? (any unintended negative consequence?) **A: Dennis suggests, maybe any new growth in excess of 0.5% of prior year levy goes to capital...(could put a fixed number in there... e.g. 600K but would have to revisit every few yrs..)**
- 15. Vehicle surplus -> Moveable property MGL to divert to Capital Stabilization.
 - a. Do you recommend doing this? (we propose in section Forecasting, Revenue Guidelines)
 - b. Pg. 21 of DLS discussion...
 - c. To retain these revenues for future purchases of the same types of assets, the select board could sponsor a warrant article to accept the fourth paragraph of M.G.L. c. 40 § 5B and specify a percentage of each sale that will be dedicated, without further appropriation, to the capital stabilization fund.
- 16. “Town departments that charge fees (Enterprise Funds and recreation programs, for example...)”
 - a. Discuss reasonable goal on cost recovery
 - b. Recall this conversation at Jan 23, 2021 Select Board mtg:
 - i. Can fees be set so there is a contribution to capital expenses associated with the Enterprise? **A. Dennis: hope to generate retained earnings so you have a little extra. Dennis notes 2 of the 3 enterprise funds haven’t been self-sustaining. Transfer station has been sustaining, with some retained earnings.**

- ii. Endeavor to retain funds for asset replacement **A: *Dennis fine with this language.***
- iii. Definition of enterprise fund? Subsidized by levy or self-sustaining? Currently enterprise funds cover cost of employees and benefits. **A. *An enterprise fund is allowed to go into deficit for one year. But not 2 yrs in a row. In second year required to fund it from levy***

17. Overlay Contribution

- a. Re: “the Board of Assessors shall vote in an open meeting to authorize a contribution to the overlay account as part of the budget process and to raise it without appropriation on the Town’s Tax Recap Sheet. The Principal Assessor will propose this annual overlay amount to the Board of Assessors based on the following”
- b. WHEN does the BofA meet as part of the budget process to authorize contribution to the overlay account? (Can the Financial Policies be more specific on what month range/deadline?) **A: *As above, Dennis says best time to ask is in the Fall. After we set the tax rate Oct/Nov. Ask for the number, ask their opinion.***

18. Excess Overlay

- a. Re: “Annually, the Finance Director and Director of Assessing will conduct an analysis to see if there is any excess in the overlay account”
 - i. WHEN does/should this analysis happen? **A: *As above, Dennis says best time to ask is in the Fall. After we set the tax rate Oct/Nov. Ask for the number, ask their opinion.***

19. Overlay Surplus timing

- a. Re: the Board of Assessors shall formally vote in an open meeting to certify the amount to transfer to overlay surplus.
 - i. WHEN exactly does vote to certify Overlay SURPLUS occur in process? this statement 'shall' implies it is required to happen and required to notify Town Mgr and Fin Dir.
- b. Re: a Proposed Select Board policy: “At the beginning of the budget cycle, the Select Board shall request an annual update from the Board of Assessors on the balance of the overlay account.”
 - i. WHEN exactly would you recommend this request and determination occur? **A: *As above, Dennis says best time to ask is in the Fall. After we set the tax rate Oct/Nov. Ask for the number, ask their opinion.***

20. Overlay Surplus appropriation

- a. verify Town Meeting (and only Town Meeting) is the only way to use Overlay Surplus funds during fiscal year (e.g. not the FinCom, or Select Board by their own vote...) **A. *Correct only Town Meeting***

21. re: “debt obligations permitted to be issued under Massachusetts law, shall only be issued to construct, reconstruct, or purchase capital assets that cannot be acquired with current revenues”

- a. Question 1: should we reference a specific MGL? **A: *if you want but saying Massachusetts law ok.***

- b. Question 2: confirm that “issue debt” only for capital is distinct from allowing Town to ‘take on debt’ through other borrowing programs like the state CWMP low-interest loan? **A. Not that literal; it’s ok to take loan for CWMP as the Plan considered a part of construction process.**
22. Re: “Issue long-term debt only for objects or purposes authorized by state law and only when the financing sources have been clearly identified”
- a. Pls explain this statement. (is it obvious e.g. can’t Issue a bond if you don’t know potential bidders?) **A: We can strike this phrase. It does not add any value.**
23. Re: DLS recommendation of restrictive criteria for Debt Exclusions
- a. DLS (aspirational?) suggested criteria was: “Restrict debt exclusion borrowing to proposals which meet all three of these criteria: (1) useful life of 20 years or more; (2) estimated cost of the principal payment in the first year of the debt issuance must be greater than 1% of the prior year’s general fund revenue; and (3) the expenditure is either for town-owned land, buildings, or infrastructure or for a LSRHS capital assessment.”
- b. Your opinion? Are criteria (2) unreasonable, too restrictive? 1% of prior year’s general fund revenue is ~ \$1M. Only purchases of \$20M or more would have first year Principal payment of > \$1M? So this would say Broadacres, Sewataro would not have qualified for a debt exclusion.
A: Dennis thinks good policy, but it is not achievable until we have more in levy debt capacity. It is a good financial policy, but each year for a while we may need to acknowledge policy and be able to identify why we cannot pursue it (i.e. we are working toward more in-levy debt.)
24. Re: “Total annual debt service, including debt exclusions and any self-supporting debt, shall be limited to 10 percent of general fund revenues, with a target balance of 5-7 percent”
- a. We added ‘annual’. Correct?
- b. Why 10%? Did we make up the number 10 percent or did this come from some reference?
- c. what is our actual percentage in past few years?
A: 10% is a best practice (state guideline). It is on an annual basis. We are nowhere near this. We are close to 3%. If there is a “target balance” (i.e. 5%) it is to allow to pay for big projects and with the knowledge that we need to pay for big capital. Would not advocate for getting near 10%. Instead of saying “target” say goal is to keep it at less than 5-7%. Debt is o.k. particularly with low interest rates. Debt allows for project to be paid over time and more tax payers.
25. Re: “the Town shall endeavor to gradually and consistently pursue future debt issuances financed by within-levy dollars with a target of 3% of prior year’s General Fund.”
- a. Is 3% good?
A: Yes, it is good, but it will take time to get there.
26. re: “The Town will attempt to maintain a long-term debt schedule so that at least 50 percent of outstanding principal will be paid within ten years.”

- a. Clarify 'long-term debt schedule'
 - b. Is this 50% of outstanding principal paid within 10 years good policy?
A: It is the current policy and basically means aim for no more than 20 years and level principal. Dennis feels some things should be 30-year bonds. He does not think it needs to be in policy in this way to have 20-year limit (perhaps only for in-levy debt projects). There could be a blend. Excluded debt could be longer. In compliance with Mass General Law X, items can be bonded with term of xyz. Whether or not something is level debt or level principal can be evaluated on a case-by-case basis.
27. Re: "Any vote to authorize borrowing will include authorization to reduce the amount of the borrowing by the amount of the net premium and accrued interest"
- a. Please explain.
A: This is Mass General Law, we do it in practice.
28. Re: "follow federal regulations and set time frames for spending borrowed funds to avoid committing arbitrage, paying rebates, fines and penalties to the federal government, and jeopardizing any debt issuance's tax-exempt status"
- a. Confirm this is just boilerplate language from somewhere? Don't worry about it?
A: This is Mass General Law, we must follow. We can't just borrow money and sit on it.
29. Re: "Issue debt with optional call dates no later than 10 years from issue"
- a. Pls explain in layman's terms. Do you agree?
A: This is standard. You can't prepay debt until 10 years (the call date). 10-year call dates allow for more favorable rates so can refinance. If you do less than 10 years for a call date you less favorable bids as far as interest rate.
30. Re: "Use any net premium and accrued interest to reduce the amount of the refunding."
- a. Pls explain in layman's terms. Do you agree?
A: This is standard as before.
31. Re: "The Finance Director, with the Town's financial advisor, will file the annual audit and official disclosure statement within 270 days of the end of the fiscal year."
- a. File with whom? (assume it's obvious...)
A: Our advisor is Unibank. They coordinate with our bond council and do a lot of our reporting with debt issuers and rating agencies.
32. Re: "The Town's retirement fund"
- a. OPEB is acknowledged as underfunded. How is 'the Town's retirement fund' funded? Are there employee contributions? Is the retirement fund 'fully funded' (is there a guaranteed pension amount?)
A: There is the retirement plan (mandate from state that it must be funded). OPEB is premiums for health and life insurance – no mandate to fund. They are both not fully funded on actuarial basis. Middlesex Retirement scheduled to be fully funded by 2038. Both are reevaluated every 2 years. There are the current contributions for

current retirees to the OPEB Trust and the ~\$600K we set aside for the future. We pay the current obligation for current retirees. There is no mandate that requires us to set aside extra money. If Sudbury doesn't contribute for future, it could look less favorable to bond agencies (particularly if other towns are).

For the Town's retirement fund employees have a contribution ~9% and 2% of over \$30K, and Town has obligation to pay out a defined benefit. The Town pays into the Middlesex Retirement Fund.

33. Re: "APPLICABILITY This policy applies to the Town Manager as the Town's chief budget decision maker. It also applies to the job responsibilities of the Finance Director, School Superintendent, School Business Manager, Select Board, School Committee, and Finance Committee"
- a. Confirm LSRHS is not subject to this policy?
A: LS is a separate legal entity, and these policies do not apply to them. They have their own governing body. We contribute to them.
34. Proposed "Annually, the minimum level of capital funding (spending) the town should target year to year should be equivalent to 6% of the prior year's general fund revenue, (drawn equally from within-levy debt and cash capital sources)."
- a. Your opinion? How feasible, aggressive?
A: Dennis thinks this makes sense, but it will take time to achieve this since we do not have much debt in the levy. It would be about \$6MM, and right now we are around \$5MM including excluded debt.
35. Re: "The Town Manager shall establish criteria to determine capital asset prioritization"
- a. Please identify the currently used criteria
We currently have criteria that are similar (we have about four now).
 - b. DLS suggests: "DLS suggests Select Board est criteria including but not limited to:
 - c. - mitigation of safety hazards
 - d. - legal compliance
 - e. - operating cost reduction
 - f. - service or efficiency improvement
 - g. - availability of outside funding sources
 - i. Not a part of evaluation now
 - h. - conformance to asset replacement schedule
 - i. Not as much a part of evaluation now as it is difficult with limited funding.
 - ii.
 - i. - enhancement of quality of life"
 - i. Talk about in context of nice to have vs need to have.
 - j. QUESTION: what do you think of this list? Useful? Any value added to the doc?

A: Dennis thinks a list like this makes sense. The order makes sense. We look at it a bit more broadly now but do touch on these. If you apply numbers, you may never get to lower on list. (So, it does require some subjectivity or flexibility.) This year items were "color-coated."

36. Require a Capital Project Submission Sheet for every item listed on CIB (this year) and CIP (5 years plan).

- a. Does this happen now? Are items making it onto the CIB and CIP spreadsheet that don't have accompanying submission sheet filed? Right now we have a Form A with 1-5 urgency score.

A: Process was modified slightly this year. Each year put their items in numbered priority. Then full group discussed how each fell into key categories and color-coated the according to priority across 4 categories.

For each item on an annual basis there is a Form A, but future items (i.e. 5 years out) may not have a form now. Now not a big deal to submit a form for each one, but some may not have a lot on them or may have estimates (not specific quotes).

37. Would acquiring Open Space ever be in the Capital Improvement Plan?

A: No, not unless it was something planned well in advance with a known date of acquisition. Otherwise, it would just be on the Open Space and Recreation plan.

38. Re: proposed "DLS: put maintenance in Department budgets... <--- this would be a significant policy change Rather, such smaller, shorter life maintenance items should be included in Departmental budget capital line item. [DECISION: adopt this DLS section B-1 recommendation of putting in Dept budget???: clearly define what items included in capital plan]"

- a. How radical would this be? Do department budgets currently have line items that cover ALL items under \$20K or 5 years?
- b. Department Budgets per DLS recommendation, should have capital line items for these smaller, shorter life maintenance items...
- c. QUESTION: do we currently have such a line item per department budget?
- d. Type of expense e.g. maintenance and anticipated replacement. Maintenance (not huge unanticipated maintenance...) is recommended by DLS to go in Dept OPERATING budgets.
- e. Replacement of trucks (<100K?), ambulances/firetrucks <\$1M

A: This is not a radical idea. Most departments (but not all) have line items in their budgets for smaller budget items. Not all departments have maintenance needs.

39. Re: proposed "LSRHS capital assets, while funded by Sudbury and Lincoln taxpayers, are not to be itemized in the Town of Sudbury Capital Improvement Plan. Rather, a single line item per year in each of the 5- and 15-year plans shall represent Sudbury's contribution to LSRHS's own independent capital plan"

- a. Opinion? Good idea

A: They are a separate legal entity. Right now LSRHS items are included on the capital plan just like any other item. (This started 6-7 years ago). The Town still would need to decide whether or not to fund them regardless. The one line item could include all the capital items in one article. This means all items might not be presented separately. However, this one should be thought through. It can be challenging to blend them together sometimes, but it is good to know what they

have coming up. Perhaps it could be a separate section of the capital plan so people realize we are separate entities. In the future, the roof will come forward which will require debt (so will have to be a separate vote).

40. Risk Management Program

- a. What is the Risk Management Program (besides holding insurance policies...) who is the Risk Manager? (Town Manager?) Does Risk Management flow down to various accountable departments?

A: This is more of an overriding concept. We don't have a specific risk manager. The Asst Town Manager handles insurance.

41. Continuation of CIAC

- a. Eliminate this step? "The Town Manager will submit a capital program to the Capital Improvement Advisory Committee (CIAC). The proposed program will detail each capital project, the estimated cost, description and funding."
- b. **** POLICY DECISION – IF WE FOLLOW DLS TAB'S RECOMMENDATION TO ABOLISH CIAC FOR LEANER, CENTRALIZED PROCESS / EMPOWERED TOWN MANAGER... THEN CAN ELIMINATE THIS STEP OF SUBMITTING TO CIAC. ***
- c. Opinion

A: This a judgement call. It may have been needed more before we had a "strong Town Manager." Ultimately, it is a judgement call by the Select Board.

42. OPEB Trust Fund

- a. How to determine policy of how much to contribute annually to OPEB Trust Fund? Roughly how to determine if (current balance and annual contribution) will be sufficient as a function of when, how many retirees roll on and off?
- b. Consider phrase "until it is fully funded as actuarially determined" (from 2019 draft)?
- c. Do you have a trend chart of fund balance, contributions per year, withdrawals per year and forecast future liabilities(withdrawals) in future years?
- d. How is the liability measured? What metric should be tracked to inform whether we are contributing enough?
- e. How to determine policy of how much to contribute annually to OPEB Trust Fund? Like what? How much to contribute each year? E.g. are we aiming for 70% of future need? How far off are we? Is there a metric/rule of thumb for 'usual' contribution level, distinct from 'catch up' contributions?

A: There is an actuarial evaluation. Now our annual contribution is about \$1.8MM. We appropriate for current retirees and \$1.2MM for future retirees and ~\$600K. "Normal costs" are how much we need to set aside for future benefits for current retirees. We are working towards the "annual required contribution." Back in 2015, we were trying to achieve this number (it fluctuates based on factors). As far as right amount, anything that is required above what we "need to pay" is a good thing. If we continue to put money aside eventually,

we will get to a point where we are fully funded. (Although it may take a long time such as 60 years). Amount we are putting away is reasonable and on high end vs peer communities. Now we have ~\$10MM set aside. In 2015, we were under \$1MM set aside so we have been steadily adding (\$600-800K between our contribution and investment earnings). Some of this is after a conversion of money from the old self insurance plan. In our “How we get there” future document we could add “we will continue contributing a certain baseline budget number...” Or a certain % of free cash over and above the baseline amount we contribute.

Dennis would consider putting more of budget into capital and more free cash into the future OPEB (since we have capital every year and is a known need.)



SUDBURY SELECT BOARD
Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

3: Letter to ISO New England

REQUESTOR SECTION

Date of request:

Requestor: Board member Schineller

Formal Title: Discussion on draft letter to ISO New England as requested by Board member Schineller.

Recommendations/Suggested Motion/Vote: Discussion on draft letter to ISO New England as requested by Board member Schineller.

Background Information:
attached draft

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Janie Dretler	Pending
Daniel E Carty	Pending
Select Board	Pending

06/01/2021 7:00 PM

Dear ISO-New England Planning Advisory Committee,

The Sudbury to Hudson 115kV Transmission Project has come before the Sudbury Select Board seeking a Grant of Location permit. Eversource proposes to place the high voltage line within the Massachusetts Bay Transit Authority (MBTA) inactive rail Right of Way through Sudbury.

This appears as Project ID 1335 on the ISO-NE Regional System Plan, March 2021 Project Listing Update, with Estimated PTF Costs of \$91,000,000 (revised upwards in September 2020 from prior Estimated PTF Costs of \$43,500,000 in June 2016, and original Estimated PTF Costs of \$41,000,000 in March 2012). These costs do not include an additional \$9M in lease payments to the MBTA.

Our Board wishes to confirm that ISO-New England is aware now of a clause in the Lease Option Agreement between the MBTA and Eversource, which would obligate Eversource to relocate the transmission line infrastructure upon request by the MBTA after the 20-year lease (+5 years) period. See attachment.

Further, our Board wishes to confirm with ISO-New England who would incur the cost of relocating the line. Would the liability for the cost be borne by ratepayers, or by Eversource itself? What would be the estimated cost of relocating the line, and what is the feasibility of relocating the line from its current proposed alignment under the narrow railbed to another suitable location?

Participating in the siting and permitting process of this Project has come at great cost to Sudbury, in the interest of protecting current and future Sudbury residents and our natural resources. Significant expenses have been incurred by Sudbury to identify and mitigate or avoid impacts of the proposed siting. The Town of Sudbury has indicated that if the project is needed, siting the transmission line entirely under existing roadways is preferred, with less environmental impact, comparable cost, and equal reliability benefit.

Please respond to this Board to acknowledge and clarify the liability for costs of relocating the line in the future per the terms of the MBTA Option Agreement.

Sincerely,

Select Board, Town of Sudbury



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

4: COVID-19 emergency measures discussion

REQUESTOR SECTION

Date of request:

Requestor: Chair Roberts

Formal Title: COVID-19 emergency measures continuation discussion (including remote participation).

Recommendations/Suggested Motion/Vote: COVID-19 emergency measures continuation discussion (including remote participation).

Background Information:
attached documents

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

FOR IMMEDIATE RELEASE:
5/25/2021

- Office of Governor Charlie Baker and Lt. Governor Karyn Polito
- Governor's Press Office
- Executive Office of Health and Human Services
- Department of Public Health
- Executive Office of Housing and Economic Development



BOSTON — Today, Governor Charlie Baker will file legislation to extend certain emergency measures currently in place via executive orders that are set to expire on June 15 when the State of Emergency will be rescinded. Most restrictions, including limitations placed on businesses, will be rescinded effective May 29 as Massachusetts nears the goal of vaccinating four million residents.

This legislation proposes to extend measures providing for a temporary suspension of certain open meeting law requirements, special permits for expanded outside dining at restaurants, and billing protections for COVID-19 patients. When the State of Emergency ends, these orders will expire, and temporarily extending these measures will allow for time to transition. Extending these measures, which were instituted by executive order, requires legislation.

To allow public bodies to safely meet during the pandemic and ensure public access to meetings, Governor Baker issued an Executive Order in March 2020 allowing these bodies to meet quorum requirements even if meetings

were held remotely through electronic means as long as measures were taken to ensure the public with electronic access to the proceedings. The bill filed by Governor Baker today will extend these provisions related to the Commonwealth's Open Meeting Law until September 1, 2021, which will allow additional time to consider possible permanent changes to the open meeting law to provide for greater flexibility in conducting open meetings through reliance on electronic streaming and similar measures.

The bill will also grant municipalities authority to extend special permits for restaurants offering outdoor dining issued under the State of Emergency through November 29, 2021. Under an Executive Order issued in 2020, municipalities were permitted to use an expedited process to approve temporary permits for new or expanded outdoor dining and alcohol service. Without a legislative extension, special permits granted under the Governor's Order will expire 60 days after the end of the State of Emergency.

The legislation will also extend a protection adopted in an executive order that prohibits medical providers from billing patients who have received COVID-related emergency and inpatient services for charges in excess of costs paid by their insurers. As filed, the protection would extend until January 1, 2022, at which time recently passed federal legislation that included protections for both emergency and non-emergency cases will become effective. Earlier this year, Governor Baker signed legislation establishing surprise billing protections for patients for non-emergency services.

"Massachusetts is leading the nation in the vaccination effort and that progress is enabling the Commonwealth to return to normal," **said Governor Charlie Baker.** "These temporary measures will help businesses and residents in this transition period, and I look forward to working on these and other issues in the week ahead with our partners in the Legislature."

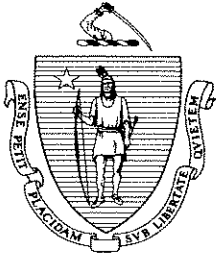
Last week, Governor Baker [announced](#) that on May 29, all industries will be permitted to open.

With the exception of [remaining face-covering requirements](#) for masks in public and private transportation systems, hospitals and other facilities housing vulnerable populations, all industry restrictions will be lifted at that time, and capacity will increase to 100% for all industries. The gathering limit will be rescinded.

Before June 15, the administration plans to take additional steps that will permit the continuation of targeted public health measures beyond the end of

the State of Emergency, including the mask requirements announced last week.

###



CHARLES D. BAKER
GOVERNOR

OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE • BOSTON, MA 02133
(617) 725-4000

KARYN E. POLITO
LIEUTENANT GOVERNOR

**ORDER SUSPENDING CERTAIN PROVISIONS
OF THE OPEN MEETING LAW, G. L. c. 30A, § 20**

WHEREAS, on March 10, 2020, I, Charles D. Baker, Governor of the Commonwealth of Massachusetts, acting pursuant to the powers provided by Chapter 639 of the Acts of 1950 and Section 2A of Chapter 17 of the General Laws, declared that there now exists in the Commonwealth of Massachusetts a state of emergency due to the outbreak of the 2019 novel Coronavirus (“COVID-19”); and

WHEREAS, many important functions of State and Local Government are executed by “public bodies,” as that term is defined in G. L. c. 30A, § 18, in meetings that are open to the public, consistent with the requirements of law and sound public policy and in order to ensure active public engagement with, contribution to, and oversight of the functions of government; and

WHEREAS, both the Federal Centers for Disease Control and Prevention (“CDC”) and the Massachusetts Department of Public Health (“DPH”) have advised residents to take extra measures to put distance between themselves and other people to further reduce the risk of being exposed to COVID-19. Additionally, the CDC and DPH have advised high-risk individuals, including people over the age of 60, anyone with underlying health conditions or a weakened immune system, and pregnant women, to avoid large gatherings.

WHEREAS, sections 7, 8, and 8A of Chapter 639 of the Acts of 1950 authorize the Governor, during the effective period of a declared emergency, to exercise authority over public assemblages as necessary to protect the health and safety of persons; and

WHEREAS, low-cost telephone, social media, and other internet-based technologies are currently available that will permit the convening of a public body through virtual means and allow real-time public access to the activities of the public body; and

WHEREAS section 20 of chapter 30A and implementing regulations issued by the Attorney General currently authorize remote participation by members of a public body, subject to certain limitations;

NOW THEREFORE, I hereby order the following:

(1) A public body, as defined in section 18 of chapter 30A of the General Laws, is hereby relieved from the requirement of section 20 of chapter 30A that it conduct its meetings in a public place that is open and physically accessible to the public, provided that the public body makes provision to ensure public access to the deliberations of the public body for interested members of the public through adequate, alternative means.

Adequate, alternative means of public access shall mean measures that provide transparency and permit timely and effective public access to the deliberations of the public body. Such means may include, without limitation, providing public access through telephone, internet, or satellite enabled audio or video conferencing or any other technology that enables the public to clearly follow the proceedings of the public body while those activities are occurring. Where allowance for active, real-time participation by members of the public is a specific requirement of a general or special law or regulation, or a local ordinance or by-law, pursuant to which the proceeding is conducted, any alternative means of public access must provide for such participation.

A municipal public body that for reasons of economic hardship and despite best efforts is unable to provide alternative means of public access that will enable the public to follow the proceedings of the municipal public body as those activities are occurring in real time may instead post on its municipal website a full and complete transcript, recording, or other comprehensive record of the proceedings as soon as practicable upon conclusion of the proceedings. This paragraph shall not apply to proceedings that are conducted pursuant to a general or special law or regulation, or a local ordinance or by-law, that requires allowance for active participation by members of the public.

A public body must offer its selected alternative means of access to its proceedings without subscription, toll, or similar charge to the public.

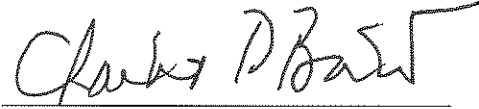
(2) Public bodies are hereby authorized to allow remote participation by all members in any meeting of the public body. The requirement that a quorum of the body and the chair be physically present at a specified meeting location, as provided in G. L. c. 30A, § 20(d) and in 940 CMR 29.10(4)(b), is hereby suspended.

(3) A public body that elects to conduct its proceedings under the relief provided in sections (1) or (2) above shall ensure that any party entitled or required to appear before it shall be able to do so through remote means, as if the party were a member of the public body and participating remotely as provided in section (2).

(4) All other provisions of sections 18 to 25 of chapter 30A and the Attorney General's implementing regulations shall otherwise remain unchanged and fully applicable to the activities of public bodies.

This Order is effective immediately and shall remain in effect until rescinded or until the State of Emergency is terminated, whichever happens first.

Given in Boston at 6:40 PM this 12th day of March, two thousand and twenty.



CHARLES D. BAKER
GOVERNOR
Commonwealth of Massachusetts

Attachment 4.b: Emergency Order - Open Meeting Law (4620 : COVID-19 emergency measures discussion)



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

5: Minutes review

REQUESTOR SECTION

Date of request:

Requested by: Patty Golden

Formal Title: Review open session minutes of 5/4/21 and 5/22/21 and possibly vote to approve minutes.

Recommendations/Suggested Motion/Vote: Review open session minutes of 5/4/21 and 5/22/21 and possibly vote to approve minutes.

Background Information:

See attached drafts.

Financial impact expected:

Approximate agenda time requested: 30 minutes

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

SUDBURY SELECT BOARD

TUESDAY MAY 4, 2021

(Meeting can be viewed at www.sudburytv.org)

Present: Chair Janie Dretler, Vice-Chair Jennifer Roberts (joined 6:50 pm), Select Board Member Daniel E. Carty, Select Board Member William Schineller, Select Board Member Charles Russo, Town Manager Henry Hayes

The statutory requirements as to notice having been complied with, the meeting was convened at 6:45 p.m. via Zoom telecommunication mode.

Chair Dretler announced the recording of the meeting and other procedural aspects included in the meeting.

Call to Order/Roll Call

Select Board Roll Call: Schineller-present, Carty-present, Dretler-present, Russo-present

Opening remarks by Chair

- Sudbury Health Department awarded a \$300,000 Public Health Grant to be shared with several other communities
- Community Preservation Committee seeking member
- Spencer, the four-year old goat, was rescued in Sudbury

Reports from Town Manager

- Town Manager Office Hours, via Zoom, Thursday, May 13th at 3:00 p.m.
- Two Municipal Minute episodes recently recorded – one highlighting Town Moderator Cate Blake, and the other highlighting Fire Chief Whalen and the proposed Fire Station 2 project

At approximately 6:50 p.m. Vice-Chair Roberts joined the meeting and confirmed her presence; Roberts-present

Reports from Select Board

Board Member Russo:

- Attended recent meeting of the September 11 Memorial Garden Committee and acknowledged the Committee is planning garden improvements
- Announced he and Vice-Chair Roberts recently hosted Select Board Office Hours; several insightful questions were posed by residents
- The Master Plan was approved

Board Member Schineller:

- Ponds and Waterways Committee seeking new members
- The Diversity, Equity and Inclusion Commission will conduct its first meeting in the next couple of weeks

- The Select Board Financial Policies Subcommittee (he and Vice-Chair Roberts) completed the draft of the Policies to be presented to the Select Board

Vice-Chair Roberts:

- Attended a Board of Health Meeting earlier today; announced \$300,000 Public Health grant to be shared with Concord, Carlisle, Lincoln, and Wayland. The grant will be applied to public health needs, specifically, duties involving inspectors and public health nursing

Board Member Carty:

- Attended SPS School Committee last night, topics included funding for the summer school program, and the Superintendent's Summative Report
- Sudbury Water District Annual Meeting and elections will be on May 18, with focus on Warrant Article 16 regarding construction of a P-fast facility
- Transportation Committee will be announcing the return of the Taxi /Uber program and the expanded availability of the senior van rides

Board Member Carty stated he would recuse himself from the Eversource hearing.

Citizens comments on items not on agenda

No comments.

Consent Calendar:

Send a thank you letter to Anuraj Shah for his service on the Community Preservation Committee and Planning Board

Chair Dretler read in the words of the motion. Board Member Carty moved in the words of the Chair. Board Member Russo seconded the motion.

It was on motion 5-0; Carty-aye, Schineller-aye, Roberts-aye, Russo-aye, Dretler-aye

VOTED: To send a thank you letter to Anuraj Shah for his service on the Community Preservation Committee and Planning Board.

Approve the FY22 rates for transfer station stickers as recommended by DPW Director Dan Nason, who is advising leaving them at the FY21 amounts

Chair Dretler read in the words of the motion. Board Member Carty moved in the words of the Chair. Board Member Russo seconded the motion.

It was on motion 5-0; Carty-aye, Schineller-aye, Roberts-aye, Russo-aye, Dretler-aye

VOTED: To approve the FY22 rates for transfer station stickers as recommended by DPW Director Dan Nason, who is advising leaving them at the FY21 amounts.

Accept a grant from the Department of Fire Service in the amount of \$14,880 for the purchase of Firefighter Safety Equipment

Chair Dretler read in the words of the motion. Board Member Carty moved in the words of the Chair. Board Member Russo seconded the motion.

It was on motion 5-0; Carty-aye, Schineller-aye, Roberts-aye, Russo-aye, Dretler-aye

VOTED: To accept a grant from the Department of Fire Service in the amount of \$14,880 for the purchase of Firefighter Safety Equipment

VOTE to open continuation of 4/6/21 Public Hearing: Vote whether to approve a request by NSTAR ELECTRIC COMPANY d/b/a EVERSOURCE ENERGY for the purpose of obtaining a Grant of Location to construct upon, along, under, or across the following public way(s) of the Town of Sudbury, wires, cables, piers, abutments, conduits, or fixtures in accordance with plan(s) made by Eversource dated March 1, 2019, on file with said petition: Dutton Road (at its intersection with the MBTA rail corridor); Peakham Road (at its intersection with the MBTA rail corridor); Horse Pond Road (at its intersection with the MBTA rail corridor); Union Avenue (at its intersection with the MBTA rail corridor). This work is necessary to construct a new underground electric transmission line.

Present: DPW Director Dan Nason, Town Counsel George Pucci, Mike Hager, Project Manager – Eversource; Shawn Southworth – Manager of the Right of Way Group - Eversource; David Rosenzweig, Counsel for Eversource

Chair Dretler read in the words of the motion. Board Member Russo moved in the words of the Chair. Vice-Chair Roberts seconded the motion.

It was on motion 4-0; Schineller-aye, Roberts-aye, Russo-aye, Dretler-aye

VOTED: To open continuation of 4/6/21 Public Hearing: Vote whether to approve a request by NSTAR ELECTRIC COMPANY d/b/a EVERSOURCE ENERGY for the purpose of obtaining a Grant of Location to construct upon, along, under, or across the following public way(s) of the Town of Sudbury, wires, cables, piers, abutments, conduits, or fixtures in accordance with plan(s) made by Eversource dated March 1, 2019, on file with said petition: Dutton Road (at its intersection with the MBTA rail corridor); Peakham Road (at its intersection with the MBTA rail corridor); Horse Pond Road (at its intersection with the MBTA rail corridor); Union Avenue (at its intersection with the MBTA rail corridor). This work is necessary to construct a new underground electric transmission line.

Chair Dretler thanked the Eversource team for providing responses to presented Board queries and the approved/modified or denied conditions. Mr. Hager noted there were 55 conditions presented and Eversource approved 50 conditions, with several minor clarifications.

Board Member Schineller stated that some of the conditioning submitted by Board members was taken from a Siting Board decision, and hoped that Eversource would reconsider the conditions they had denied.

Board Member Russo presented a proposed edit as well as three additional conditions:

- EDIT TO EXISTING CONDITION - This approval shall become effective in four months, on September 8, 2021, or eight weeks after the Town receives a copy of the Memorandum of Understanding (MOU) between Eversource and the MA Department of Conservation and Recreation (DCR); whichever is later.

- NEW CONDITION – Failure to fully comply with, or any material changes from all conditions stated herein, and with all related statutes, permits, or other regulatory measures; shall be deemed cause to revoke or modify this Grant of Location (GOL).
- NEW CONDITION – After substantial completion of the work pursuant to, and as required by, a Grant of Location; the grantee shall submit “as-built” plans of the facilities, stamped by a professional land surveyor or other qualified professional, detailing all elements of work.
- NEW CONDITION – This Grant of Location does not relieve the permittee or any other person of the necessity of complying with all other applicable Federal, State, or local statutes, ordinances, by-laws, or regulations.

Responses from Eversource representatives to Board Member Russo’s edit and conditions:

- EDIT – Eversource representatives were agreeable to the date, but not the MOU specification, adding that DCR has no role in the duct bank, laying cables related to GOL; and enforcement was not under the purview of DCR.
- NEW CONDITION – Revoking/modification of Grant of Location believed to be outside of the Select Board authority. Stated that according to MA Supreme Judicial Court (SJC), once the permit is granted, it is not subject to revocation.
- NEW CONDITION – Eversource representatives had no objection to the inclusion of an “as-built” plan, stamped by a professional land surveyor/and or, other qualified professional/s
- NEW CONDITION - Eversource representatives expressed no general objection to complying with the condition that the Grant of Location did not relieve the permittee or any other person of the necessity of complying with all other applicable Federal, State, or local statutes, ordinances, by-laws, or regulations.

Vice-Chair Roberts stated the presented conditions as noted by Board Member Russo should be included in the condition documentation.

Chair Dretler commented about the proposed de-energized transmission line condition which detailed the restoration of the site to its prior condition, when no longer needed.

Board Member Schineller confirmed the community had serious concerns about the safety of the rail trail for walkers and bikers, in consideration of the fact that the transmission line would be located directly under the trail, especially at the crossings. He requested testing of EMF (Electric and Magnetic Fields) exposure on a more frequent schedule plan considering peak loading. He expressed concern about definition of safe EMF levels, and stated that Eversource was endorsing a standard which was far less stringent than the EFSB standard. He further indicated that 85 mG was the standard set by the EFSB, and anything above that was unreasonably high. Board Member Schineller recommended that recourse be considered in the form of de-energizing the line, changing of design, and posted warning signs.

Board Member Schineller stated that Eversource rejected the condition establishing a \$2 million bond in the instance that GOL conditions and safe EMF levels were not met. He mentioned that the Town of Stoughton implemented a \$500,000 bond as assurance, and Sudbury should be offered that same recourse. He emphasized that EMF radiation from transmission lines was a real health threat.

Mr. Hager stated utility lines were typically abandoned when no longer required, and left in place, though language might be included for removing the duct bank, and at the end of the transmission line life. He suggested

the term “de-energized” might be substituted with preferred language within an agreement to remove the duct bank.

Mr. Rosenzweig detailed that the 85mG was not a standard and the ICNIRP (International Commission on Non-Ionizing Radiation Protection) and the ICES (International Committee on Electromagnetic Safety) serves to protect workers and the general public from adverse effects from EMF, and the ICNIRP recognized that levels at 2,000 mG were acceptable. He added that the World Health Organization concluded that magnetic field levels found in everyday environments (including those near electric power lines) do not lead to adverse health or safety impacts.

Resident Julie Lieberman, 19 Rolling Lane, asked why the annual hours are used in this calculation. Mr. Rosenzweig responded that according to health standards as mentioned, the annual calculation by hour, related to long-term exposure and not instant exposure, thus, the average hour load calculations were appropriate. He stressed that the Board would not have jurisdiction over this aspect.

Resident Manish Sharma, 77 Colonial Road, inquired via chat, if counsel might include an EMF addendum clause.

Vice-Chair Roberts asked about other communities involved with similar transmission lines running through bike paths. Mr. Rosenzweig responded a number of projects were similar with some sidewalks nearby. Vice-Chair Roberts asked if the lines were directly below the proposed trail. Mr. Hager responded that for the most part, the duct banks were off to the side of the path in many areas to avoid wetlands and environmental impacts.

Ms. Lieberman stated that the original Eversource application listed peak loading calculations, which were greater than what was now presented. Mr. Rosenzweig took exception with the calculations represented.

Vice-Chair Roberts asked Mr. Nason to explain the bonding aspect. Mr. Nason responded that the bond would cover work within the Town right of way and not the MBTA or DCR right of way.

Mr. Pucci acknowledged that bonding in this instance was dependent on Sudbury DPW. Mr. Nason confirmed \$10,000 per road crossing was standard, in consideration that the roadway was brought back to its original state.

Vice-Chair Roberts asked if EMF evaluations could be conducted more than once per year. Mr. Rosenzweig responded in the affirmative. Mr. Hager commented that magnetic field results could be addressed if mG calculations increased. Mr. Rosenzweig acknowledged that Eversource would investigate such increases if an agreement were reached regarding Grant of Location.

Board Member Schineller requested the following be added to the record:

- Link to the Stoughton Grant of Location
- Related Stoughton minutes – 3/15/17, 5/24/17, 6/20/17, 9/5/17, 10/17/17
- Siting Board documentation and Notice of Decision dated 10/17/17

Board Member Schineller recommended an additional condition regarding ISO New England be included to confirm that ISO New England acknowledged such contingency that the transmission line might require relocation at the expense of Eversource. Mr. Rosenzweig answered that he would not be able to confirm that such condition could be agreed upon at this time.

Board Member Schineller motioned to include Grant of Location conditioning that Eversource shall obtain and provide to the Town of Sudbury, written acknowledgement from ISO New England, states in lease agreement with Eversource, that Eversource shall relocate the transmission line, if requested by the MBTA. Vice-Chair Roberts seconded the motion.

It was on motion 3-1-0; Schineller-aye, Russo-no, Roberts-no, Dretler-no

VOTED: Not to include Grant of Location conditioning that Eversource shall obtain and provide to the Town of Sudbury, written acknowledgement from ISO New England, states in lease agreement with Eversource, that Eversource shall relocate the transmission line, if requested by the MBTA.

Board Member Schineller indicated there was no risk associated with the condition which he presented.

Chair Dretler recommended the Board take a five-minute recess.

Chair Dretler read in the words of the motion. Board Member Russo moved in the words of the Chair. Vice-Chair Roberts seconded the motion.

It was on motion 4-0; Roberts-aye, Schineller-aye, Russo-aye, Dretler-aye

VOTED: To take a five-minute recess

Board Members resumed the meeting at 10:06 p.m. Board Members spent considerable time discussing and providing edits to the GOL document, the bond language, and drafted conditions.

Mr. Pucci indicated a bonding condition drafted by the Board would be invalid as written, and opined about inclusion of a testing requirement to ensure that EMF levels did not exceed that which was acceptable by the Siting Board.

Board Member Schineller motioned that the Board work with Town Counsel after Town Counsel studied other relevant Grant of Locations and the EMF issue and craft a related condition that would protect the Town of Sudbury from harmful EMF effects to be addressed with a bond. Vice-Chair Roberts seconded the motion.

It was on motion 3-1-0; Roberts-no, Russo-no, Schineller-aye, Dretler-no

VOTED: Not to work with Town Counsel after Town Counsel studied other relevant Grant of Locations and the EMF issue and craft a related condition that would protect the Town of Sudbury from harmful EMF effects to be addressed with a bond.

Vice-Chair Roberts asked Mr. Pucci if he had ever seen a similar case. Mr. Pucci responded not, and indicated this aspect was outside of the Board's jurisdiction. He added he would be willing to search for such a related EMF case, but strongly felt that the Stoughton decision was not similar.

Board Member Schineller commented there might not be a similar case because to date there had not been a project where the transmission line sits directly under the rail trail.

Mr. Pucci suggested a possible motion regarding EMF protections.

Mr. Rosenzweig stated that Eversource could not commit to a condition which endorsed the 85 mG limit, and the Siting Board did not express such limit in this case; the 85 mG was only a guideline. He reiterated the Board's attempt at imposing such limit with bonding would be outside the authority of the Select Board.

Vice-Chair Roberts maintained there must be a level of acceptance. Chair Dretler said she was fine with including the 85 mG guideline. Board Member Schineller agreed with Chair Dretler.

Board Member Russo motioned to close the Public Hearing. Vice-Chair Roberts seconded the motion.

It was on motion 3-1-0; Schineller-no, Roberts-aye, Russo-aye, Dretler-aye.

VOTED: To close the Public Hearing

Board Member Russo motioned to approve Grant of Location requested by NSTAR Electric company d/b/a Eversource Energy to construct upon, along, under, or across the following public way(s) of the Town of Sudbury, wires, cables, piers, abutments, conduits, or fixtures in accordance with plan(s) made by Eversource dated March 1, 2019, on file with said petition: Dutton Road (at its intersection with the MBTA rail corridor); Peakham Road (at its intersection with the MBTA rail corridor); Horse Pond Road (at its intersection with the MBTA rail corridor); Union Avenue (at its intersection with the MBTA rail corridor) as part of its work to construct a new underground electric transmission line with all the conditions as discussed at tonight's meeting as reviewed/edited by the Select Board, consistent with the final review and edit conducted tonight, subject to a final clean-up for grammar, spelling, consistency without any substantive changes. Board Member Schineller seconded the motion.

Board Member Schineller noted that the Town was basically opposed to this project in consideration of environmental concerns, especially the EMF issue. He added that an impending appeal was also a consideration.

It was on motion 3-1-0; Schineller-no, Russo-aye, Roberts-aye Dretler-aye

VOTED: To approve Grant of Location requested by NSTAR Electric company d.b.a Eversource Energy to construct upon, along, under, or across the following public way(s) of the Town of Sudbury, wires, cables, piers, abutments, conduits, or fixtures in accordance with plan(s) made by Eversource dated March 1, 2019, on file with said petition: Dutton Road (at its intersection with the MBTA rail corridor); Peakham Road (at its intersection with the MBTA rail corridor); Horse Pond Road (at its intersection with the MBTA rail corridor); Union Avenue (at its intersection with the MBTA rail corridor) as part of its work to construct a new underground electric transmission line with all the conditions as discussed at tonight's meeting as reviewed/edited edited by the Select Board, consistent with the final review and edit conducted tonight, subject to a final clean-up for grammar, spelling, consistency; without any substantive changes.

Upcoming Agenda Items

Board Members recommended continued discussion of agenda items not covered at this meeting to May 12 or May 13.

Adjourn

Chair Dretler motioned to adjourn the meeting. Board Member Schineller seconded the motion.

It was on motion 5-0; Carty-aye, Russo-aye, Schineller-aye, Roberts-aye, Dretler-aye

VOTED: To adjourn the meeting.

There being no further business the meeting was adjourned at 12:10 a.m., Wednesday, May 5, 2021.

DRAFT

SUDBURY SELECT BOARD

SATURDAY, MAY 22, 2021

Present: Chair Janie Dretler, Vice-Chair Roberts, Select Board Member Daniel E. Carty, Select Board Member William Schineller, Select Board Member Charles Russo, Town Manager Henry L. Hayes, Jr., Patricia Golden, Senior Admin. Asst. to the Town Manager, DPW Director Dan Nason.

The statutory requirements as to notice having been complied with, the meeting was convened in person at 11:50 AM at Lincoln-Sudbury Regional High School field.

Call to Order/Roll Call

Select Board Roll Call: Schineller-present, Carty-present, Russo-present, Roberts-present, Dretler-present

Discussion/vote on Town Meeting articles

Article - 2 FY21 Budget Adjustments: Board Member Schineller moved to support Indefinite Postponement of Article 2, and Board Member Carty seconded.

It was on motion 5-0; Roberts-aye, Russo-aye, Carty-aye, Schineller-aye, Dretler-aye

VOTED: To support Indefinite Postponement (IP) of Article 2.

Article 9 - Unpaid Bills: Board member Carty moved to support Indefinite Postponement of Article 9, and Vice-chair Roberts seconded.

It was on motion 5-0; Roberts-aye, Russo-aye, Carty-aye, Schineller-aye, Dretler-aye

VOTED: To support Indefinite Postponement (IP) of Article 9.

Article 21- Street Acceptance-Anthony Drive: Town Manager Hayes shared with Board members that all inspections are complete on this project.

Board member Russo moved to support Article 21, and Board member Schineller seconded.

It was on motion 5-0; Roberts-aye, Russo-aye, Carty-aye, Schineller-aye, Dretler-aye

VOTED: To support Article 21 – Street Acceptance–Anthony Drive.

There was discussion regarding Town Meeting logistics. Board member Schineller asked if there is a policy on residents using umbrellas due to the heat. Town Manager Hayes stated that is up to the Town Moderator, Cate Blake. There is no need to enforce this unless the Moderator cannot see to count the votes.

Town Manager Hayes also shared that face coverings are requested at this meeting. Fines cannot be enforced at this time; this is only an advisory. The Health Department has approved that all attendees can eat and drink during this meeting.

Vice-chair Roberts asked about Select Board statements, specifically, if a resident asks for a Board member's position on a particular article. Chair Dretler stated that if a member chooses to voice their opinion as a Select Board member, they should stay in their seat. However, if they choose to speak as a citizen, they should go to the microphone at the podium to make their statement.

The discussion ended at 12:01 PM, but the Board did not adjourn. The Select Board meeting will continue during Annual Town Meeting which is scheduled to commence at 12:30 PM.

Board member Carty moved to adjourn the Select Board meeting, and Board member Russo seconded.

It was on motion 5-0; Roberts-aye, Russo-aye, Carty-aye, Schineller-aye, Dretler-aye
The meeting was adjourned at 4:19 PM.

DRAFT



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

6: Spring 2021 Select Board Newsletter Approval

REQUESTOR SECTION

Date of request:

Requested by: Leila S. Frank

Formal Title: Review the Select Board's Spring 2021 Newsletter articles and approve for distribution.

Recommendations/Suggested Motion/Vote:

Background Information:

Draft newsletter attached

Financial impact expected:N/A

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

Town Manager Henry L. Hayes, Jr.

BY DAN CARTY, SELECT BOARD

Back in March of 2020, I wrote a newsletter article introducing Henry Hayes, our incoming Town Manager. A little over a year has passed, and I thought it would be helpful to the public to check back in with Mr. Hayes to get his impression of his first year on the job.

Thanks for the time Henry. Here we are, a little more than a year in. What has surprised you about the role of Town Manager here in Sudbury? I think the biggest surprise I have had is the way I was able to adapt with regards to the budget. If you recall I used the term “steep climb” with what was ahead of me in this regard, but as I got into it, I realized my previous budgeting experience was much more applicable than I expected. In my past I did not own the budget, but I worked closely with my boss and was a senior advisor to budgetary matters. Now I am in charge, but have very good people working with me. So, it is much more similar than I expected. But I do want to note that this would be a much different story if I did not have the caliber of people on my team that I have.



Let’s talk about your team. We often think about town management in terms of issues and tasks. But we know that in order to accomplish those, we need good people. How have you found the people management side of this job so far?

Well, for starters, the HR rules are different, but in my previous career I was used to structure and regulation. I had to come up to speed on these ground rules, but I had great support from Maryanne Bilodeau and the rest of the Senior Staff. And again, my team is fantastic. Together we have established an environment that fosters great dialogue and trust.

So, let’s talk about some differences between this role and your previous ones. I must imagine that citizen involvement is different and something you had to get used to?

Certainly, to a large degree. I interacted with and led various committees in the past, but this is indeed different. Here people are involved because they care! Here there are probably more people involved – in my past it may have been the same 10 or 20 people that I dealt with – but they were still involved. Here it is more people for sure.

How do you find the pace? Ha! The word relentless comes to mind! Seriously, there is always something critical going on. Some things may have an impact lasting for a day while other things we do will impact Sudbury for the next 50 years. But everything we do must be, and is, approached cautiously & accurately.

What would you like the citizens of Sudbury to know now that you have been on the job for a year? I would like them to know that sustaining a safe, secure, serviced, and strong Sudbury is not just a slogan. It is how we think and manage. It starts in our house with our staff and works outward to the community.

Are you glad you took the job? Yes!

Well Henry, I am glad you did too. Thank you for your time!

I want to thank Henry for his first year of service to here in Sudbury. He has admirably managed us through a bona fide crisis and came up to speed very quickly. Congratulations Henry, and here’s to many more years.

Diversity, Equity and Inclusion in Sudbury

BY BILL SCHINELLER,
SELECT BOARD

The killing of Black American George Floyd in St Louis on May 25, 2020 one year ago served as an undeniable impetus across our nation to uncover and address biases present in varying forms in our communities. The Select Board responded last summer with a Community Conversation on Race and Safety on June 25, 2020 and followed up by creating the Town's new Diversity, Equity, and Inclusion (DEI) Commission. The Board collaboratively defined the Mission Statement and desired composition of the DEI Commission, incorporating input from citizens over the course of several Board meetings, and voted unanimously to approve on November 17, 2020.

As defined in the DEI Commission Mission Statement, the Commission is composed of fourteen volunteer voting members, appointed by the Select Board from the community at large, plus seven Advisory (non-voting) members: Sudbury Police Department (1), Town Manager (1), Sudbury Public Schools and/or Lincoln Sudbury Regional High School (2), Sudbury Clergy Association (1), and Select Board liaisons (2)

Their one-year mission: First, conduct extensive outreach within Sudbury to gather first-hand experiences of historically disenfranchised populations within our community, and solicit input from Town departments, boards, and committees and related groups in town, to identify where biases and issues of diversity, equity, and inclusion exist here in Sudbury. Second, the Commission will deliver a report with findings and actionable recommendations to address any problems found. Third, The Select Board, in partnership with the Commission, will present findings to the town, and the Select Board will oversee implementation of the recommended actions.

Applications for the Commission were advertised and reviewed in early 2021, and the Select Board interviewed and voted unanimously on April 26, 2021 to appoint fourteen well qualified and sincere



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volunteers: Susan Abrams, Yana Bloomstein, Peju Champion, Katina Fontes, Vona Hill, Nancy Kimble, Nalini Luthra, Nuha Muntasser, Stephanie Oliver, Susan Rushfirth, Erica Silverman, Joanna Steffey, Tanisha Tate, Susan Tripi.

On May 17, 2021 the Commission held its very first meeting, electing Co-Chairs Nalini Luthra and Nuha Muntasser, learning Open Meeting Law procedures, and discussing their mission and aggressive

schedule. They will be reporting back to the Board on a quarterly basis, and are currently preparing their outreach plan. The Select Board thanks the Commission members for volunteering their time, talents, and perspectives, and looks forward to collaborating to identify and address issues of Diversity, Equity, and Inclusion in Sudbury. My personal hope is that Sudbury be a place where everyone feels as safe, equal, and included as I (a white male) do, and interactions with diverse neighbors is perfectly normal and comfortable.

Fairbank Community Center Project Update

BY JANIE DRETLE, SELECT BOARD

It was at the 2020 Annual Town Meeting that the residents of Sudbury looked to the future and voted to approve the design and build of a new Community Center. The project passed at the November 2020 ballot, strengthening our commitment to being *a place for all to live, work and play*. Since then, Town Manager Henry Hayes, Combined Facilities Director Bill Barletta, and the Permanent Building Committee (PBC) have been very busy getting this project underway. Permanent Building Committee members Jennifer Pincus and Nancy Rubinstein will serve as building project leads.

The PBC selected Compass Project Management, Inc. to be Owner's Project Manager (OPM) for the new Fairbank Community Center Project. Compass previously served as OPM on the Peter Noyes School Accelerated Repair Project. In addition, VERTEX, the parent company of Compass, served as the OPM for the renovation and addition of the Sudbury Water District facilities. Compass and VERTEX have

previously served as OPM on similar projects such as the Walpole Council on Aging, the Franklin Senior Center Renovation, the Scituate Senior and Recreation Center, and the Arlington Senior Center

PBC awarded Bargmann Hendrie + Archetype, Inc. (BH+A) with the design contract for the project. You may recall that BH+A previously provided a feasibility study for the Fairbank Community Center. BH+A has worked on a variety of projects including the Andover Senior Center, the Scituate Senior & Recreation Center, the Needham Senior Center and the Newton Center for Active Living. Both Compass and BH+A bring considerable experience and expertise to the Fairbank Community Center building project.

Over the past month, Compass and BH+A has held numerous meetings with user groups of the Fairbank Community Center as well as Town staff to get a thorough understanding of the needs of each group. At the most recent PBC meeting, Compass presented a three-month projection which begins with concept and works toward finalizing schematic design.

Some of the concept design considerations include

- Building approach
- Parking and entrance locations
- Ready access to day camps and drop off areas
- Outdoor spaces
- 1-story vs. a 2-story building
- Future expansion

- The role of landscaping: green space vs. pavement, shading, water management
- Enhanced daylighting
- Planning for solar
- Sustainable design

The OPM and designer have an aggressive schedule to complete the design and estimating process by year-end. Schematic design will continue through July. The OPM seek authorization to set the overall budget and square footage in early August to begin the permitting process toward the end of the summer. Design development will then follow through the beginning of October. Site plan approval process is targeted to wrap up by late November 2021.

Public review is expected to be held prior to year-end 2021. Construction documents are targeted to be complete by January to go out for bid at end of January 2022.

Approving funding for the community center was an important milestone for Sudbury. The new community center will be an incredible resource for town residents for many years to come!

If you would like to follow the project’s progress, go to <https://sudbury.ma.us/selectboard/?p=3863>

You may also follow the project by attending upcoming Permanent Building Committee meetings.

Walking Sudbury’s Conservation Land Trails

**BY CHARLIE RUSSO,
SELECT BOARD VICE-CHAIR**

Sudbury is fortunate to have numerous conservation lands, parks, and open spaces that provide a bucolic atmosphere, host places for passive recreation, and add to the quality of life in town.

Access to nature is shown to reduce stress, stimulate creativity, and improve physical and mental health. Beyond these benefits, the value of conservation lands became even more apparent during the COVID-19 pandemic, when trails became havens for home-bound residents as places to escape and find peace. In the past year, many ordinarily-empty conservation land parking lots were often filled to overflow on sunny days.

On a map, Sudbury is bookended by two large federal conservation lands; the Great Meadows National Wildlife Refuge and the Assabet River National Wildlife Refuge. In between are numerous open spaces owned by local, state, federal, and private landowners, including more than



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a dozen walkable properties owned by the Town of Sudbury on behalf of its residents.

Among the Town conservation lands, there's something for everyone, whether you're a veteran hiker or a child's chaperone. That could include a hike up the old sledding hill to the overlook at Davis Farm, a stroll beneath the towering trees of Haynes Meadow, or getting lost at Hop Brook Marsh, which is one of six adjoining conservation lands.

Other options includes King Philip Woods, where trails circle a pond and lead to the stone foundations of historic structures; Lincoln Meadows, where pathways wind up a hill above the Community Gardens and the Sudbury River; Nobscot/Tipling Rock, a large conservation property that offers many trails, views of Boston's skyscrapers from its summit, Ford's Folly, and more; Frost Farm, with wide open meadows; and the Piper-Libby property, that offers old stone walls, tall trees, and an escarpment overlooks a small brook. Barton Farm and Poor Farm both offer trails encircling active farm fields.

In the right places, it's easy to hear the slap of a beaver tail against the water, see dead tree snags pecked to swiss cheese by woodpeckers, or imagine the story told by a set of animal tracks crossing a path.

In Sudbury, many conservation properties are also home to historic features, such as abandoned orchards, old stone walls, or rusted out antique jalopies, which all add to the interest and sense of exploration along the trails. Notable historic locations within conservation lands include Ford's Folly - a large, failed dam within the Nobscot Conservation Land originally built at the direction of Henry Ford, which looms over a trickling stream in the

middle of the woods at the end of a nice h
- and the remaining foundations of the Tavern of the Damned within King Philip Woods, where the skeletal remains of some unfortunate travelers who were victims of bandits were found long ago.

Some of the newer open spaces in town include the Landham Brook Marsh, where heron nests stick up like wooden lollipops from the marsh; Broadacres Farm, which offers open fields and woodlands laced with old horse trails; and the rolling Sewataro property that offers scenic ponds, hills, and other amenities.

Other open spaces in town, like the wide open Haskell Field, quiet and pretty Heritage Park, or sloped Grinnell Park, also offer nice paths for a walk.

And while many conservation lands are protected in perpetuity, they are not immune to change. The threats of invasive species, climate change, and development pressure continue to loom. Happily, the Conservation Office has a number of initiatives underway to support and expand conservation in town, including updates to Town Trail Maps and other land stewardship efforts.

So, whatever outdoor adventure you're looking for, whether that's active hiking, wildlife spotting, or contemplative walking - there's a place for you.

While on the trails, please abide by the latest COVID-19 protocols, watch out for ticks, and follow leash rules.

A list of conservation properties within Sudbury, along with maps, is available here:
https://sudbury.ma.us/conservation_lands/.

See you on the trails.

Stay up to date on the latest in Sudbury Town Government.

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Sudbury's Americans with Disabilities Act (ADA) Assessment and Transition Plan

BY JENNIFER ROBERTS,
SELECT BOARD CHAIR

As a part of its commitment to making Sudbury a livable community for all residents, the Town recently commissioned an American with Disabilities Act (ADA) study. The purpose was to analyze the current level of ADA compliance in programs, services, and activities in Town-owned facilities. The 1990 American with Disabilities Act provided civil rights protections to individuals with disabilities similar to those afforded to individuals on the basis of race, color, sex, national origin, age, and religion. The Institute for Human Centered Design (IHCD) was selected to conduct the study through surveying Town facilities and properties, soliciting public input, and the writing of a final report/transition plan.

The Assessment

The accessibility survey included all the space where the Town offers programs, services, and activities to members of the public. This includes 5 public schools and 14 public buildings as well as 11 outdoor recreation areas. The ADA requirement outlines that a public entity may not deny the benefits of its programs, services, and activities to individuals with disabilities because its facilities are inaccessible. The ADA does not typically require that every location be made accessible, however when "viewed in its entirety," comparable programs and services should be available at other locations. In addition to physical locations, the Town must communicate effectively with those who have hearing, vision, or speech disabilities, meaning written and spoken word must be understandable to all. This can be accomplished through the use of "auxiliary aid services" such as open and closed captioning,

readers, and electronic formats. Working in collaboration with the Town for access, IHCD spent much of 2020 reviewing Town properties despite setbacks and challenges posed by the COVID-19 pandemic.

The Report

IHCD submitted separate reports for each location that was surveyed, ranking by order of accessibility issue and magnitude of cost. It was found that many key facilities are generally usable by people with disabilities but may not be in full compliance with requirements. Most Town-owned facilities that have been recently built or altered are substantially accessible and meet most architectural requirements. However, many areas for improvement remain. A complete listing of the individual reports can be found [here](#) (scroll to bottom of page). On March 2, 2021, IHCD met in a joint meeting between

the Sudbury Select Board and the Commission on Disability to present an initial overview of the findings of their reports. Town Staff, including the Sudbury Town Manager, ADA Coordinator, and Facilities Director, also participated. This meeting kicked off the beginning of the Community Input period.

The Community Input Period

During the 6-week Community Input period, members of the community were invited to provide their feedback on the accessibility report and the general state of accessibility in Sudbury. Particular outreach was made to groups that may experience accessibility challenges, such as the Senior Center. Other outreach went to schools, the general community, and more, conducted in parallel by the Town and Sudbury Commission on Disability. Despite the Community Input period coming to an end, it was recognized that receiving input by the public is an important ongoing process now and into the future.

The Americans with Disabilities Act makes it possible for everyone with a disability to live a life of freedom and equality.

- ADA NATIONAL NETWORK

The Transition Plan

Upon completion of the Community Input period, ICHD, the Town staff, Select Board, and Commission on Disability came back together to discuss the results and pathway forward (April 27, 2021). The group discussed ICHD's Transition Plan which presented a comprehensive and prioritized list of accessibility issues. The plan lays out each item with a priority score of 1-4; 1 being most critical allowing for program access or a safety challenge. Associated with each is "an estimated cost of barrier removal." This transition plan will serve as a guide for the Town in the future as it seeks to address these areas. At present, ICHD is preparing a final report for the Sudbury. Then needed changes will be assessed in the broader context of the Town's full Capital Improvement Plan (CIP) which identifies future projects, costs, and possible funding sources. While it is broadly recognized that all the changes cannot be made immediately, it is the goal to start to methodically address them in each coming year pursuing outside funding sources wherever possible. We would like to thank the hard work and dedication of ICHD, Town staff, the Commission on Disability, and members to the public who provided their valuable input. This ADA Assessment was a critical step for Sudbury in its pursuit to be an accessible and welcoming community for all. Full information on this project can be found [here](#). Ongoing questions or comments concerning ADA accessibility can be sent to ada@sudbury.ma.us.



SUDBURY SELECT BOARD
Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

7: Citizen's Comments (cont)

REQUESTOR SECTION

Date of request:

Requested by: Patty Golden

Formal Title: Citizen's Comments (cont)

Recommendations/Suggested Motion/Vote:

Background Information:

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM



SUDBURY SELECT BOARD
Tuesday, June 1, 2021

MISCELLANEOUS (UNTIMED)

8: Upcoming Agenda Items

REQUESTOR SECTION

Date of request:

Requested by: Patty Golden

Formal Title: Upcoming Agenda Items

Recommendations/Suggested Motion/Vote:

Background Information:

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

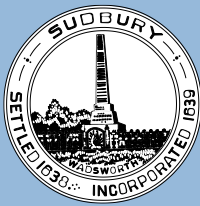
Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

POTENTIAL UPCOMING AGENDA ITEMS/MEETINGS

MEETING	DESCRIPTION
June 15	Annual Board and Committee/Commission reappointments (or June 29)
Date to be Determined	American Rescue Plan discussion
	Budget Strategies Task Force
	By-law items to examine - Special Events & Demonstration Permits; Common Victualler License Holders (Related to Farm Act exemptions, citizen request); Nuisance / Blight Bylaw; Removal Authority of members from appointments
	Citizen Leadership Forum
	Election worker annual reappointments (July)
	Fairbank Community Center update (ongoing)
	Financial policy review (separate meeting to be scheduled)
	Health/COVID-19 update (as of 3/18/20)
	Housing Choice discussion
	Invite Commission on Disability Chair to discuss Minuteman High School
	LS agreement
	Local receipts – fee schedule review (Vice-chair Russo)
	Planning Board joint meeting
	Projects to track using form (KPIs)
	Quarterly review of approved Executive Session Minutes for possible release (February, May, August and November). Consider separate meeting solely for this purpose.
	Quarterly update on Bruce Freeman Rail Trail (BFRT) (March, June, September, December)
	Quarterly update on CSX (January, April, July, October)
	Route 20 empty corner lot – former gas station
	Sewataro Financial Statement review
	Sewataro Future planning - \$ for negotiations, insurance, contract
	Sidewalks discussion
	State of Emergency rescinding letter
	Town Manager Goals and Evaluation process
	Town meeting recap – year in review
	Town-wide traffic assessment and improve traffic flow
	Update from SB Policy Subcommittee
	Update on crosswalks (Chief Nix/Dan Nason)
	Update on traffic policy (Chief Nix)
	Work Session with Town Counsel: Select Board/Town Manager Code of Conduct and other procedural training
Standing Items for All Meetings	Select Board requests for future agenda items at end of meeting
	Citizens Comments, continued (if necessary)



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

CONSENT CALENDAR ITEM

9: Town Manager reappointments to Historical Commission

REQUESTOR SECTION

Date of request:

Requestor: Historical Commission Chair Chris Hagger

Formal Title: Vote to approve the Town Manager reappointments of Christopher Hagger, 233 Nobscot Road, and Diana E. Warren, 32 Old Framingham Road, Unit 30, to the Historical Commission for terms expiring 5/31/24.

Recommendations/Suggested Motion/Vote: Vote to approve the Town Manager reappointments of Christopher Hagger, 233 Nobscot Road, and Diana E. Warren, 32 Old Framingham Road, Unit 30, to the Historical Commission for terms expiring 5/31/24.

Background Information:
attached

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

From: cldh7@aol.com <cldh7@aol.com>
Sent: Wednesday, May 19, 2021 8:36:50 PM
To: Town Manager; Hayes, Henry; Select Board; Select Board's Office
Cc: Duchesneau, Adam
Subject: Sudbury Historical Commission - Reappointments

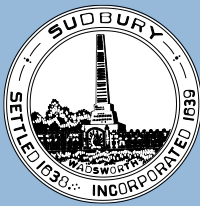
Dear Town Manager and Select Board,

Two of the Sudbury Historical Commission current members, Chris Hagger (current Chair) and Diana Warren (current Vice Chair) have terms expiring May 31, 2021. At the SHC public meeting on May 18th, 2021, both candidates expressed interest in being reappointed and provided reasons for being reappointed. By a separate vote for each candidate, the SHC voted 6-0 in each case to recommend reappointment of these two candidates.

I would request that the reappointment of these two candidates be placed on the Select Board agenda at the next possible Select Board meeting.

Thank you,

Chris Hagger
Chair - SHC



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

CONSENT CALENDAR ITEM

10: 2021 Sudbury July 4 Road Race

REQUESTOR SECTION

Date of request:

Requestor: Deb Bernstein

Formal Title: Vote to Grant a Special Permit to the Sudbury July 4th Road Race, to hold the “Sudbury July 4th Road Race” on Sunday, July 4, 2021 from 7:00 A.M. through approximately 12:00 P.M., subject to Police Department safety requirements, Proof of Insurance Coverage and the assurance that any litter will be removed at the race’s conclusion.

Recommendations/Suggested Motion/Vote: Vote to Grant a Special Permit to the Sudbury July 4th Road Race, to hold the “Sudbury July 4th Road Race” on Sunday, July 4, 2021 from 7:00 A.M. through approximately 12:00 P.M., subject to Police Department safety requirements, Proof of Insurance Coverage and the assurance that any litter will be removed at the race’s conclusion.

Background Information:
Please see attached.

Financial impact expected:n/a

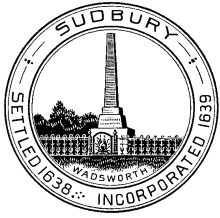
Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

- Patty Golden Pending
- Henry L Hayes Pending
- Jonathan Silverstein Pending
- Janie Dretler Pending
- Daniel E Carty Pending
- Select Board Pending

06/01/2021 7:00 PM



TOWN OF SUDBURY

Office of Selectmen
www.sudbury.ma.us

Flynn Building
278 Old Sudbury Rd
Sudbury, MA 01776-1843
978-639-3381
Fax: 978-443-0756

Email: BOSSadmin@sudbury.ma.us

APPLICATION FOR A CHARITABLE WALK/RELAY PERMIT ON A PUBLIC WAY

Written permission to conduct a fundraising walk or relay race in any public street, public sidewalk or public way within the Town must be obtained from the Board of Selectmen prior to the event. The Chief of Police will determine the appropriate public safety requirements for this event and the cost of such special duty officers, if any required, will be borne by the applicant. The Town of Sudbury requires a Certificate of Insurance of no less than \$1,000,000, naming the Town as an additional insured. All cleanup from the event will be completed by the applicant within 8 hours after the stated ending time or applicant will be billed for the Town's cost to clean up. Application processing can take up to four weeks as approval from the Police, Building and Park & Recreation departments may be required prior to Board of Selectmen approval. Processing begins after all required materials are received, so please plan accordingly.

Organization Name _____

Event Name _____

Organization Address _____

Name of contact person in charge _____

Telephone Number(s) of contact _____ (cell) _____

Email address _____

Date of event _____ Rain Date _____

Starting time _____ Ending time _____

Route of the race/relay and portion of the road requested to be used (please indicate on map and attach to this application) _____

Anticipated number of participants _____

Assembly area (enclose written permission of owner if private property to be used for assembly) _____

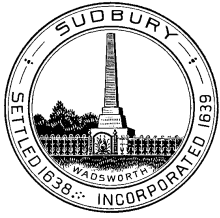
Organization that proceeds will go to _____

Any other important information _____

The undersigned applicant agrees that the applicant and event participants will conform to applicable laws, by-laws and regulations as well as any special requirement that may be made as a condition of the granting of permission pursuant to this application. I/we agree to hold the Town of Sudbury harmless from any and all liability and will defend the Town of Sudbury in connection therewith.

Signature of Applicant _____ Date _____

Attachment 10.a: July 4th Road Race 2021_SB (4596 : 2021 Sudbury July 4 Road Race)



TOWN OF SUDBURY

Office of Selectmen
www.sudbury.ma.us

Flynn Building
 278 Old Sudbury Rd
 Sudbury, MA 01776-1843
 978-639-3381
 Fax: 978-443-0756

Email: BOSSadmin@sudbury.ma.us

CONTINUED: APPLICATION FOR A CHARITABLE WALK/RELAY PERMIT...

Application Checklist:

- Application Form
- Map of Route
- Evidence of Certificate of Insurance (please see details above)

Please submit completed application and materials to:
 Board of Selectmen
 278 Old Sudbury Rd.
 Sudbury, MA 01776
 Fax: 978-443-0756
 Email: BOSSadmin@sudbury.ma.us



EST 1965

Sudbury July 4th Road Race

Race is counter-clockwise loop Featherland Park -> Plympton Rd -> Water Row -> Lincoln Road -> Concord Rd back to Featherland.

Sudbury July 4th Road ...

3.75 mi race route for Sudbury July 4th Road Race. Race starts at Featherland Park on Concord Rd, turns onto Plympton, Water
44 views
SHARE EDIT

Directions from Sudbury Parks & Recrea...

- 1 Sudbury Parks & Recreation, Concord Road...
- 2 207-211 Plympton Rd, Sudbury, MA 01776, ...
- 3 intersection of plympton rd and Water Row,...
- 4 intersection water row and lincoln rd sudbu...
- 5 intersection lincoln rd and concord rd sudb...
- 6 497 Concord Rd, Sudbury, MA 01776, USA

Made with Google My Maps

Attachment10.a: July 4th Road Race 2021_SB (4596 : 2021 Sudbury July 4 Road Race)

Addendum to Charitable Race Application

Sudbury July 4th Road Race 2021

Following all recommendations from MA Department of Public Health and USA Track and Field. Covid-19 related information:

1. Request that all entrants and volunteers be vaccinated.
2. Masks will be encouraged.
3. Cap registration at 150 runners max, but expect fewer
4. 12 volunteers
5. To reduce human to human proximity:
 - a. No on-site registration (on-line registration only)
 - b. Pick up of bibs and t-shirts available on the day prior to race
 - c. Publicize no spectators
 - d. No water tables on course
 - e. No food or water available post-race
 - f. No award ceremony
 - g. No posting of results at the race site (results will be shared via email)
 - h. Staggered start: waves of 20 runners, 3 minutes between waves, volunteers enforce runner spacing at starting line
 - i. Finish chute: enlarged chute area, volunteers to enforce distancing in finish chute, staggered start will reduce number of runners in the chute at any one time

Additional points:

- Race committee will be placing road race information signs at several spots across town
- Police chief and Fire chief have been contacted
- Insurance binder – we obtain insurance every year thru USA Track & Field for at least 1,000,000\$. We name Town of Sudbury as additional insured. We have been asked to get approval from Town Board of Health before applying for the insurance. Once we have that approval, we will apply for the insurance and will forward the documentation to you as soon as we have it.

This race has been held in Sudbury every year since 1965. Race was virtual in 2020 due to Covid-19.

Thank you for your support!

2021 Sudbury July 4 Road Race

Sunday, July 4, 2021

Department Feedback

Department	Staff	Approve/Deny	Comments
Fire Department	Chief Whalen	Approve	The Fire Department has no issues with both of these events.
Health Department	Bill Murphy		<i>No longer required to comment as COVID restrictions will be lifted statewide on May 29, 2021</i>
Highway Department	Dan Nason	Approve	No issues here
Park & Recreation	Dennis Mannone	Approve	All good here
Police Department	Chief Nix	Approve	The police department does not have an issue with the July 4th Road Race as it has been very well run over the years. As we have in the past, we will support the event with traffic logistics to best ensure safety for all.

From: Murphy, Bill
Sent: Tuesday, May 18, 2021 8:02 PM
To: Deb Bernstein
Subject: Re: July 4th Road Race

You are correct. No BoH approval is needed. Good luck with your event .
-Bill Murphy

Sent from my iPhone

On May 18, 2021, at 7:04 PM, Deb Bernstein wrote:

Hello all -

Based on the latest orders from the state, we are assuming that we do NOT need approval from the Sudbury Health Department in order to go ahead with the July 4th road race. Please advise if this is not true.

Regards,
Deb Bernstein

On Thursday, May 13, 2021, 09:56:13 PM EDT, Deb Bernstein wrote:

Hello all,

Attached please find our application packet for the annual Sudbury July 4th Road Race. We have reviewed many recommendations on Covid-19 safety for road races and have made many changes to make the race safe and compliant. Thanks for your support,
Deb Bernstein

<CharitableWalkApplication July4race 2021 signed.pdf>
<Addendum to Charitable Race Application Sudbury July 4 Race 2021.docx>
<Race Maps.docx>



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

CONSENT CALENDAR ITEM
11: Bike MS Minuteman Ride 2021

REQUESTOR SECTION

Date of request:

Requestor: Emily Rivera, National Multiple Sclerosis Society

Formal Title: Vote to grant a Special Permit to the National Multiple Sclerosis Society, to Hold the “Bike MS: Minuteman Ride” on Saturday, September 18, 2021, from 9:00 A.M. through approximately 3:00 P.M., subject to Police Department safety requirements, Proof of Insurance Coverage and the assurance that any litter will be removed at the race’s conclusion.

Recommendations/Suggested Motion/Vote: Vote to grant a Special Permit to the National Multiple Sclerosis Society, to Hold the “Bike MS: Minuteman Ride” on Saturday, September 18, 2021, from 9:00 A.M. through approximately 3:00 P.M., subject to Police Department safety requirements, Proof of Insurance Coverage and the assurance that any litter will be removed at the race’s conclusion.

Background Information:

Financial impact expected:N/A

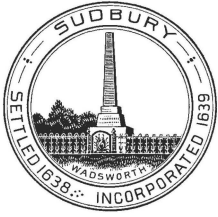
Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Janie Dretler	Pending
Daniel E Carty	Pending
Select Board	Pending

06/01/2021 7:00 PM



TOWN OF SUDBURY

Office of Select Board

www.sudbury.ma.us

Flynn Building
278 Old Sudbury Rd
Sudbury, MA 01776-1843
978-639-3381
Fax: 978-443-0756

Email: SBadmin@sudbury.ma.us

APPLICATION FOR A CHARITABLE WALK/RELAY PERMIT ON A PUBLIC WAY

Written permission to conduct a fundraising walk or relay race in any public street, public sidewalk or public way within the Town must be obtained from the Select Board prior to the event. The Chief of Police will determine the appropriate public safety requirements for this event and the cost of such special duty officers, if any required, will be borne by the applicant. The Town of Sudbury requires a Certificate of Insurance of no less than \$1,000,000, naming the Town as an additional insured. All cleanup from the event will be completed by the applicant within 8 hours after the stated ending time or applicant will be billed for the Town's cost to clean up. Application processing can take up to four weeks as approval from the Police, Building and Park & Recreation departments may be required prior to Select Board approval. Processing begins after all required materials are received, so please plan accordingly.

Organization Name National MS Society

Event Name Bike MS: Ride the Vineyard-Mainland

Organization Address 101A First Ave Suite 6, Waltham, MA 02451

Name of contact person in charge Emily Rivera

Date of event 9/18/2021 Rain Date n/a

Starting time 8:30am Ending time 3:00pm

Route of the race/relay and portion of the road requested to be used (please indicate on map and attach to this application) Please see attached cue sheets

Anticipated number of participants 350

Assembly area (enclose written permission of owner if private property to be used for assembly) _____

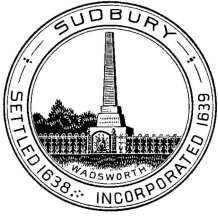
Start/Finish-Concord-Carlisle High School, rest stop- Lincoln-Sudbury HS

Organization that proceeds will go to National MS Society

Any other important information Riders will ride single file and follow all rules of the road.

The undersigned applicant agrees that the applicant and event participants will conform to applicable laws, by-laws and regulations as well as any special requirement that may be made as a condition of the granting of permission pursuant to this application. I/we agree to hold the Town of Sudbury harmless from any and all liability and will defend the Town of Sudbury in connection therewith.

Signature of Applicant Emily Rivera Date 5-20-2021



TOWN OF SUDBURY

Office of Select Board

www.sudbury.ma.us

Flynn Building
278 Old Sudbury Rd
Sudbury, MA 01776-1843
978-639-3381
Fax: 978-443-0756

Email: SBadmin@sudbury.ma.us

CONTINUED: APPLICATION FOR A CHARITABLE WALK/RELAY PERMIT...

Application Checklist:

- Application Form
- Map of Route
- Evidence of Certificate of Insurance (please see details above)

Please submit completed application and materials to:

Office of Select Board

278 Old Sudbury Rd.

Sudbury, MA 01776

Fax: 978-443-0756

Email: SBadmin@sudbury.ma.us



National
Multiple Sclerosis
Society
Greater
New England
Chapter

RECEIVED
BOARD OF SELECTMEN
SUDBURY, MA

2021 MAY 10 P 12:45

May 5, 2021

Henry Hayes, Town Manager
Flynn Building
278 Old Sudbury Road
Sudbury, MA 01776

Dear Mr. Hayes,

The National Multiple Sclerosis Society, Greater New England Market is excited at the prospect of hosting a ride again in the Town of Sudbury. The Bike MS: Minuteman Ride was a successful cycling event for 9 years and it is our hope to revive the beautiful routes once again. For 2021, we will be making our way back to the colonial area of Massachusetts to hold our Bike MS: Ride the Vineyard-Mainland. Bike MS is a fundraising campaign that raises vital dollars to move the National MS Society closer to a world free of MS. The funds raised from this charity bike ride will continue to be used to advance our support of national research and to support local programming for the more than 41,000 people within Greater New England who are affected by multiple sclerosis.

Our route will take us through the Town of Sudbury on September 18th. We anticipate approximately 350 cyclists to be riding through your town in small groups. Enclosed are cue sheets for turn by turn directions of the route.

Our routes feature safety stops every 10-15 miles, so that our cyclists remain hydrated and nourished. All cyclists agree to follow the rules of the road and are directed to ride single file. We issue one warning to cyclists not following the rules of the road. On the next infraction, we pull them from the ride and require they ride to the finish in one of our safety vehicles.

We mark our route with small cardboard signs attached to poles or stakes. A volunteer will follow the route on the day of the ride and remove all signs after the final cyclist has passed.

We operate a support team consisting of medical personnel, bicycle mechanics, and amateur (HAM) radio operators. Our lead HAM radio operator monitors all emergency



National
Multiple Sclerosis
Society
Greater
New England
Chapter

radio frequencies, so that we can close or redirect our route should that become necessary.

We respectfully ask permission from the Town of Sudbury to use town roads for this event. If we can have your permission, please return one signed copy of this letter to me.

If there are any other additional steps, permits or permissions I must take to assure approval for this event, please let me know.

I thank you in advance for your support and please feel free to contact me with any questions or concerns.

Sincerely,

A handwritten signature in red ink that reads "Emily B. Rivera".

Emily Rivera
Senior Manager, Event Production
National MS Society

***Covid Disclaimer:** We are staying up to date on Massachusetts Covid regulations. Some things we are doing different this year are staggered wave times with small groups so we will never have more than the approved number together at a time; face coverings must be worn at all rest stops and the start/finish; we will only have individually wrapped products. We will also have strict Covid signage.

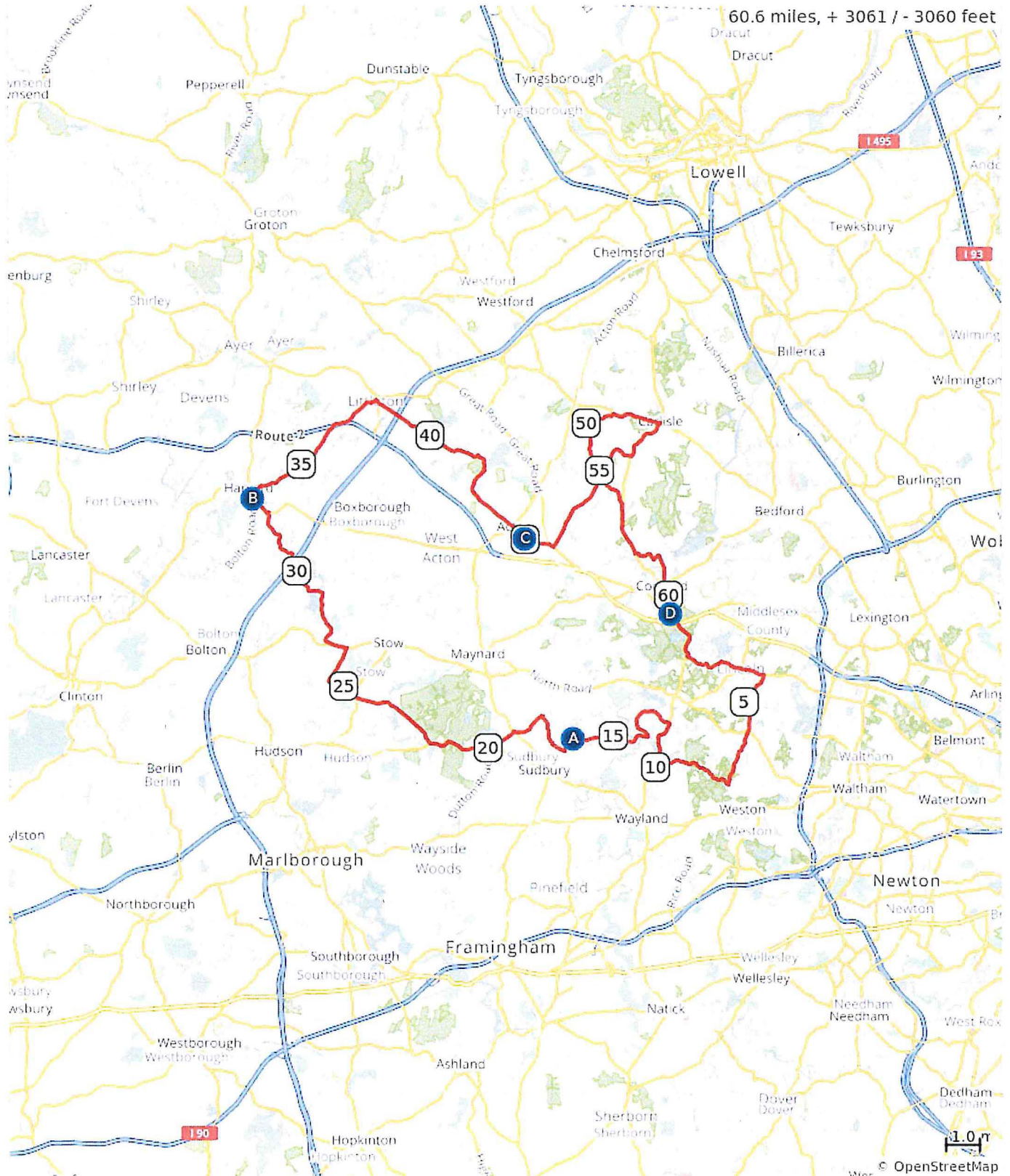
JOIN THE MOVEMENT

101A First Avenue Suite 6 Waltham MA 02451 1115 tel +1 800 344 4867 fax +1 781 890 2089 www.MSnewengland.org

60M Ride the Vineyard Mainland



- A. Rest Stop 1- Lincoln-Sudbury High School
- B. Rest Stop 2- Hildreth Elementary School
- C. Rest Stop 3- Woodland Chapel
- D. Finish-Concord-Carlisle High School



Attachment11.a: Bike MS_Minuteman Ride 2021_SB (4597 : Bike MS Minuteman Ride 2021)

60M Ride the Vineyard Mainland

Type	Dist	Note
📍	0.0	Start of route
➔	0.1	Right onto Walden St
↑	0.9	Continue onto MA-126 S
←	1.5	Left onto Baker Bridge Rd
➔	2.7	Right onto Sandy Pond Rd
←	3.3	Keep left to stay on Sandy Pond Rd
↑	3.3	Continue onto Trapelo Rd
➔	4.0	Right onto Silver Hill Rd
↑	4.7	Continue onto Weston Rd
↑	5.7	Continue onto Lincoln St
↑	5.9	Continue onto Merriam St
➔	7.6	Right onto Concord Rd
↑	8.3	Continue onto Sudbury Rd
↑	9.0	Continue onto Glezen Ln
➔	10.3	Right onto MA-126 N/Concord Rd
←	12.0	Left onto Oxbow Rd

12.0 miles. +639/-615 feet

Type	Dist	Note
←	26.7	Left onto MA-117 W
➔	27.0	Slight right onto Lantern Ln
➔	27.4	Slight right onto Hiley Brook Rd
←	27.7	Left onto Harvard Rd
←	28.9	Left to stay on Harvard Rd
↑	29.1	Continue onto Finn Rd
↑	29.9	Continue onto Stow Rd
➔	32.2	Right onto Slough Rd
➔	32.3	Right onto MA-111 N
➔	33.0	Rest Stop 2- Hildreth Elementary School
➔	33.2	Right onto Old Littleton Rd
↑	36.7	Continue onto Oak Hill Rd
↖	37.9	Bear left onto Sanderson Rd
↑	38.0	Continue onto King St
➔	38.0	Right onto Harwood Ave

12.4 miles. +762/-750 feet

Type	Dist	Note
➔	13.9	Right onto Sherman's Bridge Rd
↑	14.4	Continue onto Lincoln Rd
➔	16.2	Rest Stop 1- Lincoln-Sudbury High School
➔	16.3	Right out of rest stop
←	16.4	Left onto Concord Rd
➔	16.7	Right onto Morse Rd
←	18.1	Left onto Marlboro Rd
➔	19.0	Right onto MA-27 N/ Maynard Rd
←	19.1	Left onto Fairbank Rd
➔	19.9	Right onto Hudson Rd
↑	21.5	Continue onto Sudbury Rd
↑	24.0	Continue onto Boon Rd
↑	24.7	Bear right onto Randall Rd
↑	25.2	Continue onto Edson St
➔	25.6	Right onto Hudson Rd

13.6 miles. +613/-525 feet

Type	Dist	Note
←	40.8	Slight left onto Newtown Rd
➔	40.9	Slight right onto Nashoba Rd
➔	41.5	Right onto Nagog Hill Rd
➔	42.1	Right onto Fort Pond Rd
←	42.8	Slight left onto Newtown Rd
←	44.4	Newtown Rd turns slightly left and becomes Concord Rd
←	44.9	Rest Stop 3- Woodlawn Chapel
➔	45.6	Right onto MA-119 E/MA-2A E
←	45.8	Left onto Pope Rd
↑	48.4	Continue onto West St
➔	50.0	Slight right onto Acton St
➔	50.9	Right onto MA-225 E/Westford St.
➔	52.3	Right onto Concord St
➔	53.7	Right onto South St
←	55.0	Left onto West St

17.0 miles. +739/-808 feet

Type	Dist	Note
↑	55.3	Continue onto Westford Rd
→	56.2	Right onto Lowell Rd
←	57.7	Left onto Barnes Hill Rd
↑	58.1	Continue onto Estabrook Rd
←	58.4	Left onto Liberty St
→	58.6	Slight right onto Monument St
←	59.5	Left onto MA-62 W
←	59.5	MA-62 W turns slightly left and becomes Lexington Rd
→	59.7	Slight right onto Heywood St
←	59.8	Left onto Walden St
→	60.5	Right into high school
↑	60.6	Finish- Concord-Carlisle High School
📍	60.6	End of route

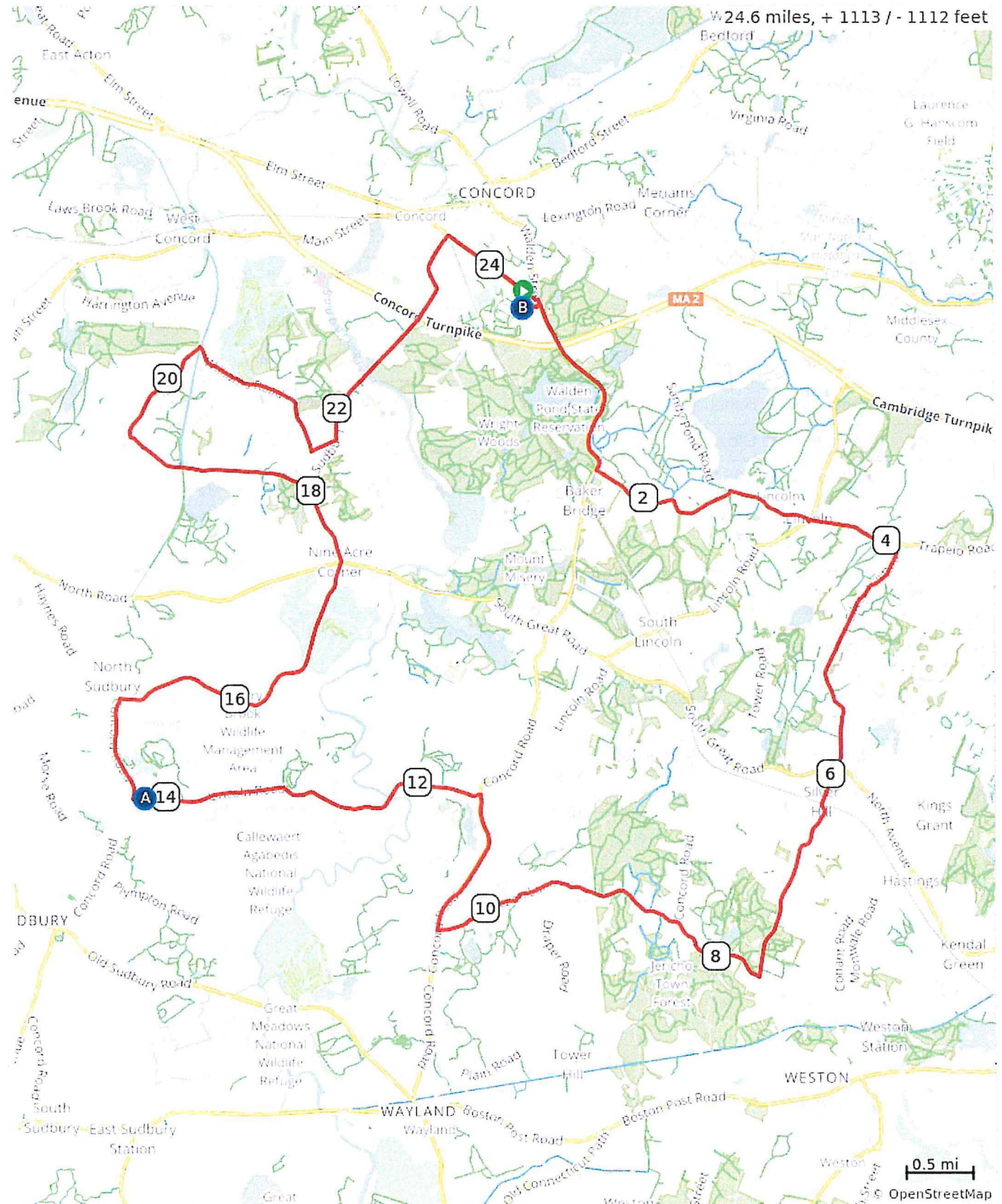
5.6 miles. +187/-177 feet

25M Ride the Vineyard Mainland



A. Rest Stop 1- Lincoln-Sudbury High School

B. Finish- Concord-Carlisle High School



Attachment 11.a: Bike MS_Minuteman Ride 2021_SB (4597 : Bike MS_Minuteman Ride 2021)

25M Ride the Vineyard Mainland

Type	Dist	Note
📍	0.0	Start of route
➔	0.1	Right onto Walden St
↑	1.0	Continue onto MA-126 S
←	1.6	Left onto Baker Bridge Rd
➔	2.7	Right onto Sandy Pond Rd
➔	3.3	Slight right to stay on Sandy Pond Rd
←	3.4	Left onto Lincoln Rd
➔	3.4	Right onto Trapelo Rd
➔	4.1	Right onto Silver Hill Rd
↑	4.8	Continue onto Weston Rd
↑	5.8	Continue onto Lincoln St
↑	5.9	Continue onto Merriam St
➔	7.6	Right onto Concord Rd
↑	8.4	Continue onto Sudbury Rd
↑	9.1	Continue onto Glezen Ln
➔	10.4	Right onto MA-126 N

10.4 miles. +557/-561 feet

Type	Dist	Note
←	23.2	Slight left to stay on Sudbury Rd
➔	23.6	Right onto Thoreau St
➔	24.4	Right onto Walden St
➔	24.5	Right into high school
↑	24.6	Finish- Concord-Carlisle High School
📍	24.6	End of route

2.8 miles. +47/-15 feet

Type	Dist	Note
←	11.5	Left onto Sherman's Bridge Rd
↑	12.3	Continue onto Lincoln Rd
➔	14.2	Rest Stop 1- Lincoln-Sudbury High School
➔	14.2	Right toward Concord Rd
➔	14.3	Right onto Concord Rd
➔	15.1	Right to stay on Concord Rd
↑	17.0	Continue onto Sudbury Rd
←	18.0	Left onto Powder Mill Rd
➔	19.5	Right onto Old Pickard Rd
↑	19.6	Continue straight onto Old Marlboro Rd
➔	20.3	Right onto Williams Rd
➔	21.2	Slight right to stay on Williams Rd
➔	21.2	Slight right onto Old Rd to 9 Acre Corner
←	21.6	Left onto 7 Star Ln
←	21.8	Left onto Sudbury Rd

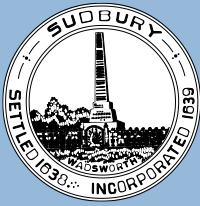
11.4 miles. +471/-419 feet

Bike MS: Ride the Vineyard-Mainland

Sunday, September 18, 2021

Department Feedback

Department	Staff	Approve/Deny	Comments
Fire Department	Chief Whalen	Approve	The Fire Department has no issues with both of these events.
Health Department	Bill Murphy		<i>No longer required to comment as COVID restrictions will be lifted statewide on May 29, 2021</i>
Highway Department	Dan Nason	Approve	No issues here
Park & Recreation	Dennis Mannone	Approve	All good here
Police Department	Chief Nix	Approve	Minuteman Ride has been successful over a number of years. Given the riders are typically spread out, police department resources are not necessary. We are in support of the event.



SUDBURY SELECT BOARD
Tuesday, June 1, 2021

CONSENT CALENDAR ITEM
12: Approve FY22 cleaning contracts

REQUESTOR SECTION

Date of request:

Requestor: Bill Barletta Facilities Director

Formal Title: To approve award of FY22 contracts by the Town Manager upon receipt of favorable and acceptable bid/quotations for cleaning services for the Goodnow Library, Town Hall/Flynn building, and the Police Station, and any subsequent renewal options.

Recommendations/Suggested Motion/Vote: To approve award of FY22 contracts by the Town Manager upon receipt of favorable and acceptable bid/quotations for cleaning services for the Goodnow Library, Town Hall/Flynn building, and the Police Station, and any subsequent renewal options.

Background Information:

Bid documents for Goodnow Library, Town Hall/Flynn Building, and Police Station reviewed by Town Counsel’s office for cleaning services over a 3-yr period (optional renewals of 2nd and 3rd yrs.)

Financial impact expected:budgeted

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Janie Dretler	Pending
Daniel E Carty	Pending
Select Board	Pending

06/01/2021 7:00 PM



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

CONSENT CALENDAR ITEM

13: Eagle Scout recognitions

REQUESTOR SECTION

Date of request:

Requestor: Troop 63

Formal Title: Vote to enter into the Town record and congratulate Max Samuel Fishman, Colin Matthew Heye, James Edwin Howrey, David Lind Morgan, and Christopher Edward Rotondo of Scout Troop 63 for having achieved the high honor of Eagle Scout.

Recommendations/Suggested Motion/Vote: Vote to enter into the Town record and congratulate Max Samuel Fishman, Colin Matthew Heye, James Edwin Howrey, David Lind Morgan, and Christopher Edward Rotondo of Scout Troop 63 for having achieved the high honor of Eagle Scout.

Background Information:
attached email from troop 63

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

Golden, Patricia

From: Ojas Tamhane <ojast@hotmail.com>
Sent: Saturday, May 22, 2021 9:21 PM
To: Town Manager; Golden, Patricia
Subject: Eagle Letters of Recognition

Hi Patricia,

On behalf of the Scouts, Leaders and Committee of Troop 63 Sudbury, Massachusetts, it is my pleasure to announce that:

**Max Samuel Fishman,
 Colin Matthew Heye,
 James Edwin Howrey,
 David Lind Morgan and
 Christopher Edward Rotondo
 have achieved the rank of Eagle Scout
 and will be recognized at a Court of Honor
 on June 5, 2021**

Max created the Wayside Inn Flybrary. It was created on the basis of the Little Free Library model, one can Take a Fly, Leave a Fly when fishing at Josephine's Pond at Wayside Inn. Inspired by his love of flyfishing, is a way to bring the flyfishing community together.

Colin worked with the Sudbury Historical Society to design and build a large wooden storage unit for large art pieces. The unit allows them to be safely stored when they are not being displayed in the museum.

James' project was to create and install educational signs relevant to the glacial features along the Glacial Features Walk behind Curtis Middle School. One of Sudbury Valley Trustees current goals is to encourage interest in hiking with younger kids. These signs have information relevant to kids in the 5/6th grade and an interactive component. In addition, they complement existing information available on the SVT website. www.svtweb.org

David project was to create Garden Beds for Nixon Elementary School's courtyard. These four beds enable Nixon teachers to provide unique hands-on opportunities to meet the Science standards, including energy and life cycles. It also creates a connection between caring for living organisms and better social/emotional health for all the students, which in turn helps fulfill one of the school's improvement plan goals.

Christopher's project was to restore the parking lot spacing at St. Anselm Church by redesigning and repainting all of the lines and handicapped spaces. Once completed 131 standard spots and 5 handicap spots were restored. The plan included guidance from the Sudbury Fire Department and approval from the Sudbury Planning Board to ensure that any spaces altered from their grandfathered state would conform to current building codes and standards.

Would you be willing to send these worthy Eagle Scouts individual letters of greeting, along with any other items you wish to be presented to them during the Court of Honor? All letters and certificates received for them will be read and displayed for the guests and then presented to them.

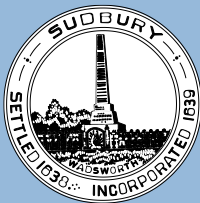
Please address letters to the Eagle Scouts listed above and send them in care of the address below. Thank you for helping us to acknowledge these very worthy Scouts.

Sincerely,

Ms. Ojas Tamhane
Troop 63 Sudbury
106 Powder Mill Road
Sudbury, MA 01776

Sent from [Mail](#) for Windows 10

Attachment13.a: Eagle Scout recognition request (4609 : Eagle Scout recognitions)



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

CONSENT CALENDAR ITEM

14: Board of Registrars reappointment

REQUESTOR SECTION

Date of request:

Requestor: Town Clerk Beth Klein

Formal Title: Vote to re-appoint Dorothy Ann Bisson, 290 Dutton Rd., Republican, to the Board of Registrars of voters for a term to expire in May 31, 2023.

Recommendations/Suggested Motion/Vote: Vote to re-appoint Dorothy Ann Bisson, 290 Dutton Rd., Republican, to the Board of Registrars of voters for a term to expire in May 31, 2023.

Background Information:

Dorothy Ann Bisson was appointed in 2018 to complete the term of Republican member Gregory Bochicchio. Ms. Bisson 's term expired in May 2020 at which time she was to be re-appointed for a three year term. Ms. Bisson wishes to be reappointed. A letter was sent to the Chair of the Republican committee notifying them that they had 45 days to provide the Select Board with any recommendations. See attached letter. No response was received, and, Ms. Bisson 's reappointment was never completed. Therefore, the Town Clerk is requesting that the Select Board vote to reappoint Ms. Bisson for the remainder of her term which expires in 2023.

Financial impact expected:n/a

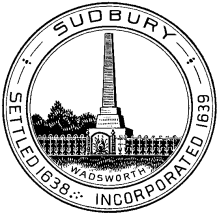
Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM



TOWN OF SUDBURY

Office of Selectmen

www.sudbury.ma.us

Flynn Building
278 Old Sudbury Rd
Sudbury, MA 01776-1843
978-639-3381
Fax: 978-443-0756

Email: selectmen@sudbury.ma.us

June 15, 2020

VIA: Certified Mail

Deanna Bisson
Republican Town Committee Chair
52 Basswood Avenue
Sudbury, MA 01776

Dear Chairman Bisson:

The appointment term of Republican Dorothy Bisson to the Board of Registrars expired on May 31, 2020.

General Laws Chapter 51, s.15, requires:

“Every such appointment shall be made in a town by the selectmen or the appointing authority from a list to be submitted to them by the town committee of the political party from the members of which the position is to be filled, containing the names of three enrolled members of such party resident in the town, selected by a majority vote at a duly called meeting, at which a quorum is present, of such committee; and every member of a board of registrars of voters shall serve until the expiration of his term and until his successor has qualified; provided, however, if the chairman of the town committee has not submitted such list to the selectmen or the appointing authority within forty-five days after a notification to said chairman by certified mail, the selectmen or the appointing authority shall make said appointment without reference to such a list.”

We ask that the RepublicanTown Committee please submit three recommendations to the Board of Selectmen for this appointment, in accordance with the above-stated statute. If you have any questions, please don't hesitate to contact us at BOSSadmin@sudbury.ma.us or 978-639-3381.

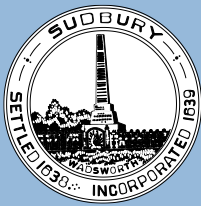
Thank you for your assistance.

Very truly yours,

Patricia B. Golden

Patricia B. Golden
Senior Admin. Asst. to the Town Manager

cc: Town Clerk



SUDBURY SELECT BOARD

Tuesday, June 1, 2021

CONSENT CALENDAR ITEM**15: SHA appointment****REQUESTOR SECTION**

Date of request:

Requestor: Sudbury Housing Authority director Sheila Cusolito

Formal Title: Vote to appoint Tatiana Vitvitsky, 55 Hudson Road, as the Sudbury Housing Authority (SHA) Tenant Board Member for a five-year term expiring 5/31/2026, as requested by Sheila Cusolito, SHA Executive Director.

Recommendations/Suggested Motion/Vote: Vote to appoint Tatiana Vitvitsky, 55 Hudson Road, as the Sudbury Housing Authority (SHA) Tenant Board Member for a five-year term expiring 5/31/2026, as requested by Sheila Cusolito, SHA Executive Director.

Background Information:

Chapter 358 of the Acts of 2020, "An Act Enabling Partnerships for Growth" was signed into law by Governor Baker in January 2021. Sections 70-72 and 88-91 of this law make changes to Chapter 121B, §1, §5 and §5A regarding Tenant Board Members in Towns by providing for one member appointed by the Governor, three members elected by the Town (reduced from four), and one "tenant board member" to be appointed by the Town. The law went into effect on May 15, 2021.

The process as outlined in Department of Housing and Community Development Public Housing Notice 2021-01 required that Sudbury Housing Authority notify all eligible residents of this opportunity to serve and provide a 30-day window for the Town Clerk to receive applications from interested tenants. Refer to Town Counsel's opinion on the rationale for leaving one seat off the 2021 election ballot to designate it as the tenant seat. As this designated seat arose from an expired term, the appointment of the tenant is for a five-year term.

At a May 26, 2020 joint meeting, Ms. Vitvitsky was appointed by the SHA and Select Board on a one-year, interim basis, effective June 1, 2020, to coincide with the resignation of a Commissioner whose term expires 5/31/2021, but who resigned, effective 5/31/2020.

Ms. Vitvisky is the only Housing Authority resident who applied for the tenant seat. She has been an integral part of the SHA Board for the past year in the interim capacity and is currently serving on two active subcommittees, one of which is comprised of both SHA commissioners and members of the Sudbury Housing Trust. A Select Board appointment will allow Ms. Vitvitsky to continue her work on behalf of the SHA without interruption.

Financial impact expected:

Approximate agenda time requested:

Representative(s) expected to attend meeting:

Review:

Patty Golden	Pending
Henry L Hayes	Pending
Jonathan Silverstein	Pending
Daniel E Carty	Pending
Janie Dretler	Pending
Select Board	Pending

06/01/2021 7:00 PM

SUDBURY HOUSING AUTHORITY

55 HUDSON ROAD
SUDBURY, MASSACHUSETTS 01776
director@sudburyha.org

SHEILA M. CUSOLITO
Executive Director

PHONE: (978) 443-5112
FAX: (978) 443-5113

April 26, 2021

Beth Klein. Town Clerk
Town of Sudbury
322 Concord Road
Sudbury, MA 01776

Dear Beth:

As we've discussed, the law to appoint a tenant to housing authority boards will become effective May 15, 2021. The guidance from the Department of Housing and Community Development, PHN 2021-01, published February 11, 2021, describes the appointment process.

Based on the knowledge your office, Town Counsel, and the SHA had at the time, only one of two vacant seats was included on the March 29 ballot—that with a term expiring May 31, 2023. A second seat, currently held by a tenant, is due to expire on May 31, 2021. The DHCD guidance, which was published shortly after the nomination submission date and well after the Select Board's vote authorizing your office to place one vacant seat on the March 29 ballot, outlines that this second seat should also have appeared on the ballot.

The DHCD has recommended that SHA notify all public housing residents of the opportunity to serve as the tenant board member via the seat that expires May 31, 2021. That notification will be circulated today, with a 30-day window to notify your office of interest in serving.

The SHA is hoping that an appointment will be made by the Select Board prior to its June 8, 2021 meeting.

Please contact me if you have any questions.

Sincerely,



Sheila M Cusolito

ATTACHMENT A: LHA Provides Info to Town

SUDBURY HOUSING AUTHORITY

55 HUDSON ROAD
 SUDBURY, MASSACHUSETTS 01776
 director@sudburyha.org

SHEILA M. CUSOLITO
 Executive Director

PHONE: (978) 443-5112
 FAX: (978) 443-5113

April 26, 2021

Dear Town Clerk:

This letter serves to provide the Town with information needed concerning the new requirement for the appointment of the Sudbury Housing Authority's ("LHA") Town Appointed Tenant Board Member pursuant to the changes made to M.G.L. c. 121B, §§ 5 & 5A by Chapter 358 of the Acts of 2020, "An Act Enabling Partnerships for Growth" (the Act) which becomes effective on May 15, 2021.

Attached to this letter are the following documents (check all that apply):

- The contact information for the Sudbury Housing Authority Local Tenant Organization(s) ("LTOs"), including contact person(s), phone number(s), email address(es), and mailing address(es), as applicable.
- All information required to identify the Town Appointed Tenant Board Member seat, including any vacant seats, and projected expiring terms.
- All information regarding any federal requirement that a federal tenant sit on the LHA Board.
- All information regarding any waivers applied for and/or received from DHCD which would postpone an appointment to the Town Appointed Tenant Board Member Seat for up to one year.
- Copy of the Act.
- Copy of guidance from the Department of Housing & Community Development regarding implementation of the Act.

Should you need additional information or have questions on the documents provided, please do not hesitate to contact the LHA.

Sincerely,

Sudbury Housing Authority

Attachment15.a: SHA backup (4616 : SHA appointment)

Golden, Patricia

From: Klein, Beth
Sent: Tuesday, April 27, 2021 1:21 PM
To: Hayes, Henry; Silverstein, Jonathan M.
Cc: Sheila M Cusolito; Golden, Patricia; Town Clerk
Subject: FW: Sudbury Housing tenant board member process
Attachments: PHN 2021-01.pdf; SHA to Town Clerk expiring term.pdf; SHA To Town Clerk.pdf

Henry and Jonathan,

I just spoke with the SHA Director regarding the new process for appointing a tenant member to the Sudbury Housing Board. Going forward there will be 3 elected members, one member appointed by the State and one tenant member who will be appointed by the Select Board. According to DHCD, the SHA will notify all of its tenants of the opportunity to be considered for appointment to the Board. They must submit an application to the Town Clerk within 30 days of receipt of the Notice. The Town then has to make the appointment within 30 days after the deadline for tenants to submit names. The second issue is which seat on the Board will become the tenant appointed seat. According to the attached advisory from the DHCD, the earliest vacated seat as of May 15, 2021 will become the tenant seat.

Jonathan- I read the regulations put out by the DHCD and, honestly, I found them confusing, so I want to make sure that we choosing the right seat to become The Appointed Tenant Member Seat. There are two seats which can be considered "vacant" one is currently occupied by Tatiana Vitvitsky, who is a tenant that was appointed to the board in 2020, after it was vacated in 5/20. This seat's term is up in May 2021. It was left off the ballot as the plan was for that seat to become the Tenant seat. The appointment would be for a full 5 yr. term. The other vacant seat was on the 2021 Ballot and Janet Cowan was elected to that seat for a two year term, but not yet sworn in. That seat was vacated on 1/3/21. The SHA has sent out an email that the 5 year seat is available to residents of the SHA. Please confirm that the seat vacated in 5/2020, would be the correct seat to become permanently appointed going forward.

Thank you,

BETH R. KLEIN, CMC, CMMC
TOWN CLERK
TOWN HALL
322 CONCORD ROAD
SUDBURY, MA 01776
978-639-3351
CLERK@SUDBURY.MA.US

OFFICE HOURS:
M-W-TH 8:30AM-4:30PM
T-8:30AM-7:00PM
F-8:30AM-12:30PM
SUMMER HOURS:
CLOSED ON FRIDAYS

MEETING AGENDA'S MUST BE FILED BY FRIDAY AT 12:00 PM FOR A TUESDAY MEETING.

[ONLINE VOTER REGISTRATION](#)

[ABSENTEE/ VOTER BY MAIL APPLICATION](#)

From: [Brian Riley](#)
To: [Klein, Beth](#)
Cc: [Hayes, Henry](#); [Silverstein, Jonathan M.](#)
Subject: FW: Sudbury Housing tenant board member process
Date: Wednesday, April 28, 2021 3:35:37 PM
Attachments: [PHN 2021-01.pdf](#)
[SHA to Town Clerk expiring term.pdf](#)
[SHA To Town Clerk.pdf](#)

Beth: I am responding to the issue below regarding the “tenant’s seat” on the Sudbury Housing Authority (SHA). General Laws Chapter 121B, §5 was originally amended in 2014 to create a new tenant’s seat on a Housing Authority, but it involved an “election” by tenants and DHCD and the Elections Division never agreed how that was supposed to work, so it was essentially in limbo for six years. The statute has now been amended again, and the revised §5 will become effective on May 15, 2021. In summary, as stated in the statute and the attached DHCD advisory, the seat that either is now vacant or will be the next to become vacant on or after May 15 will be designated as the tenant seat, with the other three Town seats remaining elected and one filled by appointment of the Commonwealth.

You informed me below that there was a vacant seat created in May 2020, perhaps by resignation or no one running to fill the seat. That vacancy was filled by appointment of Tatiana Vitvitsky by the Select Board, pursuant to G.L. c.41, §11. Such appointment only ran for one year through the 2021 Annual Election, at which time the balance of the term (if any) would go on the ballot. I understand that this seat was not on the ballot, and the plan was for that to become the “tenant seat” (the legislation creating the tenant seat was enacted in January 2021, so we knew it was coming). Another vacancy occurred when the elected member vacated it on January 3, 2021. This seat, with a term expiring in May 2023, was on the ballot and Janet Cowan was elected to complete the remaining two years of that term.

In my opinion, there will be one vacant seat on the SHA as of May 15, 2021 and that will be the one held (or formerly held) by Ms. Vitvitsky. Her appointment was only to last until the 2021 Election, so when no one was elected to fill the seat, it became vacant. In normal circumstances, that vacant seat would again be filled by vote of the Select Board and remaining SHA members for one year pursuant to G.L. c.41, §11. In this case, however, in light of the vague status of c.121B, §5 over the past several years and, more importantly, the new §5 that will take effect on May 15, it was appropriate to leave this seat off the ballot and designate it as the new “tenant seat.”

The appointment to fill the tenant seat will be made by the Select Board in accordance with the new statute. Since there is no formally established Local Tenant Organization, the alternative procedure is for the SHA to notify tenants of the opportunity to serve on the Authority and provide a 30 day period in which they may contact the Town Clerk within that period. If a name or names are received, the Select Board shall make the appointment from that list; if no tenant contacts the Town Clerk within the 30 day period, the Board may appoint any tenant “of its own choosing” as long as they are an eligible “tenant” as defined at G.L. c.121B, §1. Based on the information provided by the Executive Director, the 30 day period expires on May 25, 2021; the Select Board may take up the appointment after that date. The tenant seat appointment will be for a 5 year term.

I hope this helps, let me know if there are further questions.

Brian

Brian W. Riley, Esq.

KP | LAW

101 Arch Street, 12th Floor

Boston, MA 02110

O: (617) 654 1722

F: (617) 654 1735

C: (617) 909 9084

briley@k-plaw.com

ATTACHMENT C: Tenant Form to Submit Name to Town for Consideration

NOTICE OF INTENT TO BE CONSIDERED FOR TOWN APPOINTED TENANT BOARD
MEMBER SEAT

May 2, 2021

Dear Town Clerk:

Please accept this Notice as my intent to be considered for the Town Appointed Tenant Board Member seat of the Sudbury Housing Authority.

I am providing you with the following information for your consideration:

NAME: Tania Vitvitsky
ADDRESS: 55 Hudson Road #8A
Sudbury MA 01776

TENANCY TYPE: (Check One)

- State-Aided Public Housing
- Federally Subsidized Public Housing
- Section 8 Housing Choice Voucher
- Massachusetts Rental Voucher Program
- Alternative Housing Voucher Program
- Other

PHONE NUMBER: 6172013212
EMAIL ADDRESS: tvitvitsky@gmail.com

If you need additional information, do not hesitate to contact me using the information provided above.

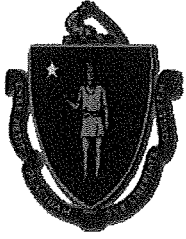
Sincerely,

Tatiana (Tania) Vitvitsky
Tenant

Sudbury Housing Authority

2021 MAY -5 AM 9:56
TOWN CLERK
SUDBURY, MASS
SUDURY, MA

Attachment15.a: SHA backup (4616 : SHA appointment)



Commonwealth of Massachusetts
DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT

Charles D. Baker, Governor □ Karyn E. Polito, Lieutenant Governor □ Jennifer Maddox Undersecretary

Public Housing Notice 2021-01

To: Local Housing Authorities & Officials of Massachusetts Towns
From: Ben Stone, Director, Division of Public Housing
Date: February 11, 2021
Re: **Changes Pertaining to Town Appointed Tenant Board Members**

On January 14, 2021, Governor Baker signed Chapter 358 of the Acts of 2020, “An Act Enabling Partnerships for Growth” into law. Sections 70-72 and 88-91 of this law makes changes to Chapter 121B, §1, §5 and §5A regarding Tenant Board Members in Towns by providing for one member appointed by the Governor, three members elected by the Town, and one “tenant board member” to be appointed by the Town.

This notice does not apply to LHA Boards in cities, which already have a provision for City Appointed Board Members. This notice also does not apply to regional housing authority Boards.

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Attachment15.a: SHA backup (4616 : SHA appointment)

Section 1. Overview

Briefly, the law, which becomes effective on May 15, 2021, which is 120 days after its January 14, 2021 enactment, requires Towns to appoint a tenant member to a Local Housing Authority (LHA) Board from a list of names submitted to the Town by a recognized Local Tenant Organization (LTO). If there is no LTO, then the LHA is required to notify its public housing residents of the opportunity to submit their names to the Town for consideration for appointment. Where federal law as found in 42 U.S.C. 1437 and the regulation at 24 CFR Part 964, requires that a tenant in a federal housing program be on the LHA Board, preference is given to tenants in federal housing programs. LHAs with federally funded programs should consult with HUD if they are unclear whether they must have a federal tenant on the Board. Where there is no list of tenants submitted to the Town for appointment, the Town may appoint any tenant or adult authorized household member. Where the LHA has no public housing units, a participant in a rental assistance program administered by the LHA may be appointed.¹

In accordance with prior DHCD guidance, many Towns only held elections for 3 seats on the LHA Board after Chapter 235 of the Acts of 2014 became effective, reducing the number of elected Board seats in towns to 3. The seat that would have been up for election but was left vacant after the effective date of Chapter 235 of the Acts of 2014 (November 6, 2014) will be the Town Appointed Tenant Board Member Seat.

Note that this legislation does not affect the seat of the state appointed LHA Board Member.

Table 1. Key dates

01/14/2021	Enactment date	LHAs and Towns begin the process of determining which seat will be the Town Appointed Tenant Board Member Seat and filling the seat
05/15/2021	Effective date (<i>120 days after enactment date</i>)	If there is a vacancy on the board on this date, that seat will be the Town Appointed Tenant Board Member Seat (see Section 5)
07/14/2021	Key date for determining which seat on the LHA Board will be the Tenant Member Seat (<i>60 days after effective date</i>)	If there was no vacancy on the board on the effective date, the elected seat with the first term to expire after this date will be the Town Appointed Tenant Board Member Seat, unless another seat has become vacant since the effective date (see Section 5)
08/13/2021	Town Appointed Tenant Board Member should be seated (<i>90 days after effective date</i>)	See Section 7 for details on filling the seat

¹ If an LHA has no public housing units OR rental assistance units, it may request a waiver (Waiver Type 2) from this requirement from DHCD.

Section 2. Eligibility

The Tenant Board member may be a tenant or an authorized adult household member residing in public housing in the Town or an authorized adult member of household participating in a rental assistance program administered by the LHA in the Town (all those eligible for Tenant Board member seat will be referred to in this document as “tenant”).

Tenants of state-aided Section 8 New Construction/Substantial Rehabilitation public housing developments that are owned by an LHA are eligible to be appointed by the Town to the Tenant Board Member seat. Other participants of project based or mobile rental assistance programs that are not administered by the LHA are not eligible to be appointed to the Tenant Board Member seat by the Town.

Section 3. Scope of Tenant Board Member’s Participation

The Town Appointed Tenant Board Member is a full member of the LHA’s governing Board with all of the rights and responsibilities of an LHA Board member. A Tenant Board member must be allowed to take part in any and all decisions related to the administration, operation, and management of all LHA programs, except to the extent that it would affect their “personal interest” as proscribed by the DHCD regulation at 760 CMR 4.03(4). Tenant Board Members are not required to be identified as such on the LHA website or web page that is required by 760 CMR 4.02(1)(a), and, upon request of the Tenant Board Member, the LHA should remove any such identification of the Tenant Board Member.

Section 4. What Should LHAs do Now that Law is Enacted?

LHAs should immediately communicate the following information to the Town:²

- Contact information for all LTO(s).
- Any federal requirement that a federal tenant sit on the LHA Board.
- Any waivers applied for and/or received from DHCD which would postpone a Town appointment to the Tenant Board Member Seat for up to one year (see Section 8. Waivers).
- All information required to identify Tenant Board Member seat, including any vacant seats, and projected expiring seats.

LHAs should immediately inform LTO(s) regarding:

- Any waiver received from DHCD which would postpone a Town appointment to the Tenant Board Member Seat for one year due to current tenant on Board (see Section 8. Waivers, Waiver Type 1 below).
- If the Board has a vacant seat, the date by which the LTO(s) may submit a list of eligible Tenant Board Members to the Town in the event that DHCD does not grant a waiver.

If there is no LTO, LHA should immediately communicate with all residents regarding:

² See Attachment A. for example letter.

- Any waiver received from DHCD which would postpone a Town appointment to the Tenant Board Member Seat for one year due to current tenant on Board (see Section 8. Waivers, Waiver Type 1 below).
- If no waiver and Board has a vacant seat, the tenants' opportunity to submit their names to the Town for consideration of appointment.

Section 5. How is the Town Appointed Tenant Member Seat on the LHA Board to be identified?

Where there is a vacant seat on the effective date (May 15, 2021)

If, on May 15, 2021, an LHA has three or fewer elected Board members, a vacant seat will become the Town Appointed Tenant Board Member Seat. The fact that a seat is or was occupied by a holdover or a temporary appointment is not considered in making the determination as to which seat is the Tenant Board Member Seat; such seats are considered to be vacant for the purposes of this determination.

In the event that there is more than one elected seat that is vacant, the Town Appointed Tenant Board Member Seat will be the seat that was vacated first (the oldest date).³

Where there is no vacant seat on the effective date (May 15, 2021)

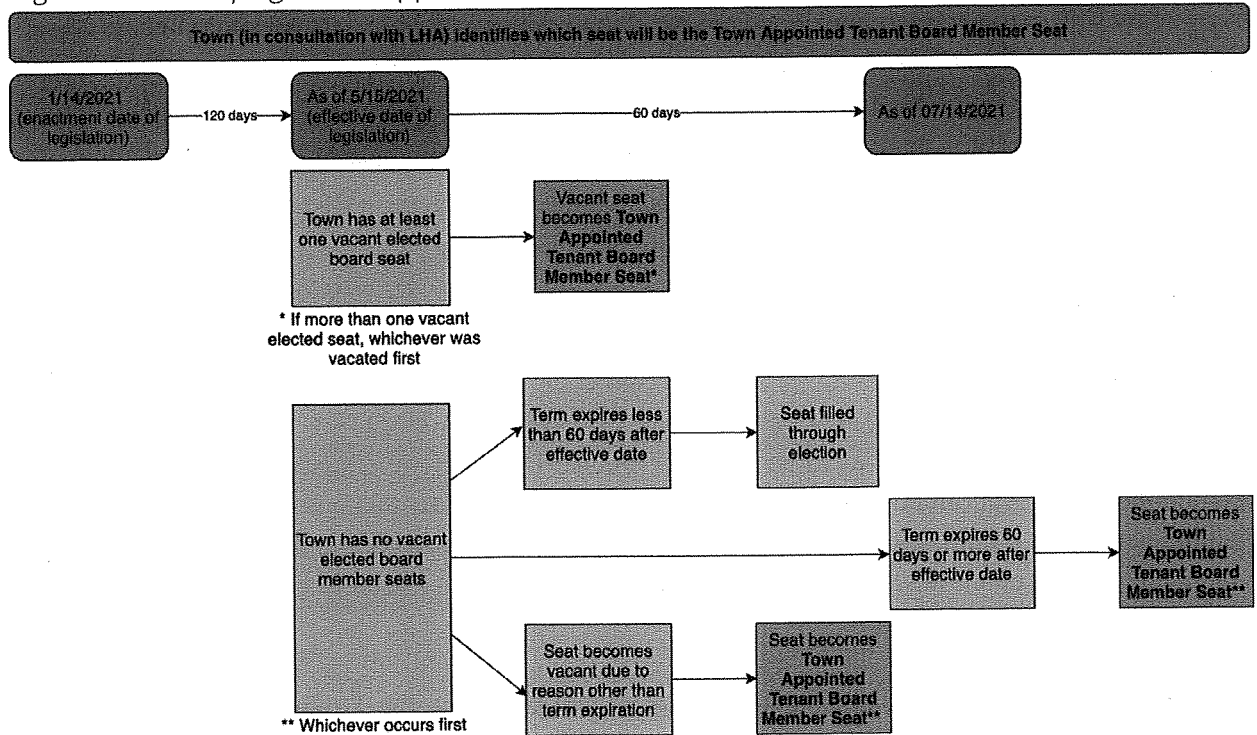
In Towns that have 4 elected Board members on May 15, 2021, the elected seat having the first term to expire after July 14, 2021 shall be the Town Appointed Tenant Board Member Seat, unless another seat becomes vacant before such date, in which case the first seat that becomes vacant before such date shall be the Town Appointed Tenant Board Member Seat.

If an LHA tenant whose term is expiring currently occupies the seat that will become the Town Appointed Tenant Board Member Seat, that fact is not considered in making the determination as to which seat is the Town Appointed Tenant Board Member Seat. The LHA tenant whose term is expiring may be eligible for appointment to the Town Appointed Tenant Board Member Seat as described below.⁴

³ In the unlikely event that more than one vacancy occurred on the exact same day, the Town Appointed Tenant Member Seat will be the seat corresponding to the earliest date on which the member who occupied it was sworn in.

⁴ In the unlikely event that more than one term expires on the same day after July 14, 2021, the Tenant Board Member Seat will be the seat corresponding to the earliest date on which the member who occupied it was sworn in. In the unlikely event that more than one seat becomes vacant on the same day, the Tenant Member Seat will be the seat corresponding to the earliest date on which the member who occupied it was sworn in.

Figure 1. Identifying Town Appointed Tenant Board Member Seat



Section 6. What is the term of the Town Appointed Tenant Board Member Seat?

The Town Appointed Tenant Board Member is appointed to a term of 5 years. Appointments made to fill a vacant seat where the vacancy exists for a reason other than term expiration will be for the remainder of the unexpired term.

Section 7. How will the Town Appointed Tenant Board Member Seat be filled?

LHAs shall provide all necessary information for identification of seat to Town based on criteria above.⁵

Where there is a vacant seat on the effective date (May 15, 2021)

With an LTO(s).

- As noted above, LHAs should provide the Town with contact information for LTO(s) promptly following the passage of the Act.
- Town must give written notice of the vacancy to the LTO(s) at least 10 business days after May 15, 2021.

⁵ See Attachments B. – E. for example notices.

- Town provides written notice to all LTO(s) that within 60 calendar days each LTO(s) may submit to the Town a list of 2 to 5 names of tenants who are eligible for appointment to the Town Appointed Tenant Board Member seat.
- If the Town does not receive a list from the LTO(s) within 60 days of the notice to LTOs of the vacancy, then the Town may appoint any eligible tenant who has indicated a willingness to serve of its choosing to the Town Appointed Tenant Board Member Seat.
- The Town is required to make the appointment within 60 days after the deadline for LTOs to provide a list of eligible tenants.
- If there is no person who is eligible and willing to serve as the Town Appointed Tenant Board Member then the LHA may seek a waiver from DHCD of the requirement that the Town appoint a tenant (see Section 8. Waivers).

No LTO(s).

- LHA sends written notices to each public housing tenant household and posts notices in common areas informing residents that if they wish to be considered for the Town Appointed Tenant Board Member seat, they must submit their names to the Town Clerk within 30 days. The notices must include contact information for the Town Clerk, as well as information about training programs available to Tenant Board Members.
- If the Town does not receive any names from tenants within 30 days of the notices to residents, then the Town may appoint any eligible tenant of its choosing to the Town Appointed Tenant Board Member seat.
- The Town is required to make an appointment within 30 days after the deadline for tenants to submit names.
- If there is no person who is eligible and willing to serve as the Town Appointed Tenant Board Member then the LHA may seek a waiver from DHCD of the requirement that the Town appoint a tenant (see Section 8. Waivers).

Where there is no vacant seat on the effective date (May 15, 2021)

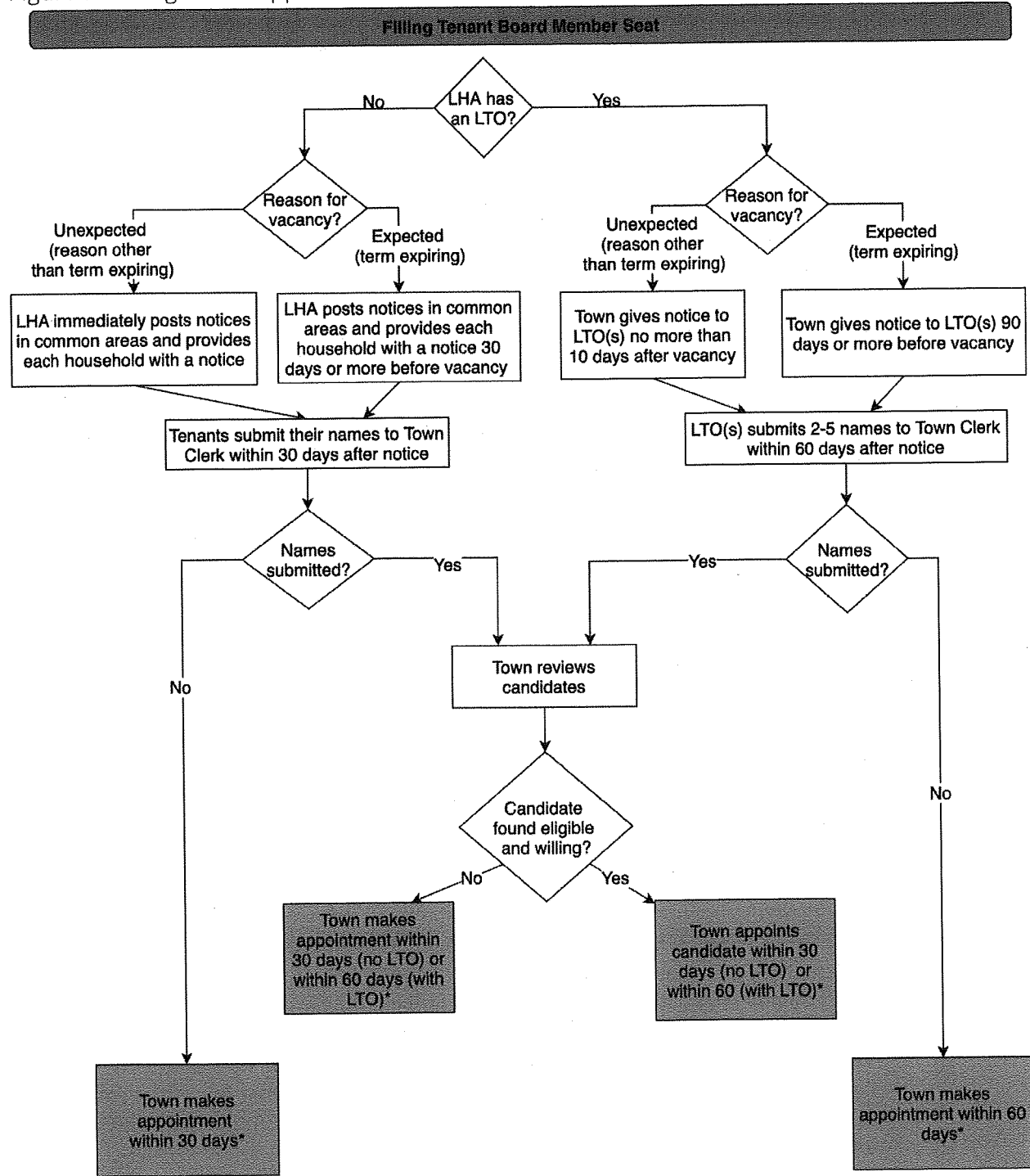
With an LTO(s).

- The Town is required to give the LTO(s) at least ninety days' written notice of the upcoming expiration of the term of the seat that is to become the Town Appointed Tenant Board Member Seat. If a vacancy occurs in the seat to become the Town Appointed Tenant Board Member Seat for some reason other than the expiration of a term, then the Town is required to give LTOs at least 10 business days written notice that the vacancy has occurred.
- Town follows procedures for "With an LTO(s)" listed above.

No LTO(s).

- LHA gives notice immediately after unexpected vacancies and at least 30 days before vacancies due to term expiration.
- LHA follows procedures for "No LTO(s)" listed above.

Figure 2. Filling Town Appointed Tenant Board Member Seat



*Federal tenant gets preference if applicable

Attachment 15.a: SHA backup (4616 : SHA appointment)

Section 8. Waivers

LHAs may request waivers from DHCD that will temporarily postpone the appointment of the Town Appointed Tenant Board Member pursuant to this legislation. Waivers may be requested by an LHA through an online form found on the DHCD Admin Housing Applications page.⁶

Waivers may be requested under two conditions:

- 1) LHA Board already has a Town elected or appointed Board member who is a member of a tenant household or rental assistance household; or
- 2) No person is eligible and willing to serve as the Town Appointed Tenant Board Member.

Note: Because it is not possible to determine the Town Appointed Board Member seat until the law becomes effective, LHAs should not request waivers from DHCD until at least May 15, 2021.

Waiver Type 1

LHA Board already has a Town elected or appointed Board member who is a member of a tenant or rental assistance household

LHAs may request a waiver where a person who is a tenant or an adult authorized household member residing in a public housing in the Town or a participant of a rental assistance program administered by the LHA is currently serving as an elected member or as a member who was appointed for the remainder of a term by the Town to fill a vacancy. The availability of such waivers is not meant to imply that there may only be one member on the LHA Board who is a tenant, but rather to allow more time for LHAs that already have one or more tenants on the Board to transition to a Town Appointed Tenant Board Member. LHAs are not expected nor required to submit a request for a waiver on these grounds, and a Town is required to appoint Tenant Board Member to an LHA that already has tenant(s) on the Board if an LHA has not received a DHCD waiver to postpone such an appointment.

Waivers granted are valid for one year and may be renewed for one year at a time until the elected or appointed member who is identified in the waiver vacates the seat or until the expiration of that member's term. At that point, the seat becomes the Town Appointed Tenant Board Member Seat and the Town and LHA should follow the appointment process described above.

In order to request a waiver on these grounds, LHA must provide the following information:

- Name of Board Member who is a tenant/rental assistance participant and date that the term of the seat that they occupy expires (end of 5-year term for which person was elected by Town or end of remainder of term if person was appointed by Town to fill vacant seat);
- Certification by the LHA and the tenant/participant that the Board Member is a tenant of the LHA and identification of the housing program in which the tenant/participant is housed;

⁶ See Attachment F. for additional information.

- Agreement by the tenant/participant and the LHA to notify the Town if the Board Member is no longer a tenant/participant of LHA housing or is no longer a member of the Board.

Waiver Type 2

No person is eligible and willing to serve as the Town Appointed Tenant Board Member

If there is no person who is eligible and willing to serve as the Town Appointed Tenant Board Member after the LHA has given the required notice to its residents of the opportunity to serve, then the LHA may request DHCD to grant a waiver so that the Town may appoint a person other than a person who is eligible as a Tenant Member, who will be appointed to a one-year term.

In order to request a waiver on these grounds, an LHA must provide the following information:

- Written statement of why a waiver is being requested;
 - o Identification of any LTO(s) and their contact information;
 - o Date/time of meetings with all LTO(s) with brief description of meeting content;
 - o LHAs must indicate to DHCD the dates and locations of posting of notices.
- Evidence of notices which may include:
 - o Copies of notices posted on the LHA's web page and in the common areas of the LHA;
 - o Copies of notices sent to all LHA households of tenants and rental assistance participants;
 - o Notices should inform tenants of the opportunity to serve as a Board member, including contact information for the Town Clerk and describe the available technical assistance training programs available to Tenant Board Members.

Prior to granting a waiver DHCD will review the LHA's written statement and determine whether the LHA provided the required notices. Waivers may be only granted for one-year periods, but they may be renewed upon the same showing of need by the LHA.

If DHCD grants a waiver, it shall notify the LHA and the Town that a person other than a person who is eligible to be a tenant member may be appointed to the Town Appointed Tenant Board Member seat for a one-year period. The LHA must notify its LTO(s), if any, of this waiver and post the waiver online and throughout common areas of its developments.

Section 9. Tracking Town Appointed Tenant Board Members

When a Town Appointed Tenant Board Member has started their term, LHAs should record this information in the LHA Board Attendance application by marking the column "Town Tenant Board Member." A Board Member is considered a "Town Appointed Tenant Board Member" after an appointment has been made by the Town of a person who meets the definition of Tenant Member in c. 121B, sec. 1.

Section 10. Attachments

Attachment A. LHA Information to Town

Attachment B. LHA Notice to Tenants

Attachment C. Tenant to Town Clerk

Attachment D. Town to LTO Notice of Vacancy N/A

Attachment E. LTO Names Submitted to Town N/A

Attachment F. Requesting Waivers N/A

Please contact your HMS with any questions regarding this notice.