

TOWN OF SUDBURY



MASSACHUSETTS



FY11 BUDGET AND FINANCING PLAN

JULY 1, 2010 – JUNE 30, 2011



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

Town of Sudbury

Massachusetts

For the Fiscal Year Beginning

July 1, 2009

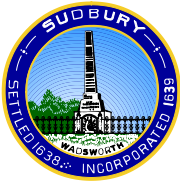
A handwritten signature in black ink, likely of the President of the GFOA.

President

A handwritten signature in black ink, likely of the Executive Director of the GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the **Town of Sudbury** for its annual budget for the fiscal year beginning July 1, 2009. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan, and as a communication device.



Town of Sudbury

Town Manager's Office

278 Old Sudbury Road
Sudbury, MA 01776
978-639-3381
Maureen Valente, Town Manager

The Town Manager's Introduction to the Budget Document

To the Residents of Sudbury,

Thank you for taking time to review this document.

As you know may know, there are one or more other budget documents circulated during each fiscal year for the Town of Sudbury. The first document you will typically see during the eight-to-nine month budget cycle is commonly referred to as the **preliminary** budget (issued at the end of December to the Board of Selectmen, Finance Committee and to the public via our website). It is not a balanced budget proposal, but rather the compilation of all the budget requests, along with very preliminary revenue estimates. The preliminary budget document is where you can find all the financial obligations, requests and resources that are the building blocks for constructing a balanced budget to be presented to Town Meeting for appropriation and enactment.

In the few months leading up to Annual Town Meeting many of the financial data items contained in this document and in the Town Warrant are updated as information become available. After the Town Warrant is distributed to all residents 30 days before Town Meeting, further changes to the proposed budget are often required to reflect our most up-to-date information regarding revenues, in particular Local Aid, contract negotiations, or other various expenditures needing readdress. Any changes are published in a variety of ways up until and including "on the floor" of Town Meeting.

As was the case for this budget cycle, two or more levels of budgets may be presented to you, the residents of Sudbury, to consider. After Town Meeting (and Town-wide elections, when necessary) concludes, we produce the **Town of Sudbury Budget and Financing Plan**. It is *this* document that contains the **balanced** budget "as appropriated" for the upcoming fiscal year.

Sudbury is fortunate to have a group of elected and appointed officials who believe in the concept of working together to arrive at the best possible final budget. Developing a budget always represents a series of balances that must be achieved: between the needs of the Town departments and the School departments, between operating needs and capital needs, between meeting today's services demands and protecting our future by preserving our reserves and hard won financial security, and most of all between maintaining the critical investments in our quality of life, and being mindful of the tax burden such an investment puts on our citizens and businesses. I would like to recognize the Sudbury Board of Selectmen, Finance Committee, Sudbury Public School Committee and the Lincoln-Sudbury Regional School Committee for their commitment to working to achieve a budget to present to Town Meeting each year that balances these competing needs for the entire community.

One of our most important obligations in this process is to be as transparent and comprehensive as we can to our residents as to: **why** the level of financial resources is needed each year, and **what** is accomplished with those resources; **who** is responsible for delivering those services, and **where** do we see our greatest strengths and challenges now and in the future. This comprehensive budget and financing plan document, is one of our best ways of meeting that obligation.

I am pleased to report that the Town of Sudbury's last document of this kind received national recognition for the fourth year in a row. The Government Finance Officers Association awarded the Town of Sudbury the Distinguished Budget Presentation Award for the ***Town of Sudbury Appropriated Budget and Financing Plan for FY10***. This award is the highest form of recognition in governmental budgeting and represents a significant achievement for the Town. Sudbury is one of only seven local governments in Massachusetts to have earned this recognition. This award means that the budget document achieved our goal of serving four primary missions – as a policy document, as a communications device, as a financial plan and an operations guide. We hope that readers and users of the budget will find it useful for these purposes.

A document of this size and detail represents an enormous amount of effort. My deepest thanks to Andrea Terkelsen, Finance Director/Treasurer/Collector/Budget Director for Sudbury, and Peter Anderson of her staff, for the tremendous amount of work they put into preparing, updating and finalizing all the Sudbury budget documents from the beginning of the process through to final appropriation. In addition, my sincere gratitude to all Town staff, Boards and Committee members who work so diligently on developing and preparing budget requests that always looks to use public resources as efficiently and carefully as possible while accomplishing their mission of serving the residents of Sudbury.

Sincerely

Maureen G. Valente

Maureen G. Valente
Town Manager
Town of Sudbury



Town Mission and Values

The Mission of the Town of Sudbury is to ensure the safety and well-being of the community, to protect and enhance the financial health, education excellence, and environmental quality of our Town by relying on the professionalism of our staff and volunteers, and use of long-term, strategic planning and enhanced communications in our governance. The Board of Selectmen is dedicated to protecting and enhancing the unique sense of place found in Sudbury and protecting and encouraging tolerance and diversity. The Board, as the chief policy making and governance body of the Town of Sudbury, will provide leadership for staff, volunteers, residents and other stakeholders in the Town by advancing goals, programs and decisions that are based on these values.

- A. Ensure the Safety and Well-being of the Community
- B. Protect and Enhance the Financial Health of the Town
- C. Protect and Enhance the Educational Excellence offered by the Town, without jeopardizing the Town's financial health
- D. Protect and Enhance the Environmental Quality of the Town
- E. Protect and Enhance the Professionalism of the Town's Staff, Boards and Committees
- F. Enhance Relationships and Communications
- G. Emphasize Long-Term, Strategic Planning
- H. Protect and Enhance the Unique Sense of Place and Historical Heritage offered by the Town
- I. Protect and Enhance a Climate of Acceptance and Tolerance within the Community
- J. Encourage Diversity of Housing Opportunities within the Community

First adopted by the Board of Selectmen May 10, 2000

Amended and reaffirmed by the Board of Selectmen, 5/23/02, 6/1/04, and 6/10/05

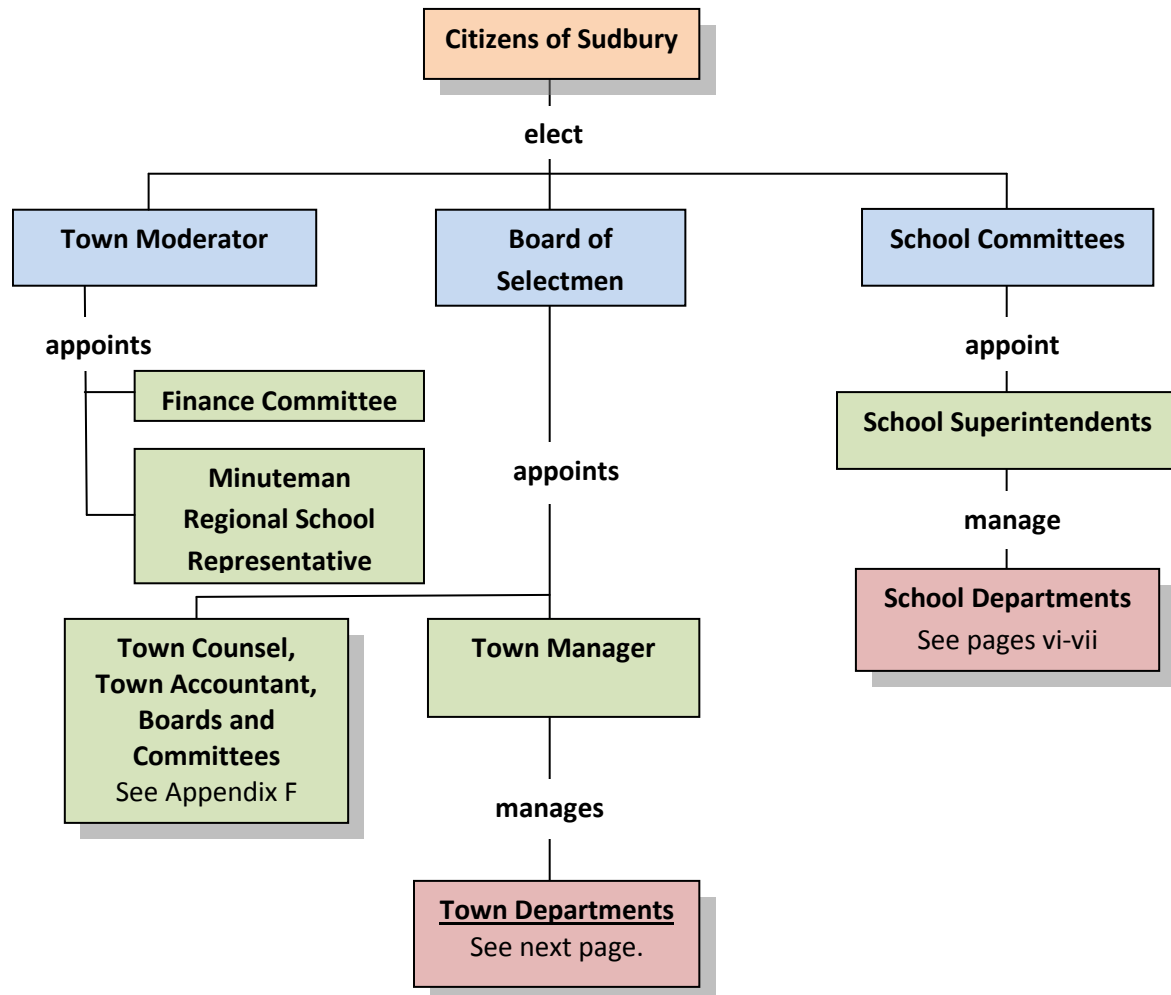


Organizational Charts

Top Level

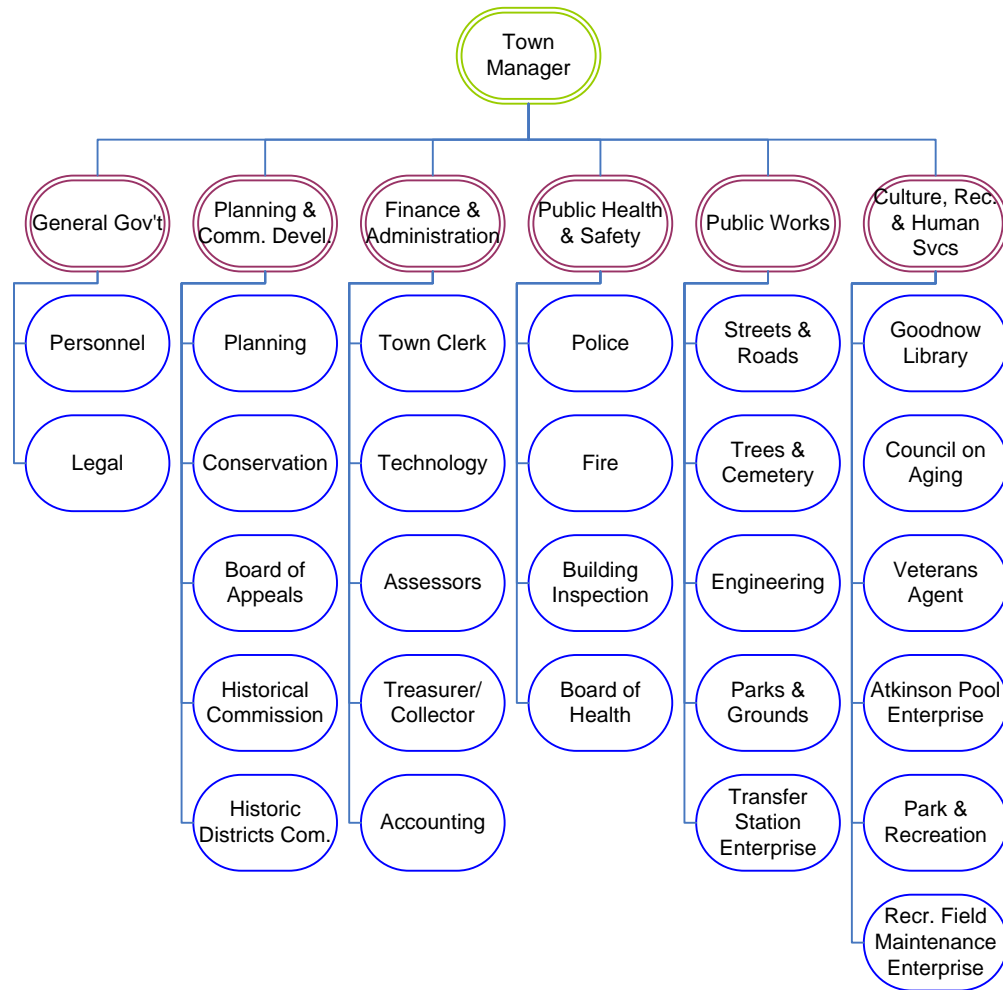
The Mission of the Town of Sudbury's Government is to ensure the safety and well-being of the community, to protect and enhance the financial health, education excellence, and environmental quality of our Town.

The chart below outlines the top-level view of Sudbury's government. Citizenry may take on an active role in their government by electing officials, through Town Meeting vote and by appointment to the more than forty permanent boards and committees.



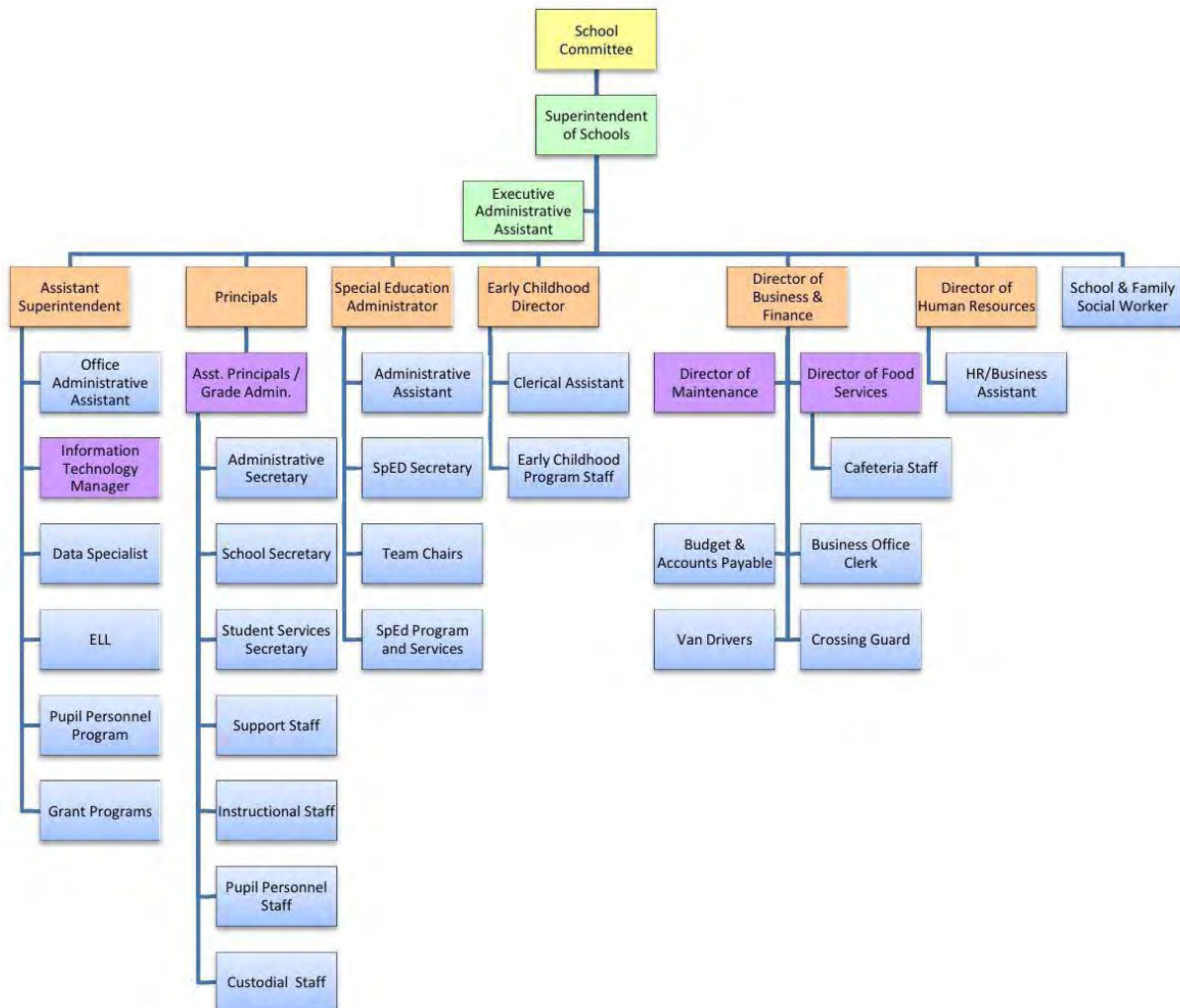
Town Departments

The chart below outlines the general government structure established under the Town's current charter (July 1, 1996). This charter provided for appointment of a Town Manager by the Board of Selectmen. The Town Manager oversees all town departments including three enterprise organizations.



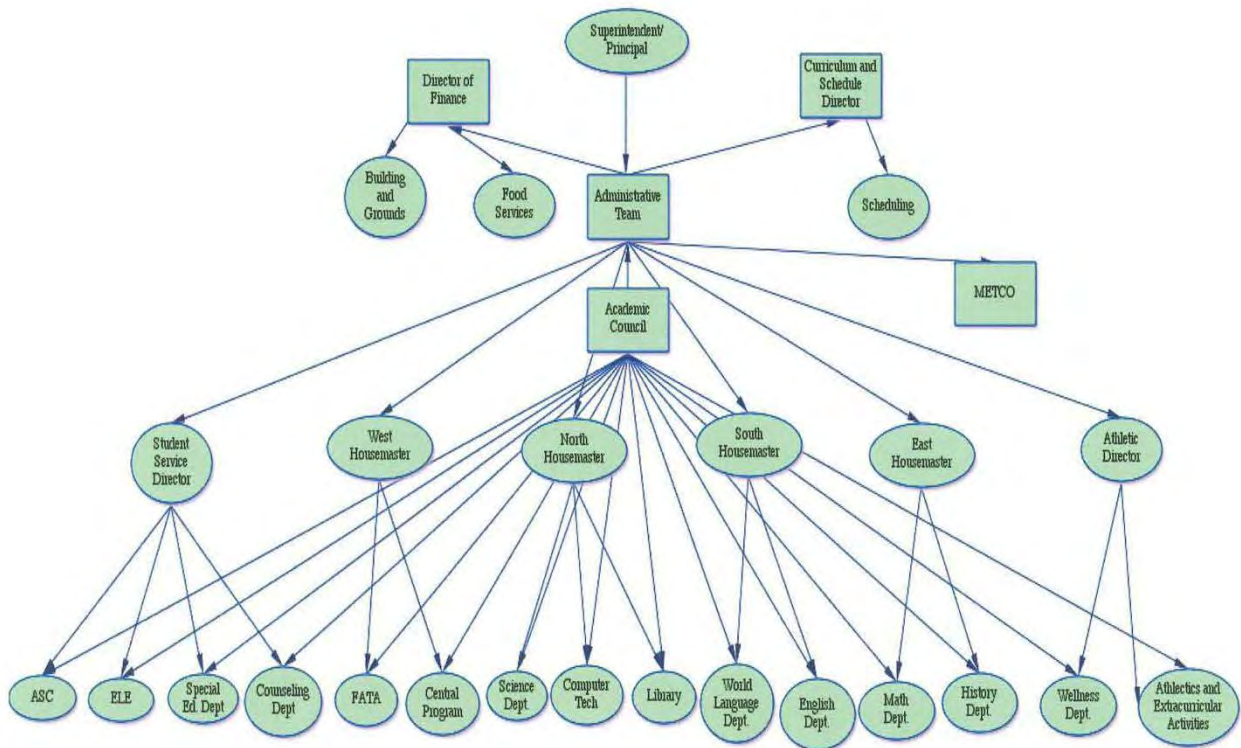
Sudbury Public Schools

The chart below outlines the structure for the Sudbury Public Schools (Grades K-8) system. The Superintendent of Schools oversees all school departments including five elementary school locations and central administration.



Lincoln-Sudbury Regional High School

The chart below outlines the structure for the LSRHS (Grades 9-12) system. The Superintendent oversees all departments.



A Reader's Guide to the Budget

This budget document contains tables, charts, and narratives that provide context for the important budget deliberations and decisions for the Town. The budget of a municipality has many parts to it. Different cost centers operate under different state laws. They have their own leadership and management structure. Each has revenue sources that are dedicated to specific programs and are not transferable to other parts of the budget. Each has mandated activities and services that cannot be discontinued. Each has employees working under collective bargaining agreements, and the provisions and requirements for each group differ from others. In addition, in two cases – the Lincoln-Sudbury Regional High School and the Minuteman Vocational Technical High School – other towns have a role and a say in the budget requests and spending priorities of the cost center. Readers hoping for a budget that is similar to that of a private company will be disappointed. It takes a great deal of effort to gain an understanding of the milieu in which the Town of Sudbury's budget and financing plan is put together.

A municipal budget document can be a challenge to read and understand, especially for those who do not deal with them often. This is true for a number of reasons: first, they involve numbers, often in lengthy tables. Second, a municipal government is responsible for a large and diverse set of operations and services, many of them complex in nature, so even at a summary level there is still a great deal of detail to digest. Lastly, budget documents must serve a number of purposes.

- A Planning Tool. A budget should be a blueprint for the services that the Town will offer in the fiscal year, consistent with the values and goals that have been set by the Board of Selectmen.
- A Communication Tool. Within the budget pages, the reader should be able to find out how the resources of the Town have been allocated. Performance data is also included to show how the Town has been using the resources to achieve the mission and goals of the organization.
- Link to Town Meeting Warrant. A budget's layout should be consistent with the Town Warrant, which is organized according to the Town's organizational chart and chain of command. So, for example, funds appropriated within the Town's Public Safety cluster can only be expended for a public safety purpose with the approval of the Town Manager.
- Link to Different Funds. Governmental accounting is fund accounting unlike private sector accounting where there is usually only one fund for all the financial transactions of the entity. In the Town of Sudbury, there is the General Fund and three Enterprise funds that support most of the annual budget activities. The Community Preservation Fund does not support General Fund operations, but rather contributes to eligible one-time projects that meet State determined criteria.

To help the reader navigate this budget document, below is an explanation of different parts of the budget document that may be helpful in interpreting and understanding its detailed content.

- **Section 1 *Funding the Budget*** contains an overview of financial funds and what the overall fund structure for Sudbury looks like. Here the reader can see the financial structure that drives Sudbury's budgeting process. Readers are introduced to fund history and various fund statistics. Readers are provided a framework of where we stand financially, which is an important starting point for any budget cycle. We develop operating budgets by division, department, programs and services rather than solely by fund. However, funding the budgets each year (which starts with forecasting hundreds of revenue streams) takes place within the intricate context of our 'Funds Structure'.
- **Section 2 *Financial Resources*** brings the reader into the main layers of our 'Fund Structure' starting with financial resources. Funding budgets requires revenues, or in a broader sense "financial resources", all of which need to be reassessed each year in order to identify trends and react accordingly to economic influences. New laws, new economic opportunities, or new policy changes may give rise to additional resources, or conversely result in the erosion or elimination of revenue streams that we have come to rely on. This section explains what our various funding resources are and what we are projecting through the latest budget cycle.

- **Section 3 *Financial Uses continues*** to the other important layer of our Fund Structure, which is “financial uses”. Developing all the budgets each year requires a coordinated effort that begins with a clear understanding of the needs and wants of several financial users (consumer groups of the budgets), such as residents, students, business owners, program users, and service stakeholders to name a few. From there, Town management and staff along with elected officials and committees must determine the costs associated with everything, prioritize and present well-balanced solutions. This section of the budget document provides the reader with an overview of how and where we are spending funds now. It also provides an assessment of various cost drivers or “budget busters” as we prepare base-line budget estimates for all major expenditure categories as well as by fund and cost centers.
- **Section 4 Current Year Budget Issues and Transmittal** brings all that is discussed up to this point into specific context with current budget cycle issues. It provides the reader with the budget priorities for the coming year as determined by the elected officials and committees, along with an executive and administrative response. The response, which is summarized by the Town Manager, serves as a consolidated view of the budget(s) presented for consideration at Town Meeting. Highlights of major changes in/to the major cost centers are also discussed.
- **Sections 5 through 12 Budget Details** contain detailed operational budget data and commentary. Here the reader can find the explanation of what services are being provided, the level of staffing involved and other information. Readers may use this information to dig deeper into each specific budget request. The three school systems develop separate budget detail documents that are available upon request; **Section 6** of this budget document includes their budget data at an intermediate level.
- **Section 13 Appendices** contains a number of appendices to this budget document.

<u>Appendix</u>	<u>Title</u>
A	Budget Terms and Definitions
B	Acronyms
C	Budget Process
D	Budget Schedule
E	Budget Instructions
F	Community Profile
G	Budget and Financial Policies
H	Funds Structure and Descriptions
I	Basis of Accounting and Budgeting
J	Planning and Goal Setting

Questions and Answers on Using this Budget Document

Question: *Where can I find the bottom line for FY11 budget requests, and how do they compare with prior years?*

Answer: Start with the Table on page 64 in **Section 3**. This summary sheet has the requested budgets for all cost centers plus other financial obligations of the Town that must be covered. The table also shows the actual and budget values for FY08 through FY10.

Question: *Where do I find information about the Town's current revenues?*

Answer: Start with the Revenue Projections on page 34 in **Section 2**. This section includes gives a brief description of each revenue source along with our projected revenues.

Question: *How much does the Town's revenue base grow each year?*

Answer: Beginning on page 25 is a discussion of what has been happening in the Town's revenue base for the period FY2001-FY2010.

Question: *How much of the Town's budget is for the cost of benefits for employees such as Health Insurance and Pensions?*

Answer: The detail in **Section 9** provides specific information for the Town and Sudbury Public Schools for these items starting on page 162. The total benefits amounts for the Lincoln-Sudbury Regional High School can be found in **Section 6** on page 139. You may also refer to tables starting on page 52 in **Section 3**, which look specifically at a ten-year history of these costs.

Question: *How can I find out the goals of the Town and how the budget is developed to try to accomplish those goals?*

Answer: There are different goals set by different entities. The goals of the Board of Selectmen are found in **Appendix J** beginning on page 230. These goals provide direction to the Town Manager and Department Heads for the fiscal year and over the long-term. These goals filter through the organization, and help dictate departmental goals and budget requests. Departmental budget requests in **Section 5** include any financial consequences for particular departments or programs involved in accomplishing these master goals, or any tasks related thereto.

Question: *Where can I find information about budgeting for capital projects, such as building improvements and new DPW vehicles?*

Answer: The capital budget is found in **Section 7** of this document. This section includes information on capital funding. Also included, is the 5-year capital plan, which is updated every year.

Question: *How can I find out more about the budget balancing process?*

Answer: See **Appendices C through E** of this document for a letter of instructions, a listing of the budget hearings held by the Finance Committee, and a description of the phases of budget preparation and development. Additionally the Finance Committee also posts a great deal of budget information on the Town's website. See www.sudbury.ma.us.

Question: *Where can I find definitions for the budget terms and acronyms used in this document?*

Answer: These can be found in **Appendices A and B in Section 13** of this document.

Question: *Where can I find more information about the Town?*

Answer: See **Appendices F** for Sudbury's community profile which includes economic and demographic information as well as other useful references.



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Section One

Funding the Budget

A Consolidated Financial Overview and Funds Analysis



Financial Funds and the Budgeting Process

Sudbury's Financial Funds Structure Overview

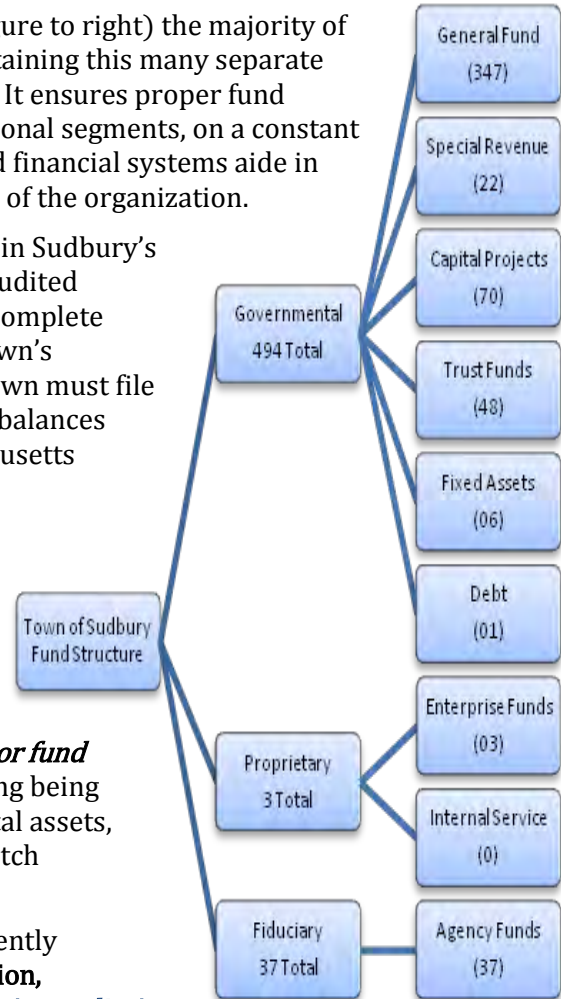
Sudbury currently maintains 534 individual funds (see figure to right) the majority of which fall into the category of Governmental funds. Maintaining this many separate funds is required for compliance and reporting purposes. It ensures proper fund management, across the Town's vast financial and operational segments, on a constant and consistent basis. Advanced technology and integrated financial systems aide in effectively managing, budgeting and reporting at all levels of the organization.

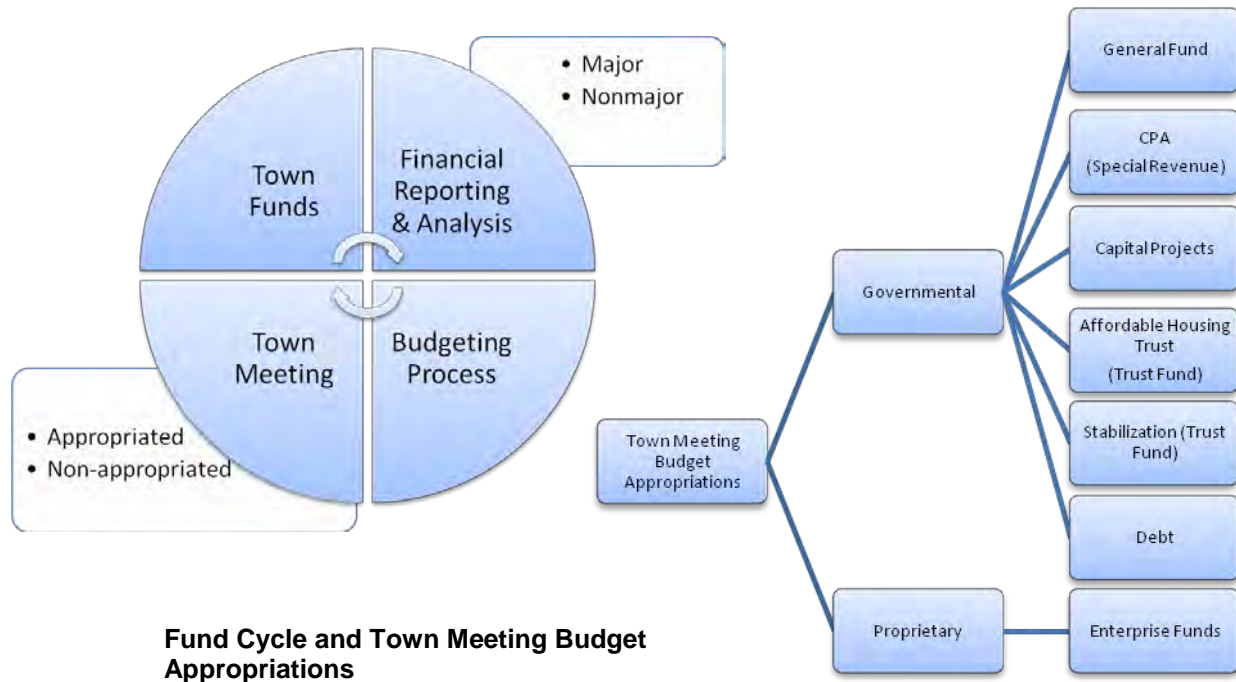
Government-wide financial fund analysis is also provided in Sudbury's Comprehensive Annual Financial Report (CAFR). These audited financials provide not only fund balance detail but also a complete breakdown of revenues and expenditures for all of the Town's governmental and proprietary funds. Additionally, the Town must file a year-end statement of revenues, expenditures and fund balances (commonly referred to as "Schedule A") with the Massachusetts Department of Revenue.

Major Funds Financial Reporting

For financial reporting and budgeting purposes, Sudbury separates all governmental funds into two categories: **major and non-major**. What constitutes a **major fund** may vary by municipality as well as by the type of reporting being done. A major fund constitutes a certain percentage of total assets, liabilities, revenues or expenditures. Some funds may switch designation from year-to-year.

For financial statement reporting purposes, Sudbury currently identifies the following as **major funds**: **General, Stabilization, Community Preservation and, Sudbury Housing Trust** ([see Appendix A for fund definitions](#)), all of which are located within the Town's *Governmental* funds structure. All other governmental funds are reported in aggregate as **non-major**.





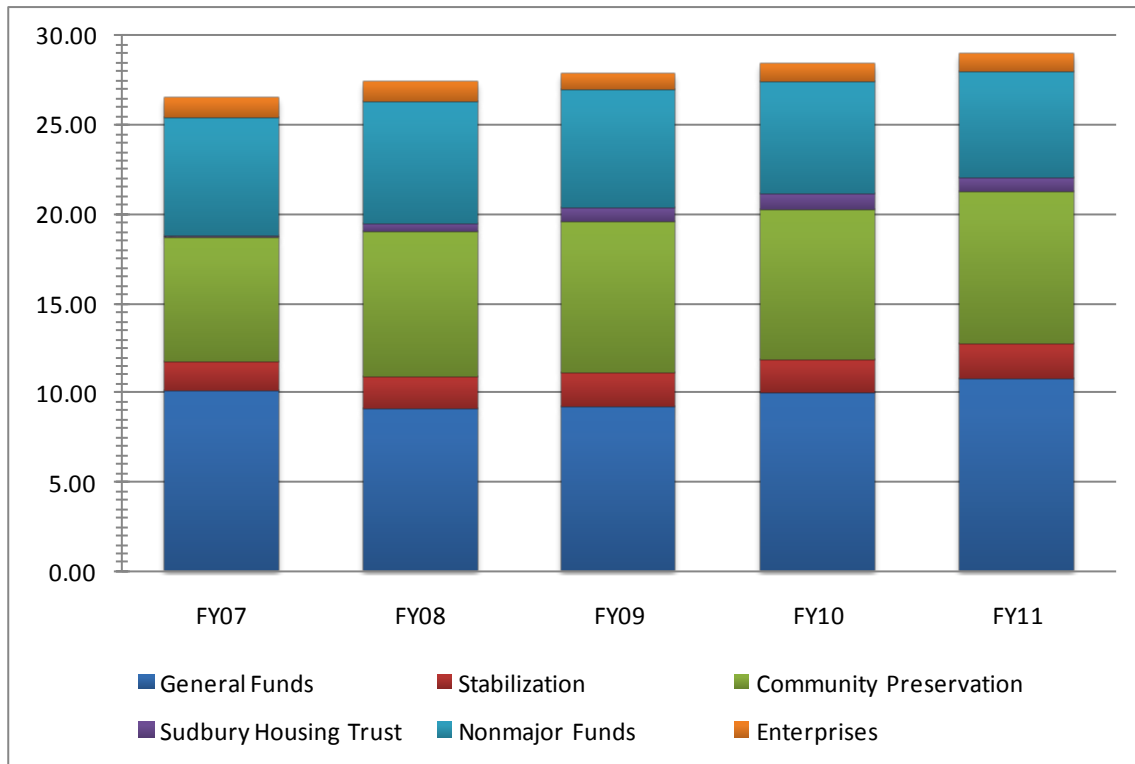
As the previous discussion and tables indicate, the Town manages and budgets for all of its governmental and proprietary funds. The cycle between Sudbury's ongoing financial concerns and the budgetary process is connected by the appropriative actions at Annual Town Meeting. The reporting of information (along with the many data points constructed) throughout the year is vast and varied in nature. Our consolidated fund structure funnels down to support the Town's numerous services and programs. Not all of the Town's financial funds are required to be officially adopted or appropriated at Town Meeting (see right side of figure above). Nonetheless, the fund balances and projections for all funds play an important in the Town's financial planning.

Top-Level Funds Management

Fund balance is the difference between a fund's assets and liabilities. Also commonly referred to as "fund equity", it represents the balance that remains for future use. To the extent that fund balance is not earmarked or reserved for a special purpose, it may also be used to offset unexpected costs or revenue shortfalls. Each fund must be able to support its own activities and obligations. **Fund liquidity** refers to a fund's ability to meet near-term obligations with expendable resources. A lack of liquidity requires inter-fund balance transfers (when possible) or the postponement of expenditures. In other words, even though funds have been appropriated the town must remain cognizant of any circumstances (i.e. economic conditions, financial health of grantors, legal situations, extraordinary events, etc.) that may reduce or delay the receipt of expected revenues in order to fund ongoing expenditures. Budgeting must encompass all areas or facets of operations and consider all sources and uses of funds if we are to avoid deficits and ideally build fund equity for the future.

Below is a recent history of the Town's aggregate balance for all governmental and proprietary funds. Total funds are expected to increase by 1.9% from FY10; reaching approximately \$28.9M by the end of FY11.

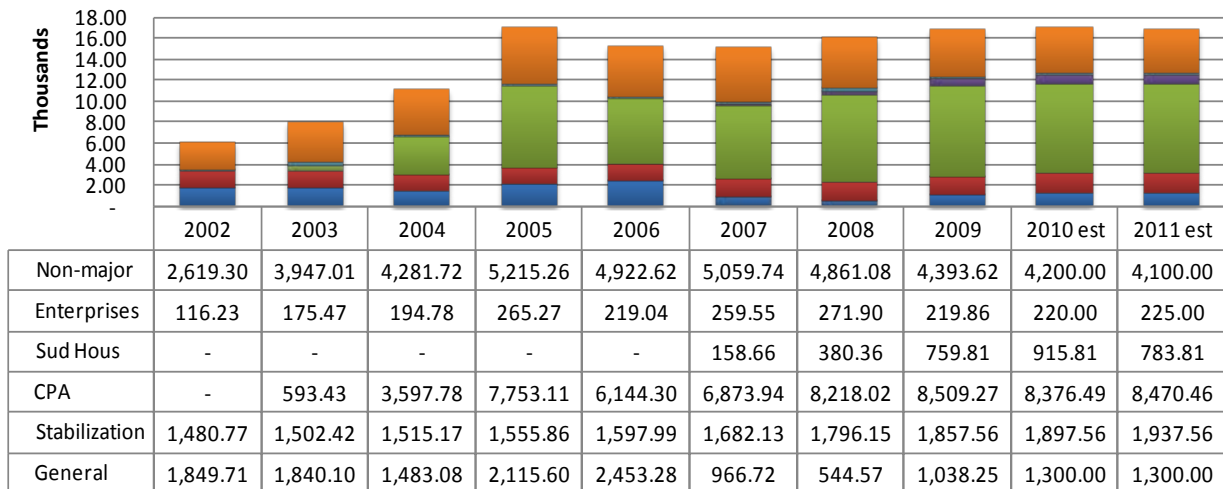
Sudbury's Recent Fund Balance History



Unreserved Fund Balances

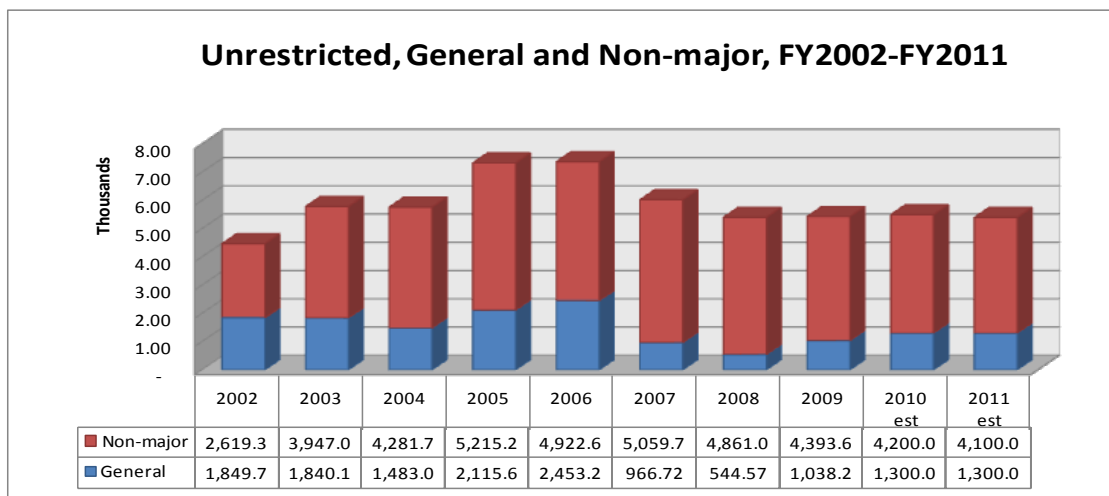
Fund balance is broken down into two components: ***Restricted and Unrestricted.*** ***Restricted fund balance (RFB)*** is the part of the fund's equity balance that is reserved for encumbrances, continuing appropriations or other specific purposes. Therefore, it is not available for new budget appropriations (spending). ***Unreserved fund balances (UFB)*** is the **unrestricted portion** of a fund (also known as net equity) which is available for new spending. The lower the unrestricted fund balance the less available equity for future operations. The chart below shows the level of ***unrestricted fund balances*** for the Town's governmental & proprietary fund groups, over the last several years. The latest projections indicate that the Town will maintain a ***total unrestricted*** fund balance of approximately \$16.8 million through fiscal year 2011.

All Unrestricted Fund Balances, FY2002-FY2011



As you can see, the Town's aggregate unreserved fund balance ranged between \$6 and \$8 million at the start of the decade. By 2005, UFB peaked and since then has leveled off at approximately \$16 million. The biggest jump in value comes from the introduction of the Community Preservation Act fund (CPA), back in 2003. For further CPA details and program budget [see Section 12](#). In general, the Town may not use special revenues (e.g. CPA or Sudbury Housing Trust) to fund its annual operating expenditures. This leaves only two main Operating Funding Sources (OPS) – the General Fund and what we group together as **Non-major** Governmental Funds to pay for the nearly \$80M in governmental and proprietary operating expenditures each year.

The next table isolates these two key funding sources. As you can see, the General Fund's unreserved fund balance has declined dramatically by approximately 30% in the past ten years, while the **Non-major** category for UFB has substantially increased. Between 2002 and 2005, **Non-major** funds nearly doubled in size. By the end of FY11, total **Non-major** UFB is expected to eclipse the **General Fund** UFB by more than 300%. The **Non-major** category continues to have a major impact on the Town's overall budget process.



The General Fund versus Special Revenue Funds

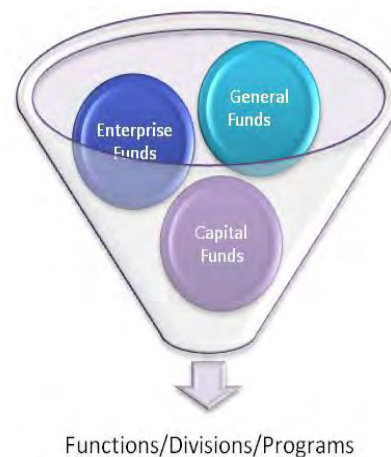
All revenue belongs to the General Treasury of the Town (also known as the **General fund**) unless otherwise provided for by State statute. Governmental funds that reside “outside” the General Fund are commonly referred to as Special Revenue Funds. The Town maintains several **Special Revenue** or Special Purpose funds, some of which we have already identified individually as **Major** (e.g. CPA, Stabilization, Sudbury Housing Trust and Enterprises). The remaining **Special Revenue** funds are categorized as **Non-major**.

Special Revenues are defined as revenues that are earmarked for and restricted to a particular expenditure or specified purposes. As the growing fund balances in the previous table indicate, **special revenues** may be allowed to accumulate reserves (revenues in excess of expenditures). However, once earmarked as **Special Revenue** these funds may not be used for anything outside its designated “special” purpose.

From Funds to Functions

The budgeting process hinges on available resources: new revenues generated during the year and any accumulated unrestricted reserves.

Below the top-level view of funds lie the details for all *sources and uses* of funds. It is at this lower level that we will begin our detailed discussion of the FY11 budget. We begin by identifying the main sources we have come to rely on to fund the budget each year.



Funding the Budgets

While all governmental and proprietary funds find their way into the annual budgeting process, Town Meeting and finally, the Tax Rate Certification process, those captured in the chart on the previous page are responsible for funding approximately 96-97% of the Town’s total annual operations, each year. A collection of **Special** and the **General fund** revenues, support the Town’s annual general operating budget, which includes the three major cost centers, unclassified benefits, debt service, capital and all other charges to be raised “in” or “outside” the tax levy.

Funding the Town’s budget happens through general appropriations (**General fund**), allocation by appropriating authority (**Special Revenue funds transfers**) or, without appropriation, directly against revenues (**Grants and Revolving funds**).

Major Role of Non-major Funding

The **Non-major** funds category, which contributes more than 7% of all revenues each year, is made up of the following funding sources: Employee Benefits Trusts, Receipts Reserved for Appropriation, Revolving funds, Grants and Gifts. Together, **Non-major** funds represent more than

\$6.5M in revenues generated outside the tax levy (and the General fund). When you compare this category to other revenue sources, such as State Aid or Local Receipts you begin to realize how vital these Special revenues have become to sustaining programs and services in Sudbury.

Non-major defined

Employee Benefits Trusts (EBT's) are statutory trusts for health insurance, unemployment and workers' compensation, and may only be used to support expenditures relating to these employee benefits programs. EBT's exist because Sudbury is 'self-insured' for these benefit programs rather than paying into a premium-based insurance plans for health benefits, unemployment expenses and workers' compensation claims. None of the resources from these trusts may be transferred to the General fund for other purposes. Therefore, EBT activities are completely separate from the General fund, and are not included in any budgeting and planning documentation that the Town produces. When reviewing the Town's CAFR, or other data published by the Massachusetts DOR, please note EBT activities may be included, in which cases the reader should take caution when trying to determine only those amounts associated with Sudbury's **General** fund benefits activities.

Contribution to the General Fund Budget each year: zero

Contribution to other specific purposes each year: \$8.6 million

Massachusetts General Laws (M.G.L.'s) allow for only a handful of **Receipts Reserved for Appropriation** (RRA's). At present, the Town has only one RRA, for Ambulance Service Receipts, which is accounted for separately from the General fund. Transfers can be made from this fund to offset ambulance service expenses incurred within the General operating budget. Town Meeting may only authorize a special budget article transfer of **RRA** funds to the General fund specifically for offset to ambulance service expenditures incurred within the Fire Department.

Contribution to the General Fund Budget each year: \$0.4 million

Contribution to other specific purposes each year: \$0.4 million for equipment, as needed

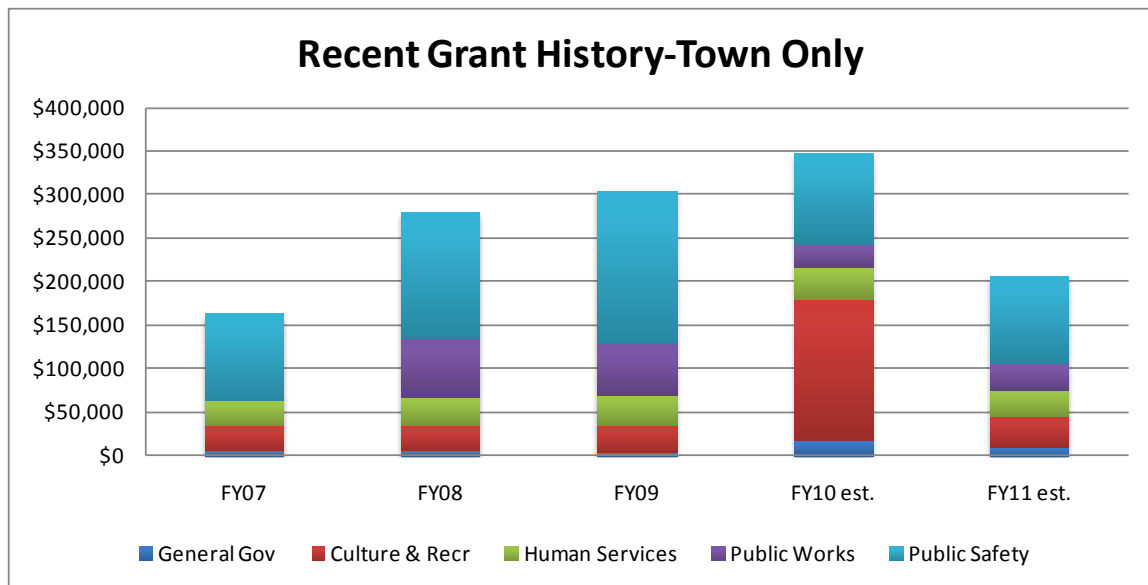
Gifts come in all shapes and sizes. Gifts are often received for a specific purpose either as a one-time payment, or in some cases as endowments or trusts. The Town maintains these funds as 'pooled' or individually invested accounts. Expenditures from these accounts do not require Town Meeting appropriation. In some cases, new programs, services or assets funded by gifts may require future subsidy by the tax levy. Therefore, the Town must carefully consider what if any incremental impact a one-time gift may have on future operating budgets for such things as, installation, maintenance, personnel, or insurance costs. If the tax levy cannot absorb these additional costs, then the program or assets paid for by donations may prove unsustainable.

Contribution to the General Fund Budget each year: zero

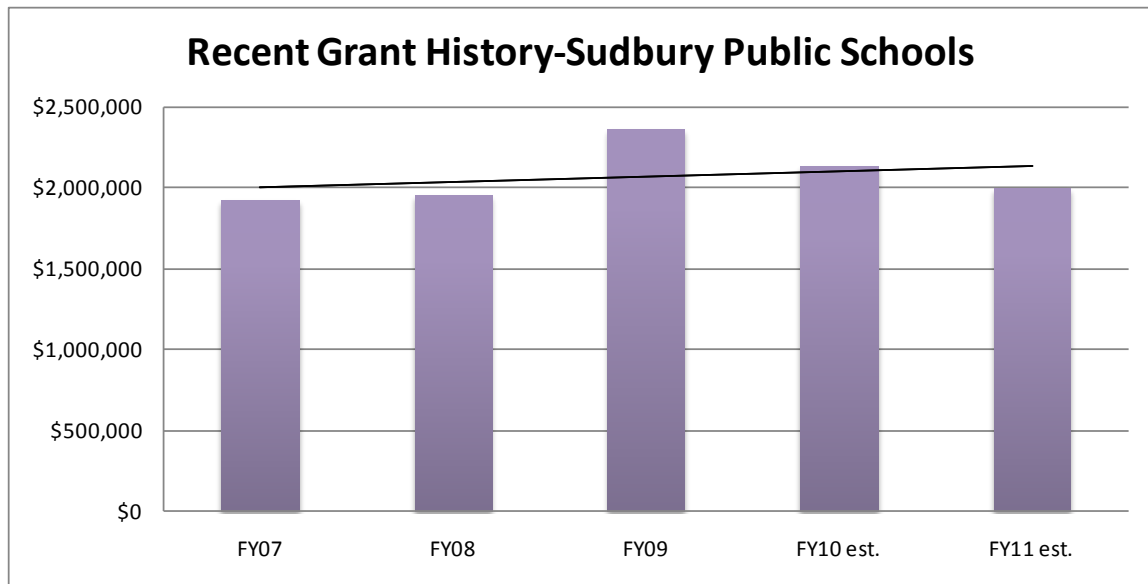
Contribution to other specific purposes each year: \$0.2 million

The last two Special Revenue streams within the **Non-major** category always play a significant role in the Town's annual budgeting process, due to their collective size and nature. **Grants** and **Revolving Fund** revenues are projected to produce a combined \$4.7 Million in FY11, or 5% of all revenues generated by the Town for the same period. Together these two revenue streams account for nearly 78% of all revenues in the **Non-major** category. Over the course of a five-year period (FY07-FY11) Grants and Revolving funds are expected to produce an accumulated \$21.9 million in revenues; rivaling our two largest non-tax levy General fund resources, State aid and Local Receipts.

Grants revenue is difficult to predict from year to year which makes program-funding decisions extremely difficult. Before the Town may accept grant monies all costs within a specific program or project need to be considered. Single grants that establish new ongoing costs for the town (e.g. additional personnel, benefits, maintenance, etc.) are considered carefully because without additional grant funding, program expenses either fall onto the tax levy, or risk elimination. Some grants may reimburse for up to three to five years for special expenditure however, most do not exceed one year in nature and may only cover one specific incident, special equipment purchase, or short duration project. The Town has been very successful in the last few years obtaining grants for a variety of purposes that would otherwise have to be paid for by the General fund's tax levy or cease to exist. FY09 and FY10 in particular included a few, large grants that are not expected to repeat in FY11. They included reimbursements for severe storm damage and monies to establish the Metro west's first Boundless Toddler Playground.



Grants within public education are more plentiful and recurrent in nature. Sudbury Public Schools maintains a sizable complement of Federal, State and local grants (approaching \$2.5 million in revenue in FY09) that pays for education expenditures, which would otherwise have to be paid for by the general fund tax levy or perhaps cease to exist due to lack of funding. Grants for example, pay for a variety of teaching positions that would otherwise be carried by the tax levy.

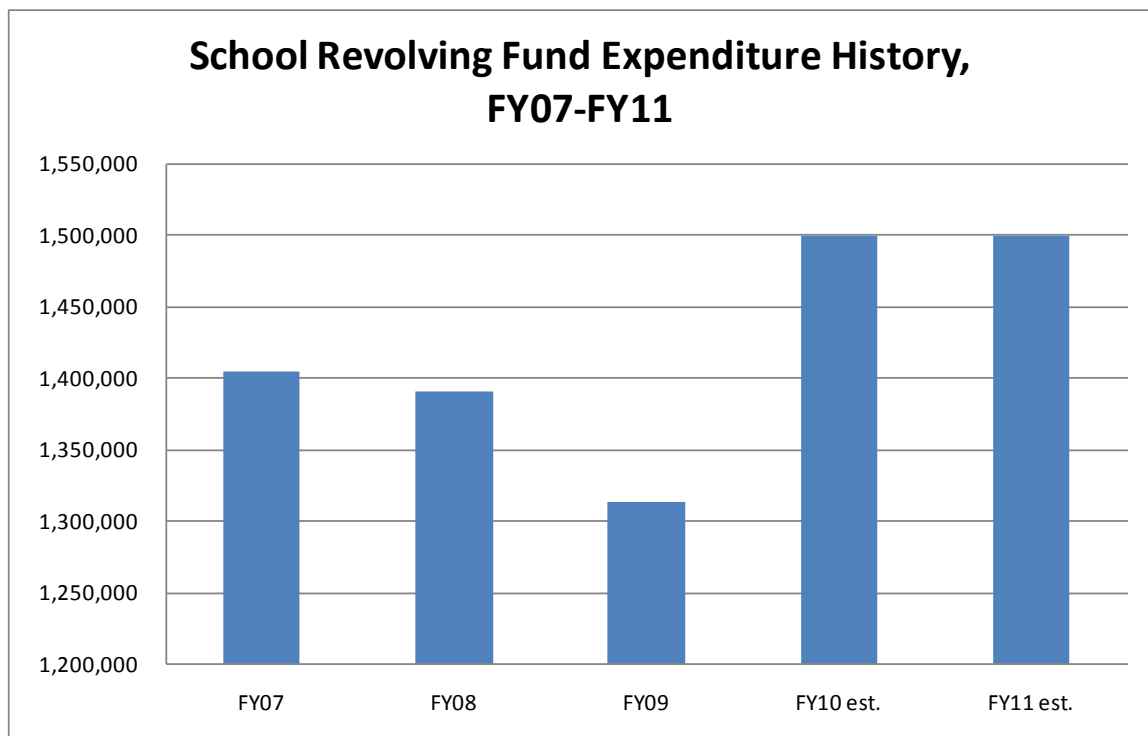
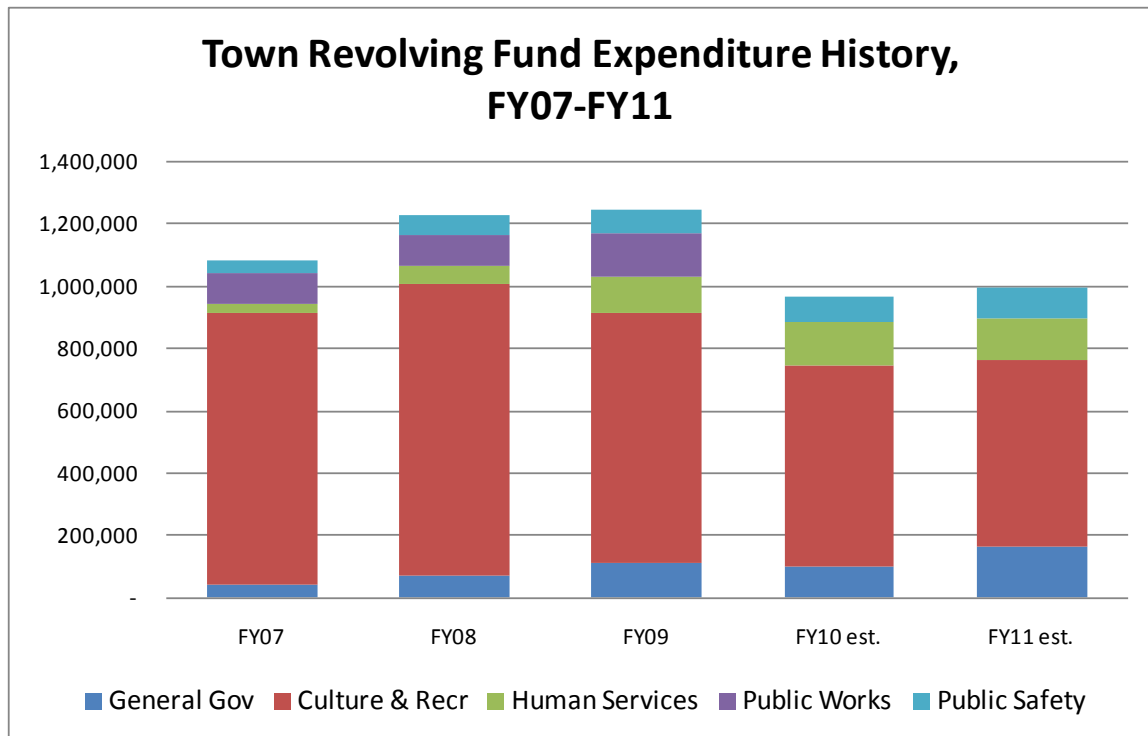


Even though many of the services that the Town and Schools provide are mandated (i.e., required by Federal or State laws) much of what we do remains unfunded or unreimbursed by the mandating authorities. However, grants may go a long way to reducing the growing burden on the tax levy. While most grants themselves do not play a direct or as visible role in the annual budgeting process because they do not involve Town Meeting approval or appropriation, they most certainly factor into the careful planning for all programs and services. Any expenditures (non-recurring or ongoing in nature; mandated or consumer driven) paid for by grants results in less of a burden on tax levy resources.

Contribution to the General Fund Budget each year: Less than \$0.1 million

Contribution to other specific purposes each year: \$2.2 million

Revolving Funds are perhaps the most prevalent kind of Special Revenue funds for Sudbury and other communities across the Commonwealth. Revolving Funds provide a fiscal mechanism for matching user fee revenues to a variety of program or service-related expenditures. Revolving Funds, which are governed by various State laws, segregate revenues away from the General fund. However, they take with it, all of the direct expenses associated with running those programs and services. Therefore, where it makes sense to match user fees for programs and services that not all taxpayers would use or benefit from, revolving funds help us to also segregate such costs that would otherwise fall onto the general tax levy or cease to exist due to a lack of funding.



As you can see from the above charts, **Revolving Funds** vary by function, size and program location. Together they represent approximately \$2.5 million in Special Revenue on an annual basis. For the most part, Revolving Fund revenues are fully expended during the year received. This follows the premise that fees for service are set (and adjusted as necessary) to cover all costs associated with providing a service rather than generating surplus revenues outside of the General treasury. Using

FY10 as point of reference, we are projecting that Revolving Funds will produce enough revenues to cover approximately 2.7% of Sudbury's (Town and Schools) total expenditures for the year, making this segment of Special revenue one of the largest recurring non-tax revenue streams to date. As you can see, the largest increase in revolving activities expected for FY10 and FY11 falls within the Town's K-8 school system. This jump is mainly due to the start of the System's new full-day kindergarten program. This new program like all other revolving funds are designed to collect fees from users (i.e., all-day kindergarten, busing, music lessons, wiring permits, building rentals, dog licensing, etc.) to be used without specific appropriation to support the activity, program or services rendered.

Revolving Fund information is included as part of the annual tax rate certification process. Most (but not all revolving funds) require annual Town Meeting appropriation. Town Meeting appropriation sets a spending limit for each individual Revolving Fund for the coming year. For example, the total spending limit for Revolving Fund expenditures for FY10 is \$1,462,500. However, nearly \$1M more in Revolving Fund revenues (mostly having to do with school operations governed by M.G.L. Ch 71, S 47, 71E, etc.) will be expended without specific appropriation to maintain programs that would otherwise need to be paid for by the tax levy or perhaps cease to exist due to a lack of funding.

Contribution to the General Fund Budget each year: Less than \$0.1 million
Contribution to other specific purposes each year: \$2.5 million

Total Funding Sources and Uses

The following tables provide a historical overview of the Town's total financial funds (***governmental and proprietary***) structure. At this top level, you are able to see a total picture of the Town's financial sources and uses, by the funding groups we have been discussing thus far. While adequate projections for each budget cycle, begin at a much lower level, a macro funding sources and uses framework is particularly helpful, for example, when the Board of Selectmen meets to review and set goals (both near and long-term) for the entire organization.

All fund balance information for the remainder of this section is comprised of the following calculations: Balances and activities up to fiscal year 2007 (FY07) through fiscal year 2009 (FY09) reflect ***actual*** results and may be found in the Town's Comprehensive Annual Financial Reports (CAFR's). Activities for fiscal year 2010 (FY10) are based on ***projected*** revenues, expenses and transfers for the year which is still in progress. Activities for fiscal year 2011 (FY11) are similarly estimated using revenues, expenses and transfers from the FY11 budget cycle process. (*FY10 and FY11 activities also include estimates of GAAP adjustments for comparison and balance projection purposes, prior to annual audit*)

TOP LEVEL FUNDS SUMMARY

TOTAL FINANCIAL FUNDS SUMMARY - GOVERNMENTAL & PROPRIETARY FUNDS					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
General Funds					
Begin. Bal.	9,415,393	10,136,910	9,043,356	9,202,147	10,001,194
Revenues	74,497,088	78,359,043	79,203,460	81,925,063	83,510,551
Expenditures	74,146,913	80,069,936	80,170,596	82,068,616	83,403,185
Excess/(Deficiency)	350,175	(1,710,893)	(967,136)	(143,553)	107,366
Transfers In/(Out)	371,342	617,339	1,125,927	942,600	708,369
Ending Bal.	10,136,910	9,043,356	9,202,147	10,001,194	10,816,930
% over prior		-10.8%	1.8%	8.7%	8.2%
Stabilization					
Begin. Bal.	1,597,991	1,682,125	1,796,146	1,857,557	1,897,557
Revenues	84,134	64,021	61,411	40,000	40,000
Expenditures	-	-	-	-	-
Excess/(Deficiency)	84,134	64,021	61,411	40,000	40,000
Transfers In/(Out)	-	50,000	-	-	-
Ending Bal.	1,682,125	1,796,146	1,857,557	1,897,557	1,937,557
% over prior		6.8%	3.4%	2.2%	2.1%
Community Preservation(CPA)					
Begin. Bal.	6,144,300	6,873,939	8,218,022	8,509,267	8,376,489
Revenues	2,847,328	2,980,383	3,146,771	2,064,676	2,006,000
Expenditures	1,982,689	1,386,300	7,180,139	1,989,454	1,732,034
Excess/(Deficiency)	864,639	1,594,083	(4,033,368)	75,222	273,966
Transfers In/(Out)	(135,000)	(250,000)	4,324,613	(208,000)	(180,000)
Ending Bal.	6,873,939	8,218,022	8,509,267	8,376,489	8,470,455
% over prior		19.6%	3.5%	-1.6%	1.1%
Sudbury Housing Trust					
Begin. Bal.	-	158,655	380,364	759,810	915,810
Revenues	35,342	33,523	34,251	38,000	38,000
Expenditures	11,687	61,814	404,805	90,000	350,000
Excess/(Deficiency)	23,655	(28,291)	(370,554)	(52,000)	(312,000)
Transfers In/(Out)	135,000	250,000	750,000	208,000	180,000
Ending Bal.	158,655	380,364	759,810	915,810	783,810
% over prior		139.7%	99.8%	20.5%	-14.4%
Non-major Funds					
Begin. Bal.	6,334,465	6,566,353	6,879,997	6,593,956	6,258,956
Revenues	5,987,558	6,373,982	6,745,072	6,435,000	6,570,000
Expenditures	5,400,328	5,745,084	6,172,555	6,385,000	6,385,000
Excess/(Deficiency)	587,230	628,898	572,517	50,000	185,000
Transfers In/(Out)	(355,342)	(315,254)	(858,558)	(385,000)	(475,000)
Ending Bal.	6,566,353	6,879,997	6,593,956	6,258,956	5,968,956
% over prior		4.8%	-4.2%	-5.1%	-4.6%
Enterprises					
Begin. Bal.	1,146,233	1,144,331	1,134,134	974,286	975,644
Revenues	694,359	727,116	744,343	969,387	1,012,397
Expenditures	680,261	709,168	876,517	938,434	982,802
Excess/(Deficiency)	14,098	17,948	(132,174)	30,953	29,595
Transfers In/(Out)	(16,000)	(28,145)	(27,674)	(29,595)	(29,595)
Ending Bal.	1,144,331	1,134,134	974,286	975,644	975,644
% over prior		-0.9%	-14.1%	0.1%	0.0%
Total Funds					
Begin. Bal.	24,638,382	26,562,313	27,452,019	27,897,023	28,425,650
Revenues	84,145,809	88,538,068	89,935,308	91,472,126	93,176,948
Expenditures	82,221,878	87,972,302	94,804,612	91,471,504	92,853,021
Excess/(Deficiency)	1,923,931	565,766	(4,869,304)	622	323,927
Transfers In/(Out)	-	323,940	5,314,308	528,005	203,774
Ending Bal.	26,562,313	27,452,019	27,897,023	28,425,650	28,953,351
% over prior		3.3%	1.6%	1.9%	1.9%

NOTE: Includes all funds except fiduciary funds. General and Enterprise Funds are the only funds reflected in the main budget summary and appropriated (in detail) at Town Meeting. Fund presentations include **GAAP** audit adjustments (see CAFR for further details).

All Fund Balance Highlights for 2007;

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances totaling \$25,417,982, an increase of \$1,925,833 in comparison with the prior year. Approximately \$17,169,000 represents unreserved fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund totaled \$996,718 or 1.3% of total general fund expenditures.
- Conservative spending against budgeted appropriations produced a positive variance of \$530,702 before continuing appropriations.
- A large portion of available fund balance was reserved to fund a portion of the fiscal year 2008 budget \$2,138,000.

for 2008;

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances totaling \$26,317,885, an increase of \$899,903 in comparison with the prior year. Approximately \$16,687,000 represents unreserved fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund totaled \$544,573 or .7% of total general fund expenditures and transfers out.
- Conservative spending against budgeted appropriations produced a positive variance of \$323,137 before continuing appropriations.
- A portion of available fund balance was reserved to fund a portion of the fiscal year 2009 budget \$615,110.
- Largest % decline in balance was in the General Fund (-10.8%). Largest dollar increase was in CPA Fund \$1,344,083.

for 2009;

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances totaling \$26,922,737, an increase of \$604,852 in comparison with the prior year. Approximately \$16,778,000 represents unreserved fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund totaled \$1,038,246 or 1.3% of total general fund expenditures and transfers out.
- Conservative spending against budgeted appropriations produced a positive variance of \$1,508,645 before continuing appropriations.
- A small portion of available fund balance was reserved to fund a portion of the fiscal year 2010 budget \$321,000.
- Largest % decline in balance was in the Enterprise Funds (-14.1%). General Fund showed a modest increase of 1.8%.

for 2010 (projected);

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances is projected to be \$27,450,006, an increase of \$527,269 in comparison with the prior year. Approximately \$16,389,856 represents unreserved fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund is projected to be \$1,300,000 or 1.6% of total general fund expenditures and transfers out.
- No available fund balance has been reserved to fund a portion of the fiscal year 2011.
- Largest % decline in balance is anticipated in the Non-major Funds (-5.1%). Largest dollar increase is expected in the General \$799,047.

for 2011 (projected);

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances is projected to be \$27,977,707, an increase of \$527,701 in comparison with the prior year. Approximately \$16,816,822 represents unreserved fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund is projected to be approximately \$1,300,000 or 1.6% of total general fund expenditures and transfers out.
- No available fund balance is expected to be reserved for fund a portion of the fiscal year 2011.

- Largest % decline in balance is anticipated in the Non-major Funds (-5.1%). Largest dollar increase is expected in the General \$799,047.

ALL FUNDS BY MAJOR CATEGORY

ALL GOVERNMENTAL & PROPRIETARY FUNDS - MULTI-YEAR SUMMARY					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
General Government	2,679,753	2,903,375	2,979,703	2,529,682	2,599,737
Public Safety	6,283,293	6,835,206	6,982,021	6,777,102	7,117,414
Education	46,732,328	50,217,825	48,860,537	49,979,210	51,497,664
Public Works	3,789,252	4,687,959	4,795,544	4,633,484	4,572,676
Health & Human Services	619,979	705,502	1,075,681	684,332	958,650
Culture & Recreation	3,095,329	2,614,784	8,022,450	2,611,271	2,529,619
Benefits, Insurance, Unclass.	12,049,776	13,863,611	15,889,404	17,355,463	16,881,397
State & County Charges	170,512	169,420	166,240	248,469	248,469
Debt Service	6,121,395	5,265,452	5,156,515	5,386,058	5,232,388
Cost of Services	680,261	709,168	876,517	938,434	982,802
Total Expenditures	82,221,878	87,972,302	94,804,612	91,143,504	92,620,816
<u>Revenue Category</u>					
Property Taxes	56,629,289	59,955,625	62,447,823	65,434,152	67,353,759
Other Taxes	2,964,729	3,211,397	3,198,679	2,710,288	2,640,180
Surcharge	1,303,239	1,375,761	1,430,652	1,400,000	1,400,000
Charges for Services	1,034,873	1,056,495	1,095,848	1,315,387	1,373,397
Intergovernmental	16,565,305	17,430,198	16,817,428	15,727,299	15,664,932
Penalties & Interest on Taxes	200,005	143,367	168,382	197,000	125,000
Licenses & permits	3,447,489	3,502,926	558,973	545,000	505,033
Fines and forfeitures	164,371	123,360	114,037	130,000	95,785
Departmental & Other	221,839	242,711	3,068,914	3,296,000	3,253,752
Contributions	238,484	408,346	349,619	350,000	400,000
Investment Income	1,376,186	1,087,882	684,953	367,000	365,110
Total Revenues	84,145,809	88,538,068	89,935,308	91,472,126	93,176,948
Other Financing Sources (Uses)	-	323,940	5,314,308	856,005	435,979
Net Change in Fund Balance	1,923,931	889,706	445,004	1,184,627	992,111

*Culture & Recreation includes significant CPA activity in FY09 for the purchase of the Nobscot property.

ALL EXPENSE CATEGORIES AS % OF TOTAL EXPENSES

% of Total Costs	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
General Government	3.3%	3.3%	3.1%	2.8%	2.8%
Public Safety	7.6%	7.8%	7.4%	7.4%	7.7%
Education	56.8%	57.1%	51.5%	54.8%	55.6%
Public Works	4.6%	5.3%	5.1%	5.1%	4.9%
Health & Human Services	0.8%	0.8%	1.1%	0.8%	1.0%
Culture & Recreation	3.8%	3.0%	8.5%	2.9%	2.7%
Benefits, Insurance, Unclass.	14.7%	15.8%	16.8%	19.0%	18.2%
State & Country Charges	0.2%	0.2%	0.2%	0.3%	0.3%
Debt Service	7.4%	6.0%	5.4%	5.9%	5.6%
Cost of Services	0.8%	0.8%	0.9%	1.0%	1.1%
	100.0%	100.0%	100.0%	100.0%	100.0%

ALL EXPENSE CATEGORIES % GROWTH BY YEAR

% Prior Year	Actual	Actual	Projected	Projected
Expenditure Category	FY08	FY09	FY10	FY11
General Government	8.3%	2.6%	-15.1%	2.8%
Public Safety	8.8%	2.1%	-2.9%	5.0%
Education	7.5%	-2.7%	2.3%	3.0%
Public Works	23.7%	2.3%	-3.4%	-1.3%
Health & Human Services	13.8%	52.5%	-36.4%	40.1%
Culture & Recreation	-15.5%	206.8%	-67.5%	-3.1%
Benefits, Insurance, Unclass.	15.1%	14.6%	9.2%	-2.7%
State & Country Charges	-0.6%	-1.9%	49.5%	0.0%
Debt Service	-14.0%	-2.1%	4.5%	-2.9%
Cost of Services	4.2%	23.6%	7.1%	4.7%
	51.3%	297.9%	-52.8%	45.6%

ALL REVENUE CATEGORIES AS % OF TOTAL FUND REVENUES

% of Total Revenues	Actual	Actual	Actual	Projected	Projected
Revenue Category	FY07	FY08	FY09	FY10	FY11
Property Taxes	67.3%	67.7%	69.4%	71.5%	72.3%
Other Taxes	3.5%	3.6%	3.6%	3.0%	2.8%
Surcharge	1.5%	1.6%	1.6%	1.5%	1.5%
Charges for Services	1.2%	1.2%	1.2%	1.4%	1.5%
Intergovernmental	19.7%	19.7%	18.7%	17.2%	16.8%
Penalties & Interest on Taxes	0.2%	0.2%	0.2%	0.2%	0.1%
Licenses & permits	4.1%	4.0%	0.6%	0.6%	0.5%
Fines and forfeitures	0.2%	0.1%	0.1%	0.1%	0.1%
Departmental & Other	0.3%	0.3%	3.4%	3.6%	3.5%
Contributions	0.3%	0.5%	0.4%	0.4%	0.4%
Investment Income	1.6%	1.2%	0.8%	0.4%	0.4%
	100.0%	100.0%	100.0%	100.0%	100.0%

ALL REVENUE CATEGORIES % GROWTH BY YEAR

% of Total Revenues	Actual	Actual	Projected	Projected
Revenue Category	FY08	FY09	FY10	FY11
Property Taxes	5.9%	4.2%	4.8%	2.9%
Other Taxes	8.3%	-0.4%	-15.3%	-2.6%
Surcharge	5.6%	4.0%	-2.1%	0.0%
Charges for Services	2.1%	3.7%	20.0%	4.4%
Intergovernmental	5.2%	-3.5%	-6.5%	-0.4%
Penalties & Interest on Taxes	-28.3%	17.4%	17.0%	-36.5%
Licenses & permits	1.6%	-84.0%	-2.5%	-7.3%
Fines and forfeitures	-25.0%	-7.6%	14.0%	-26.3%
Departmental & Other	9.4%	1164.4%	7.4%	-1.3%
Contributions	71.2%	-14.4%	0.1%	14.3%
Investment Income	-20.9%	-37.0%	-46.4%	-0.5%
	35.1%	1046.8%	-9.5%	-53.4%

Funding Sources and Uses by Fund Categories

The following tables provide a historical detail of the Town's financial sources and used by fund categories. This level of detail provides revenues, expenses and transfers associated with each major and non-major fund grouping.

All fund balance information for the remainder of this section is comprised of the following calculations: Balances and activities up to fiscal year 2007 (FY07) through fiscal year 2009 (FY09) reflect **actual** results and may be found in the Town's Comprehensive Annual Financial Reports (CAFR's). Activities for fiscal year 2010 (FY10) are based on **projected** revenues, expenses and transfers for the year which is still in progress. Activities for fiscal year 2011 (FY11) are similarly estimated using revenues, expenses and transfers from the FY11 budget cycle process. *(FY10 and FY11 activities also include estimates of GAAP adjustments for comparison and balance projection purposes, prior to annual audit)*

FUND EXPENSE CATEGORIES AS % OF TOTAL EXPENSES

	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Total Costs</u>					
General	74,146,913	80,069,936	80,170,596	82,068,616	83,403,185
Stabilization	-	-	-	-	-
CPA	1,982,689	1,386,300	7,180,139	1,661,454	1,499,829
Sudbury Housing Trust	11,687	61,814	404,805	90,000	350,000
Enterprises	680,261	709,168	876,517	938,434	982,802
Non-major	5,400,328	5,745,084	6,172,555	6,385,000	6,385,000
	82,221,878	87,972,302	94,804,612	91,143,504	92,620,816

FUND EXPENSE CATEGORIES % GROWTH BY YEAR

	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>% of Total Costs Growth</u>				
General	8.0%	0.1%	2.4%	1.6%
Stabilization	0.0%	0.0%	0.0%	0.0%
CPA	-30.1%	417.9%	-76.9%	-9.7%
Sudbury Housing Trust	428.9%	554.9%	-77.8%	288.9%
Enterprises	4.2%	23.6%	7.1%	4.7%
Non-major	6.4%	7.4%	3.4%	0.0%
	7.0%	7.8%	-3.9%	1.6%

FUND REVENUES AS % OF TOTAL FUND REVENUES

	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Total Revenues</u>					
General	74,497,088	78,359,043	79,203,460	81,925,063	83,510,551
Stabilization	84,134	64,021	61,411	40,000	40,000
CPA	2,847,328	2,980,383	3,146,771	2,064,676	2,006,000
Sudbury Housing Trust	35,342	33,523	34,251	38,000	38,000
Enterprises	694,359	727,116	744,343	969,387	1,012,397
Non-major	5,987,558	6,373,982	6,745,072	6,435,000	6,570,000
	84,145,809	88,538,068	89,935,308	91,472,126	93,176,948

FUND REVENUES % GROWTH BY YEAR

	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>% of Total Revenue Growth</u>				
General	5.2%	1.1%	3.4%	1.9%
Stabilization	-23.9%	-4.1%	-34.9%	0.0%
CPA	4.7%	5.6%	-34.4%	-2.8%
Sudbury Housing Trust	-5.1%	2.2%	10.9%	0.0%
Enterprises	4.7%	2.4%	30.2%	4.4%
Non-major	6.5%	5.8%	-4.6%	2.1%
	5.2%	1.6%	1.7%	1.9%

GENERAL FUND

The General Fund is the main operating fund for the Town. General Fund budgeting and accounting is done on a ***modified accrual basis*** meaning that revenues are recognized when they become measurable or available (cash basis), while expenditures are accounted for in the accounting period incurred (accrual basis).

In each of the last fiscal years, the General Fund has covered between 85-91% of all expenditures. The main budget article appropriated at Town Meeting covers a wide variety of programs and services. The majority of all departments, divisions and programs throughout the Town survive on tax dollars generated within the General fund.

The detail sections for the various cost centers reported later in this book will therefore focus on operations designated the Town's General Fund Budget. The following table provides this Fund's total financial sources and uses over a 5-year period.

GENERAL FUND MULTI-YEAR SUMMARY					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
General Government	2,426,349	2,675,564	2,529,341	2,259,682	2,344,737
Public Safety	6,116,708	6,628,396	6,744,733	6,542,102	6,882,414
Education	43,428,234	46,561,181	45,156,609	45,779,210	47,297,664
Public Works	3,042,071	4,038,746	3,847,177	3,898,484	3,837,676
Health & Human Services	557,712	581,494	560,600	524,332	538,650
Culture & Recreation	1,045,953	1,079,170	1,049,432	1,199,271	1,191,824
Benefits, Insurance, Unclass. ²	12,049,776	13,863,611	15,769,404	17,355,463	16,881,397
State & County Charges	170,512	169,420	166,240	248,469	248,469
Debt Service ¹	5,309,598	4,472,354	4,347,060	4,261,604	4,180,354
Total Expenditures	74,146,913	80,069,936	80,170,596	82,068,616	83,403,185
		8.0%	0.1%	2.4%	1.6%
<u>Revenue Category</u>				-	-
Property Taxes	56,629,289	59,955,625	62,447,823	65,434,152	67,353,759
Other Taxes	2,964,729	3,211,397	3,198,679	2,710,288	2,640,180
Intergovernmental	12,627,161	13,190,661	12,030,554	12,232,623	12,303,932
Penalties & Interest on Taxes	200,005	143,367	168,382	197,000	125,000
Licenses & permits	872,593	883,253	471,819	455,000	410,033
Fines and forfeitures	146,078	113,289	105,004	120,000	85,785
Departmental & Other	199,973	189,540	402,154	596,000	503,752
Investment Income	857,260	671,911	379,045	180,000	88,110
Total Revenues	74,497,088	78,359,043	79,203,460	81,925,063	83,510,551
		5.2%	1.1%	3.4%	1.9%
				-	-
Other Financing Sources (Uses)	371,342	617,339	1,125,927	942,600	708,369
Net Change in Fund Balance	721,517	(1,093,554)	158,791	799,047	815,735
		-	-	(0.00)	-
¹ For Fund Balance expense reporting Education includes LSRHS Assessment for Debt Service otherwise reported in budget documentation combined with Sudbury Town Debt.					
² For Fund Balance expense reporting Education includes School-related otherwise reported in budget documentation combined with Sudbury Town benefits & Insurances.					
*For Prior Year Actuals GAAP is used. Projected columns include GAAP estimates for comparison purposes. All other budget exhibits are on budgetary basis reporting (which uses the Uniform Massachusetts Accounting System basis of accounting. See section text for further information).					

STABILIZATION FUND

The Stabilization Fund is often referred to as a 'Rainy Day' Fund or savings account for the Town. This account may only be used to fund extraordinary expenses and requires two-thirds vote at Town Meeting to do so. Since its inception several years ago, the Town has not needed to use any of these funds. The Town last added to the fund in FY08. The fund is expected to earn less investment income in the next year or two due to changing market rates. The Stabilization Fund balance as of June 30, 2009 was \$1.8 Million. This represents 6.7% of all fund balances and approximately 2% of the Town's total operating expenditures for the same period. The Town would like to increase this to 3-5% of its annual operating budget. Use of the Stabilization Fund is authorized by separate article at Town Meeting. Any reference to Stabilization within the Town's General Fund Budget is

strictly for the purposes of using general funds to increase Stabilization. Therefore, you will not see much discussion about Stabilization elsewhere in this document.

The following table provides this Fund's total financial sources and uses over a 5-year period.

	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
None	-	-	-	-	-
Total Expenditures	-	-	-	-	-
<u>Revenue Category</u>					
Investment Income	84,134	64,021	61,411	40,000	40,000
Total Revenues	84,134	64,021	61,411	40,000	40,000
		-23.9%	-4.1%	-34.9%	0.0%
Other Financing Sources (Uses)	-	50,000	-	-	-
Net Change in Fund Balance	84,134	114,021	61,411	40,000	40,000

SUDBURY HOUSING TRUST

The Sudbury Housing Trust is used solely to record the revenues and expenses relating to the Town's affordable housing efforts. The majority of income for the fund is attributable to transfers from the CPA Fund. The SHT trustees evaluate available housing stock and land parcels for purchase on the open market and resale/conversion into affordable housing units. The SHT also funds small home repair projects to qualifying residents in town. Due to the limited nature of this fund, you will not see much discussion about Sudbury Housing Trust elsewhere in this document. A budget for the Trust is developed each year and administered by the trustees. However, trusts may spend without appropriation by Town Meeting.

The following table provides this Fund's total financial sources and uses over a 5-year period.

SUDBURY HOUSING TRUST - MULTI-YEAR SUMMARY					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
Health & Human Services	11,687	61,814	404,805	90,000	350,000
Total Expenditures	11,687	61,814	404,805	90,000	350,000
		428.9%	554.9%	-77.8%	288.9%
<u>Revenue Category</u>					
License & permits	34,836	16,328	25,439	30,000	30,000
Investment Income	506	17,195	8,812	8,000	8,000
Total Revenues	35,342	33,523	34,251	38,000	38,000
		-5.1%	2.2%	10.9%	0.0%
Other Financing Sources (Uses)	135,000	250,000	750,000	208,000	180,000
Net Change in Fund Balance	158,655	221,709	379,446	156,000	(132,000)

COMMUNITY PRESERVATION ACT (CPA) FUND

The CPA Fund is used solely to record the revenues and expenses relating to the Town's community preservation efforts. The majority of income for the fund is attributable to tax surcharges on real estate and intergovernmental revenues. These funds are limited to specific types of projects – open space preservation, historical preservation, affordable housing, and recreation – and cannot be used for Town general operating purposes.

The CPC may designate some capital expenditures used or managed within general government: repairs to historic buildings, recreation field renovations or new construction of walkways, for example. In such cases, various divisions of general government are responsible project oversight or completion. However, since these financial uses fall outside the General fund, you will not see much discussion about CPA elsewhere in this document. Further CPA budget details may be found in [Section 12](#).

CPA - MULTI-YEAR SUMMARY					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
General Government	68,408	76,725	198,819	95,000	80,000
Public Works			90,208		
Culture & Recreation	1,102,484	516,477	6,081,657	442,000	367,795
Debt Service	811,797	793,098	809,455	1,124,454	1,052,034
Total Expenditures	1,982,689	1,386,300	7,180,139	1,661,454	1,499,829
		-30.1%	417.9%	-76.9%	-9.7%
<u>Revenue Category</u>					
Surcharge	1,303,239	1,375,761	1,430,652	1,400,000	1,400,000
Intergovernmental	1,248,806	1,307,615	1,465,898	539,676	406,000
Investment Income	295,283	297,007	250,221	125,000	200,000
Total Revenues	2,847,328	2,980,383	3,146,771	2,064,676	2,006,000
		4.7%	5.6%	-34.4%	-2.8%
Other Financing Sources (Uses)	(135,000)	(250,000)	4,324,613	120,000	52,205
Net Change in Fund Balance	729,639	1,344,083	291,245	523,222	558,376

NON-MAJOR FUNDS

This is a catchall category for those governmental funds not deemed major for financial reporting purposes. The group consists of employee benefits trusts, receipts reserved for appropriation, revolving funds, grants and gifts. (See previous pages in this section for further fund details). Due to the limited nature of these individual funds, you will not see much discussion about them elsewhere in this document, except where noted by departments whose use of Special Revenues meet or exceed use of General Fund monies for budgeting and operational purposes.

NON-MAJOR FUNDS - MULTI-YEAR SUMMARY					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
General Government	184,996	151,086	251,543	175,000	175,000
Public Safety	166,585	206,810	237,288	235,000	235,000
Education Services	3,304,094	3,656,644	3,703,928	4,200,000	4,200,000
Public Works	747,181	649,213	858,159	735,000	735,000
Health & Human Services	50,580	62,194	110,276	70,000	70,000
Culture & Recreation	946,892	1,019,137	891,361	970,000	970,000
Benefits, Insurance, Unclass.			120,000		
Total Expenditures	5,400,328	5,745,084	6,172,555	6,385,000	6,385,000
		6.4%	7.4%	3.4%	0.0%
<u>Revenue Category</u>					
Charges for Services	340,514	329,379	359,443	350,000	365,000
Intergovernmental	2,689,338	2,931,922	3,320,976	2,955,000	2,955,000
Licenses & permits ¹	2,540,060	2,603,345	61,715	60,000	65,000
Fines and forfeitures	18,293	10,071	9,033	10,000	10,000
Departmental & Other ¹	21,866	53,171	2,666,760	2,700,000	2,750,000
Contributions	238,484	408,346	349,619	350,000	400,000
Investment Income	139,003	37,748	(22,474)	10,000	25,000
Total Revenues	5,987,558	6,373,982	6,745,072	6,435,000	6,570,000
		6.5%	5.8%	-4.6%	2.1%
Other Financing Sources (Uses)	(355,342)	(315,254)	(858,558)	(385,000)	(475,000)
Net Change in Fund Balance	231,888	313,644	(286,041)	(335,000)	(290,000)

ENTERPRISES

Enterprises (or proprietary funds) represent all Business-Type activities for the Town; which for the most part operate completely independently from the tax levy. Activities for the Town's two oldest Enterprise funds are not expected to change much from previous years. The introduction of the new Recreational Field Maintenance Enterprise in FY10 is responsible for a large increase in revenues and expenses, as compared to prior years.

Enterprises on a limited basis may receive some funds from the General fund to assist in the acquisition of capital assets, or in the case of Atkinson Pool receive some offset to benefit costs for employees that work mainly for the proprietary operation. In such cases, these transfers from the Town's General Fund Budget are discussed and appropriated at Town Meeting. Further Enterprise budget details may be found in [Section 11](#).

ENTERPRISES - MULTI-YEAR SUMMARY					
	Actual FY07	Actual FY08	Actual FY09	Projected FY10	Projected FY11
<u>Expenditure Category</u>					
Cost of Services	680,261	709,168	876,517	938,434	982,802
Total Expenditures	680,261	709,168	876,517	938,434	982,802
		4.2%	23.6%	7.1%	4.7%
<u>Revenue Category</u>					
Charges for Service	694,359	727,116	736,405	965,387	1,008,397
Investment Income	-	-	7,938	4,000	4,000
Total Revenues	694,359	727,116	744,343	969,387	1,012,397
		4.7%	2.4%	30.2%	4.4%
Other Financing Sources (Uses)	(16,000)	(28,145)	(27,674)	(29,595)	(29,595)
Net Change in Fund Balance	(1,902)	(10,197)	(159,848)	1,358	-

Section Two

Financial Resources

Funds revenue history and forecasts



Financial Resources

This section provides details on the Town's major and minor financial resources that may be used to fund all of the FY11 budgets and wherever possible build upon the various reserves.

The Town's Primary Governmental and Proprietary Financial Resources

The Town's primary governmental and proprietary financial resources can be broken down into four broad categories: operating, capital, reserve and enterprise.

Operating resources consist of a wide variety of revenues that are earned or received within general government functions. The Town has hundreds of operating revenue streams that are produced and/or received by all facets of government. Virtually every division of the government brings in revenues of some kind. [Finance & Administration for example is responsible for property and excise taxes, along with various licenses, permits, permanent records, penalties, rebates, rentals, reimbursements, etc. Public Safety generates a wide variety of permits, details, alarms, etc. Public Works also generates various permits, document fees, maps, penalties and internment revenues. The Schools generate a tremendous amount of State aid, as well as revenues for building rentals, lunch programs, activity fees, etc.] The majority of all operating resources fall under (or are generated within) the General fund. Operating resources are **high and recurring in frequency, collectively big in value and high in volume.**

Capital resources consist of bond proceeds used for capital asset acquisitions or projects (e.g. school building renovations, town building construction, development of new roadways, sewers, etc.) Capital resources may also come in the form of capital project debt reimbursement by State authorities. For example, the Town receives \$1.7 million in school project debt reimbursement each year from the Mass. School Buildings Authority (MSBA) covering approximately 60% of all outstanding debt for Sudbury school construction and renovations. The capital resources mentioned here fall under (or are generated within) the General fund. Capital resources are **low in frequency, typically big in value and low in volume.**

Reserves or Other Available Funds resources (for general fund use) require appropriation or transfer in from another area. Other available funding sources for the General fund typically come from Free Cash and (Tax Levy) Overlay Surplus. On occasion, the Town may also choose to fund current or future budgets with certain grant proceeds, or by re-appropriating balances from existing continuing articles that if unused in their entirety do not revert to Free Cash without further Town Meeting actions. Reserves are **low in frequency, typically small to moderate in value and low in volume.**

Enterprises have been described already. For budget and planning purposes, you will find Enterprises reported along with the Town's main General Fund budget. Further details on Enterprise budgets can be found in [Section 11](#). Since Enterprise revenues are used solely to fund enterprise operations, it is important to note there is relatively very little interaction between Enterprises and the Town's General Fund Budget. Even so, since Enterprises typically represent 1% of all revenues and must be reported along with all other operations for tax rate certification purposes, such deserves a considerable amount of budgeting and financial planning, given that the continuation of these business-type activities provide services outside of the general tax levy (which in turn frees up tax resources for other purposes). Enterprise resources are **high and recurring in frequency, collectively big in value and high in volume.**

SUDBURY FINANCIAL TRENDS MONITORING SYSTEM ANALYSIS

We discuss the basis for our projections for FY11, as a combination of Town-specific historical data and local economic factors. Each year the Town officials and Town staff conduct a review of Sudbury's financial condition. We have produced several charts and tables for this discussion.

Primary Financial Resource Trends and Indicators

Long-term Revenue Outlook

Sudbury officials are faced with a great deal of uncertainty about the level of state aid we should count on going forward. Significant studies conducted during 2005 documented the reductions in aid and the devastating affect this has had on communities. The first, entitled **"Communities at Risk: Revisiting the Fiscal Partnership between the Commonwealth and Cities and Towns"** was developed by a Municipal Task Force chaired by John Hamill, Chairman of the Sovereign Bank New England. This report documented that property taxes have been rising steeply and that unless the state stepped in with more state aid, deterioration in services or even higher property taxes were in the future. The Task Force concluded that local leaders have generally done a good job of controlling costs and it is not wasteful spending but reductions in support from the state that are forcing local officials to rely more on the property tax, a levy that is particularly burdensome for homeowners on fixed incomes. The report concludes that revenue sharing from the state should be increased, back to the level it was at in 1988 on a percentage basis, that local officials should be given flexibility in having other revenue sources available to us, and that we should be given more flexibility to control costs by reducing many of the constraints of state law. A copy of this report is on the Town's web site.



The second report continues this same theme. Entitled **"Revenue Sharing and the Future of our Massachusetts Economy"**, it also documents the decline in spending on municipal services, particularly public works, as state aid for all but educational purposes has declined. This leaves municipalities such as Sudbury, with few alternatives to increasing property taxes rather than allow town and educational services to decline in quality and quantity. This report also focuses on the long-term implication of the continuation of the trend of high property taxes and declining services on the State's economy, concluding that the State needs to

provide more state aid, and give communities more flexibility in revenue options because this will help drive the overall economic engine of the Commonwealth.



June 30, 2010 - For immediate release:

GOVERNOR PATRICK SIGNS ON-TIME, BALANCED BUDGET

\$27.6 billion budget includes \$457 million in line-item vetoes to ensure balance, prevent elimination of critical services

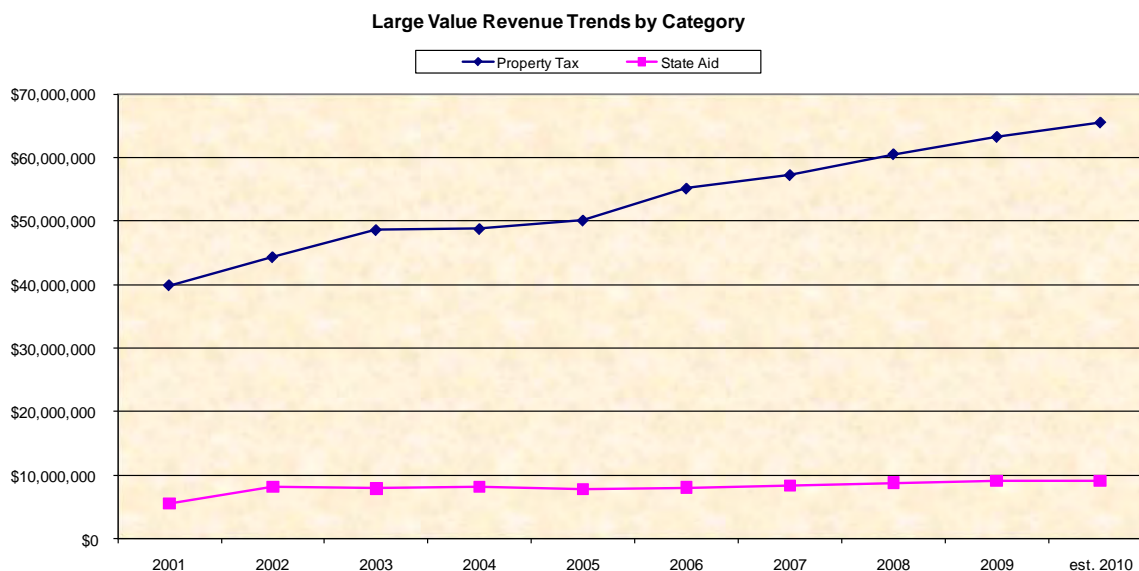
BOSTON — Wednesday, June 30, 2010 – Delivering his fourth responsibly balanced budget, Governor Deval Patrick today signed a \$27.6 billion Fiscal Year 2011 spending plan. The budget includes \$457 million in cuts to manage a further gap created by Congress' failure to pass legislation that would have resulted in additional aid for Massachusetts next year.

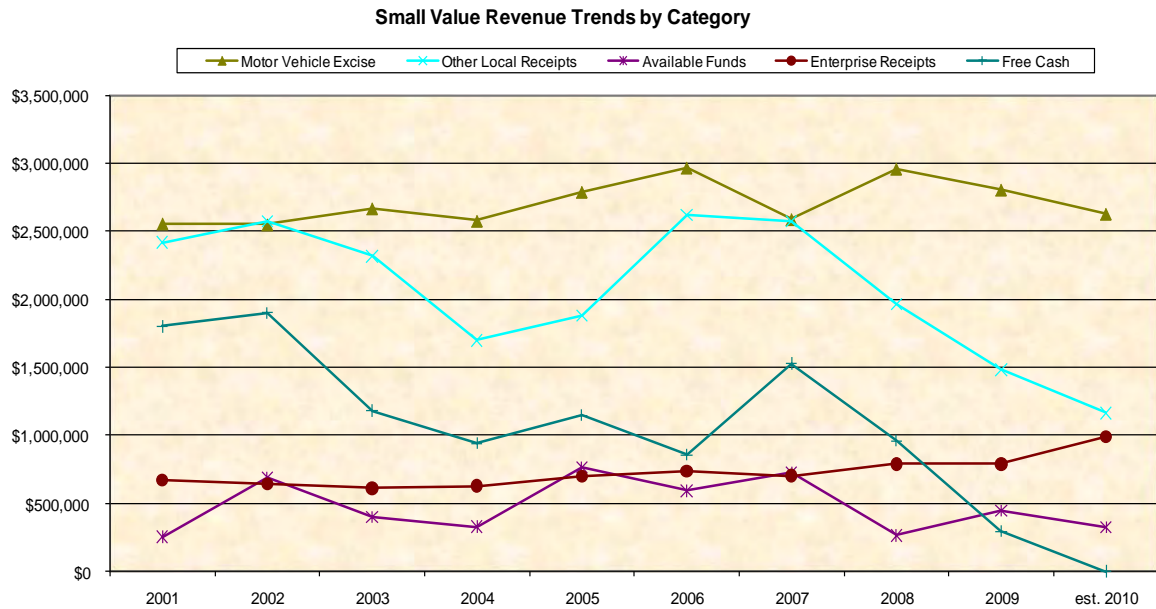
The budget signed by the Governor today, coupled with the supplemental budget, holds spending to just 0.2% over FY10 estimated spending. Since October 2008, Governor Patrick has worked with the Legislature to address a cumulative budget gap of more than \$12.5 billion, including a nearly \$3 billion gap in FY11. Due to the global economic recession, the Commonwealth lost \$4 billion in annual state tax revenues at its lowest point. To maintain a balanced budget, the Governor has made more than \$4.5 billion in cuts, implemented cost-saving reforms and efficiencies, eliminated 2,600 state jobs, and required state employees to contribute through higher health care contributions and wage cuts. These actions and continued proactive budget management have allowed the Commonwealth to maintain its strong, AA bond rating throughout the unprecedented downturn.

The Commonwealth is beginning to see signs of economic recovery. The state has added jobs in each of the last four months, tax revenues reflecting current economic performance continue to outperform expectations, and business confidence remains high. However, because state tax revenues tend to lag behind private sector growth, a full state fiscal recovery will take time. The Governor will continue to exercise the leadership necessary to maintain a balanced budget while protecting, to the greatest extent possible, the core functions of government residents rely on.

The State is showing signs of economic recovery. FY10 revenues are now expected to come in \$78 million higher than expected. Considering the deep cuts of \$457 million needed to balance the FY11 budget, including \$100 million in Local Aid, communities are not very optimistic for FY12. The State clearly faces many budget challenges for the near future. At a local level, we can expect the *slow* economic recovery process to perhaps start having some positive push on local receipts in FY13 if trends continue.

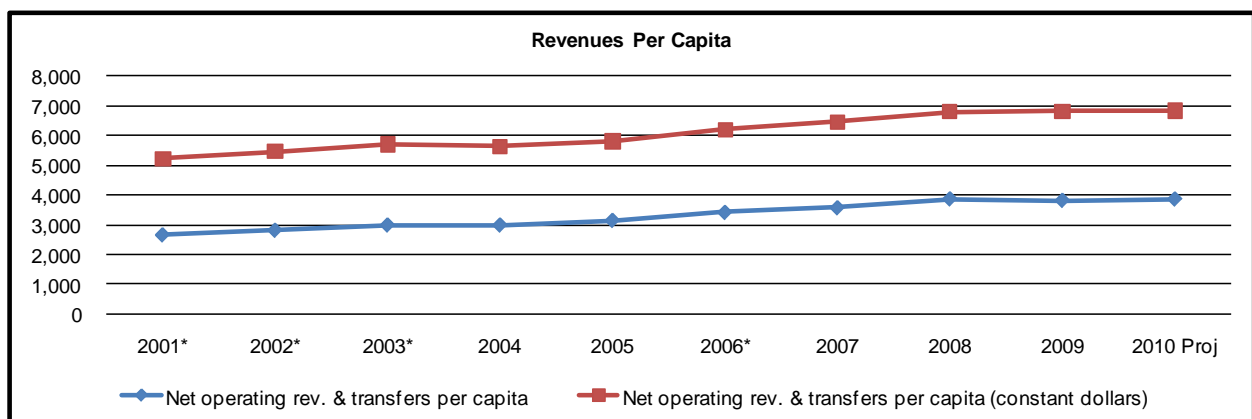
Town staff conducts an analysis of our revenue patterns, which includes looking at show these trends seen at the state level have played out in Sudbury. The following two charts provide a macro view of the Town's major and minor revenue streams, over the last several years.



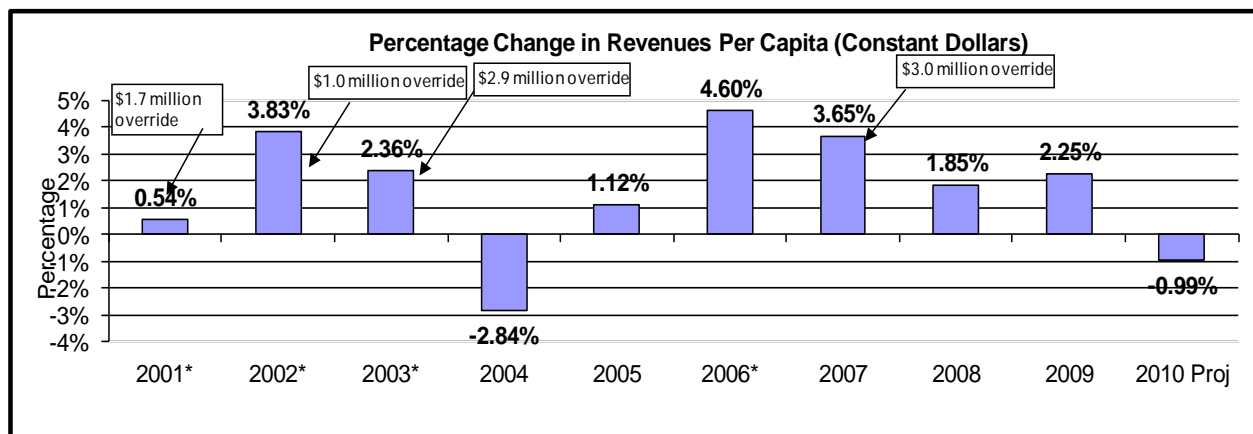


There are several indicators the Town uses to develop its revenue picture for the coming year. The Town also projects revenues going forward for two additional years. So for example, revenue projections for FY11-FY13 are used to set expectations for both the government and the Town's residents for such things as tax rate increases and growth in revenues. Although it is expenditures are appropriated at Town Meeting, the funding resources are always a critical consideration for the budgeting process.

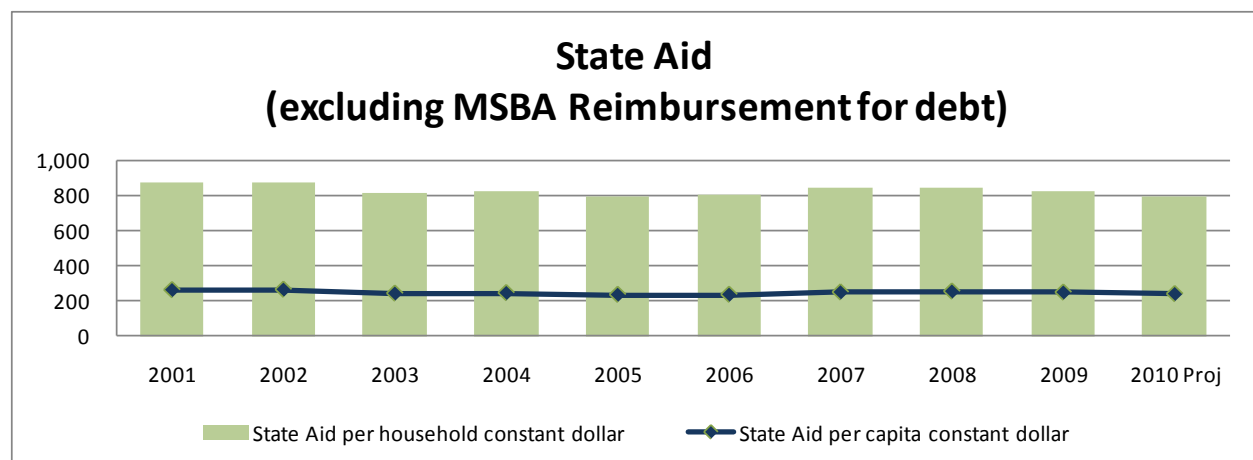
Indicator 1: Revenues Per Capita. This indicator shows that while operating revenues have increased over the last several years, when the effects of inflation are factored in and adjusted for growth in population, revenues per capita in constant dollars have remained relatively flat below the \$4 thousand mark. Overall, the annual growth in constant dollar revenues per capita average has ranged from 4.6% to as low as -2.84% in recent years.



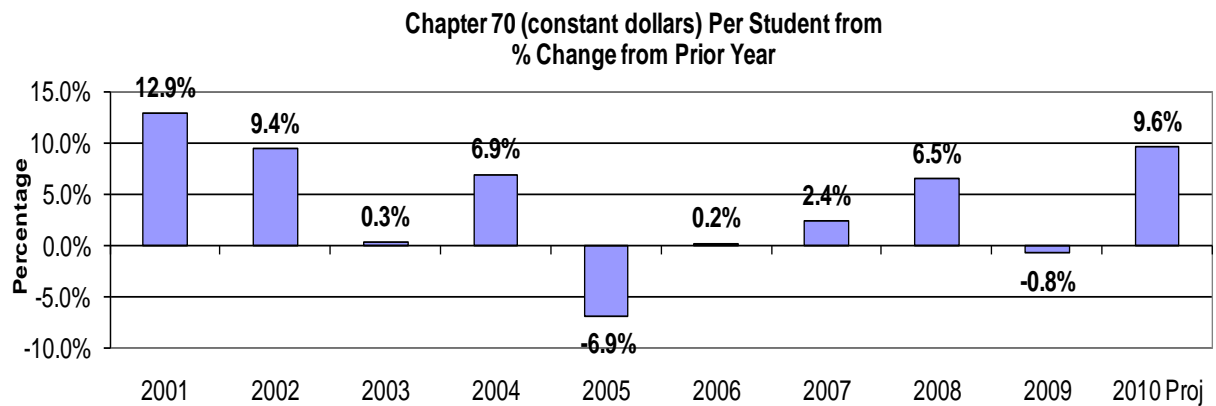
An asterisk denotes those years in which there was an override. The chart below shows that in those years in which there is no override, there is very little growth in operating revenues to support budgets while there are steady increases in payroll, pensions, health insurance, and energy costs.



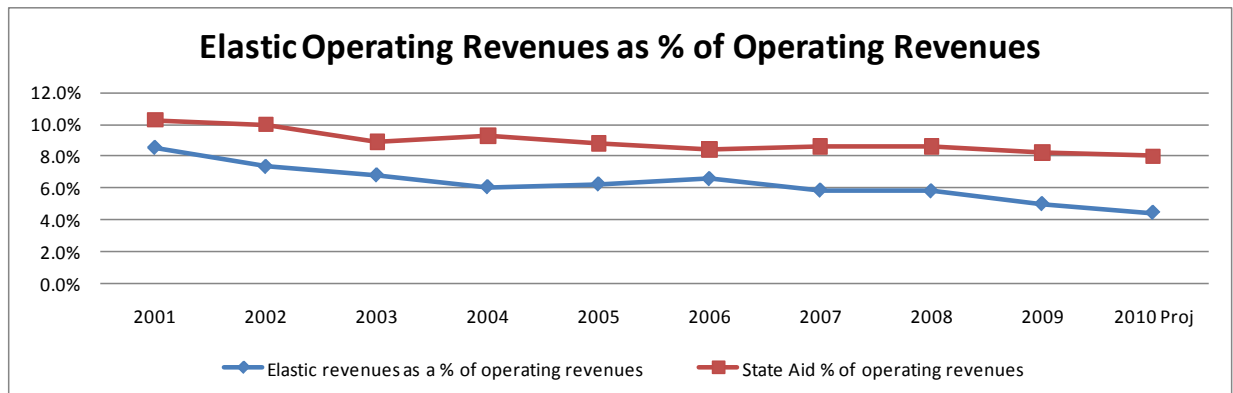
Indicator 2: State Aid per Household and per Capita. State aid has dropped from a high of 11% of Sudbury's operating revenues in FY99 to 8.0% in FY10. Over the past decade, accumulated State Aid represents an average 8.9% of the Town's total operating revenues. The drastic changes in State aid availability and allocation methods since the late 1990's has meant a loss of at least \$1.5 million on an annual basis to Sudbury. Not even considering inflation, our FY11 projections for State Aid put us below what we received as a community in 2007 (\$5.56 million). In terms of per household and per capita for FY10, the Town received \$800 and \$200 in state aid, respectively.



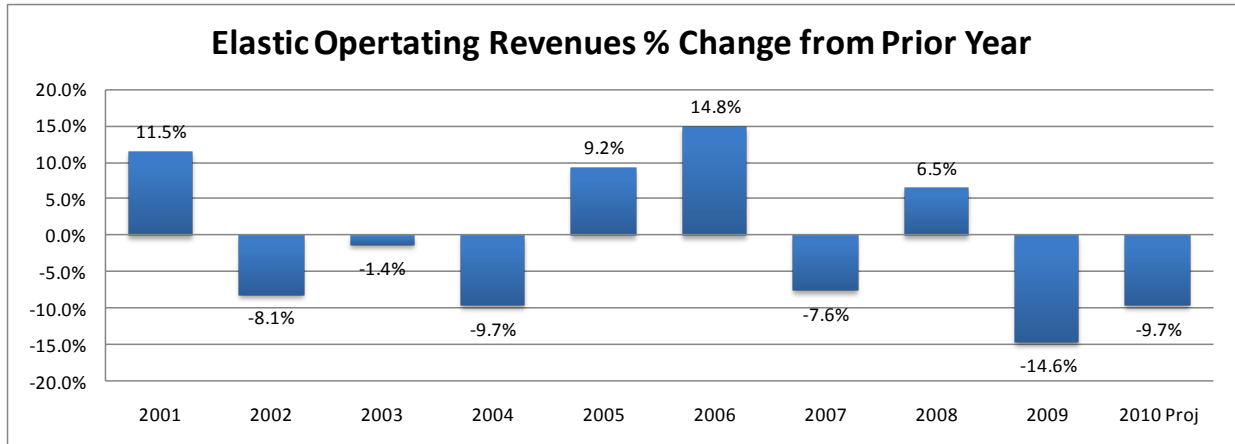
Indicator 3: Chapter 70 School Aid per student. This indicator focuses on the largest component of state aid for Sudbury: the Chapter 70 program. This type of State Aid has consistently represented 5.5%-6.1% of total net operating revenues over the past decade. On a per student basis, Sudbury received steady annual increases in this type of aid up until FY2001. However, since then the State's own financial difficulties resulted in formula changes. As a percentage of our enrollments, there have been dramatic and rather erratic changes in reimbursement. While reimbursement represents only a small percentage of what it costs to educate a Sudbury student, our reimbursement in FY10 went up by 9.6% (adjusted for inflation).



Indicator 4: Elastic Revenues. This indicator identifies the primary reason for the Town's dramatic and at times erratic fluctuations in financial resources. Elastic revenues are those items that change as the economy changes. Sudbury's elastic revenues include items such as motor vehicle excise, investment earnings and building permit fees. The decrease in these revenues since FY01 (\$823,000) has compounded the financial difficulties we have felt in state aid reductions over the same period. As a lagging indicator, we expect to feel the negative effects by as much as 12-24 months after the economy recovers at a national or State level. This table shows the percentage decline in elastic local receipts since 2001. The decline has been even more dramatic than what we have experienced with state aid during the same timeframe.

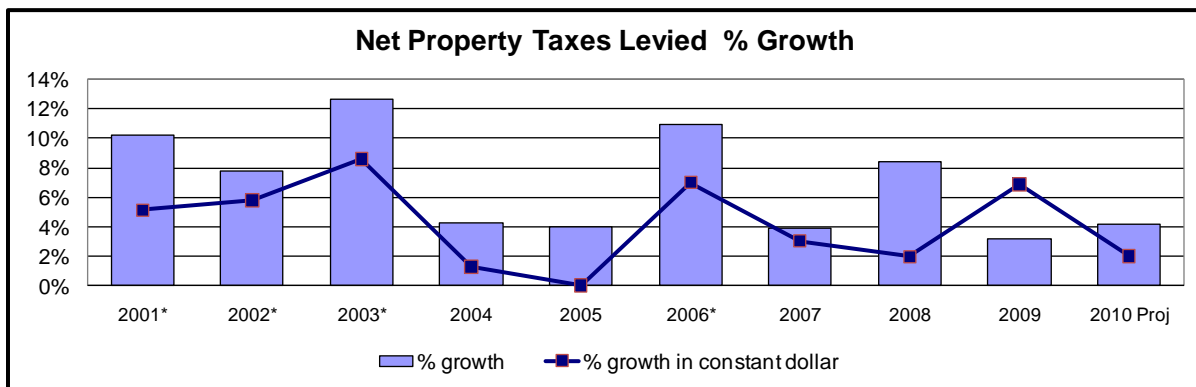


Trends in elastic revenues as a percentage of total operating revenues and with respect overall budget to actual revenue results help us to see where we might expect changes in Free Cash and fund balance in general. Free cash will be discussed in detail later in this section. However, it is interesting to note that how well we do in forecasting elastic revenues is always our first indication of what we can expect to generate in Free Cash. The next table shows just how difficult it can be to predict elastic revenues.

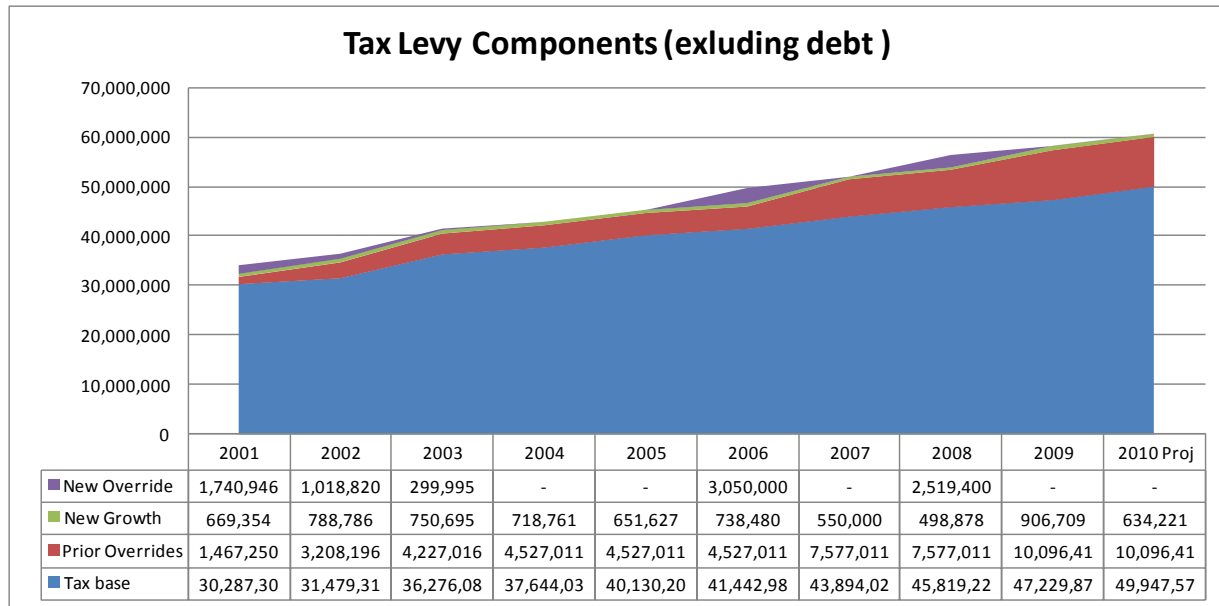


Because of the unpredictable nature of some revenues, we must carefully monitor receipts throughout the year to avoid revenue shortfalls. Shortfalls can lead to revenue deficits, which must be raised on the next year's tax recap or negative Free Cash, which is an indication of poor financial management with possible credit rating implications.

Indicator 5: Property Tax Growth. The trend line below shows that on a constant dollar basis Sudbury sees significant annual growth only when there is an operating override. Without overrides, the amount of revenue on a constant dollar basis generated by this revenue source is less than the 2.5% annual growth allowed under the rules of Proposition 2 ½. Years with an override are noted in exhibits with an asterisk.



During this decade, the Town has added a total of \$10.1 million in overrides to the permanent tax levy base. During that same period, \$6.9 million has been added in new growth. The following chart shows the tax levy through FY10, broken down by its various components. It should be noted that new growth each year is added separately (over and above) the calculation for Proposition 2 ½. It then becomes part of the tax base going forward.

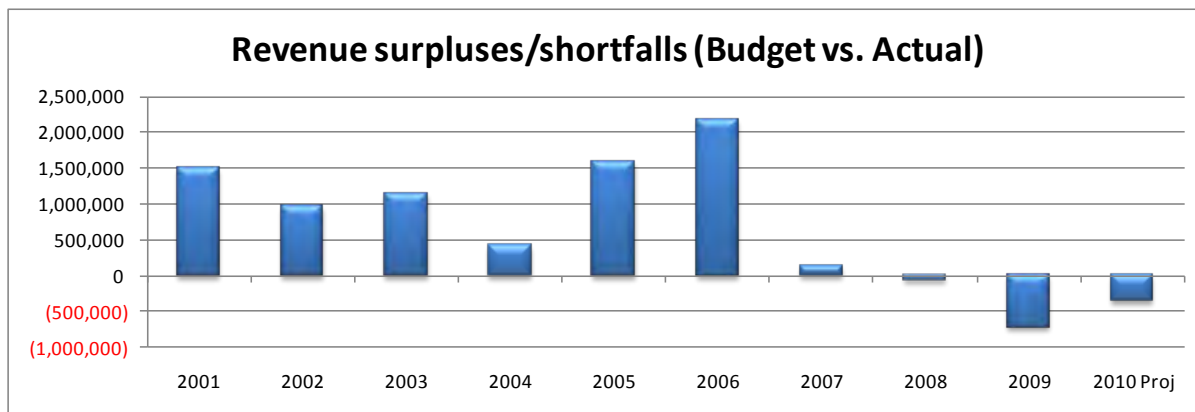


New growth in the past decade. The total number of taxable parcels has not changed much in the last ten years (only 48 new parcels, representing on a .74% increase since 2001). However, we have seen a dramatic change in parcel type and class. In addition to developing existing land parcels, we have also seen the development of special chapter land. Chapter land (held for recreational or agricultural use) is taxed at a reduced rate. Undevelopable or undeveloped land is taxed at the full residential rate but is lower in value absent any dwellings. Therefore, when there is a conversion from undeveloped land or existing Chapter land to include residential or commercial buildings it produces new growth in tax revenues for the Town. Similarly, we have seen new growth as properties have converted from one residential class to another. For example, since 2001, residential condominiums have increased by 175 units while two-family parcels have dropped by 43. The net sum gain between these two classes represents a \$63 million increase in taxable property value. New growth in the permanent tax base for the Town is also generated when existing properties are expanded or otherwise improved to increase value. The residential class continues to represent more than 92% of the total taxable value in the Town's tax levy. Consequently, the majority of taxes each year are borne by residential property owners.

Classification of Property	FY08 Assessed Valuation	% of Total Assessed Valuation	FY09 Assessed Valuation	% of Total Assessed Valuation	FY10 Assessed Valuation	% of Total Assessed Valuation
Residential	\$ 3,892,876,521	93.5%	\$ 3,785,653,765	93.1%	\$ 3,719,642,603	92.9%
Commercial	\$ 159,918,858	3.8%	\$ 156,972,044	3.9%	\$ 156,881,214	3.9%
Industrial	\$ 62,039,300	1.5%	\$ 62,036,600	1.5%	\$ 64,300,000	1.6%
Personal	\$ 48,125,120	1.2%	\$ 59,772,570	1.5%	\$ 62,837,650	1.6%
Total	\$ 4,162,959,799	100.0%	\$ 4,064,434,979	100.0%	\$ 4,003,661,467	100.0%

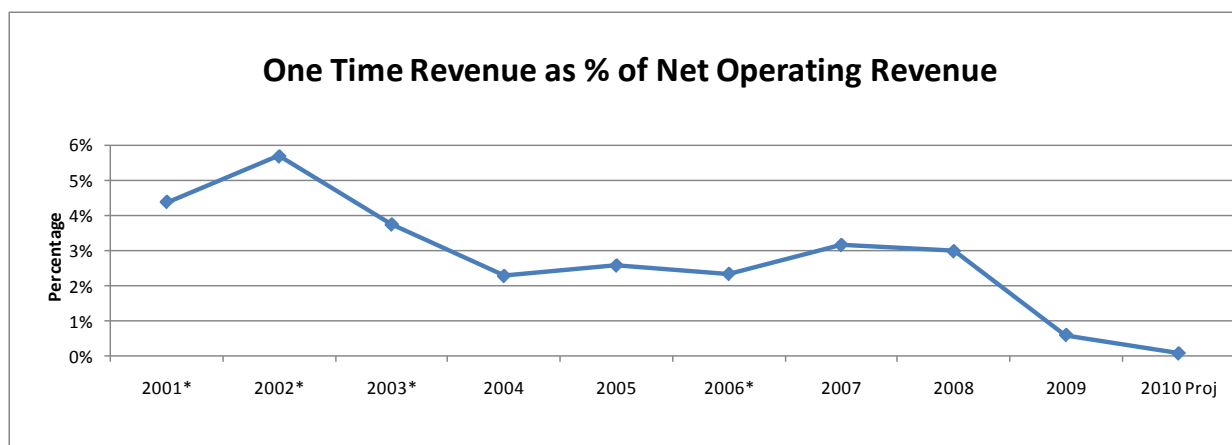
Indicator 6: Revenue Shortfalls. This indicator shows that the Town has remained consistently conservative in making revenue forecasts which is particularly importantly since the Town relies on state aid and other elastic sources of income that can fluctuate dramatically unlike the mechanics behind the property tax levy. Even so, the impact on local revenues during the current economic crisis has been difficult to predict. We are enduring a period where we are balancing budgets on revenue sources that may not produce growth for quite some time, if at all. We need to

remain diligent and conservative in our forecasting to avoid unexpected shortfalls. Estimating unpredictable non-tax receipts too *low* adds pressure to a burdened tax levy. Estimating too *high* relieves some of that burden but, only temporarily as it can cause a revenue deficit that would require Sudbury raise the loss on the next year's levy. While the Town has been experiencing revenue shortfalls since 2008, the Town has effectively managed midyear cost cutting measures to avoid any revenue deficits. While midyear cuts may be painful, or detrimental to programs and services, we are able to correct for budget difficulties in the year they occur rather than push the problems onto the following year's levy.



Indicator 7: One-Time Revenues. One-time revenues are by definition non-recurring or sporadic in nature. The Town receives one-time revenues for items like insurance claims, rollback taxes, donations, or settlements, all of which are difficult to budget for and cannot be immediately appropriated. This type of revenue is generally not relied upon during the budget process and therefore the percentage of actual one-time revenue received to total net operating income tends to fluctuate dramatically.

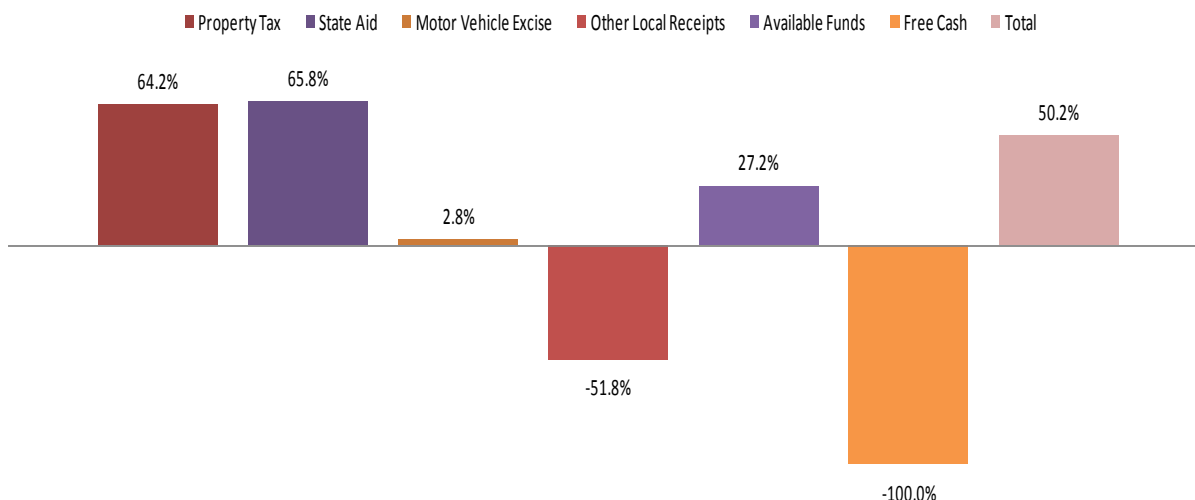
As mentioned earlier, Free Cash, which comes about in part when revenues exceed budget due to items like one-time revenues and other reserves (e.g. tax overlay surplus) may be used to fund future year's budgets. Use of Free Cash and Reserves also fall into this category of one-time revenues. Therefore, this indicator reflects the Town has stopped using Free Cash and reserves to fund operating budgets. More on Free Cash and reserves will be discussed later.



Conclusions: Sudbury has seen many changes in our revenue sources over the past decade. Financially we have seen some resources grow while others have dropped off significantly. Some trends are enduring and predictable regardless of general economic conditions whereas others are not.

□

Decade of Change (2001-2010)

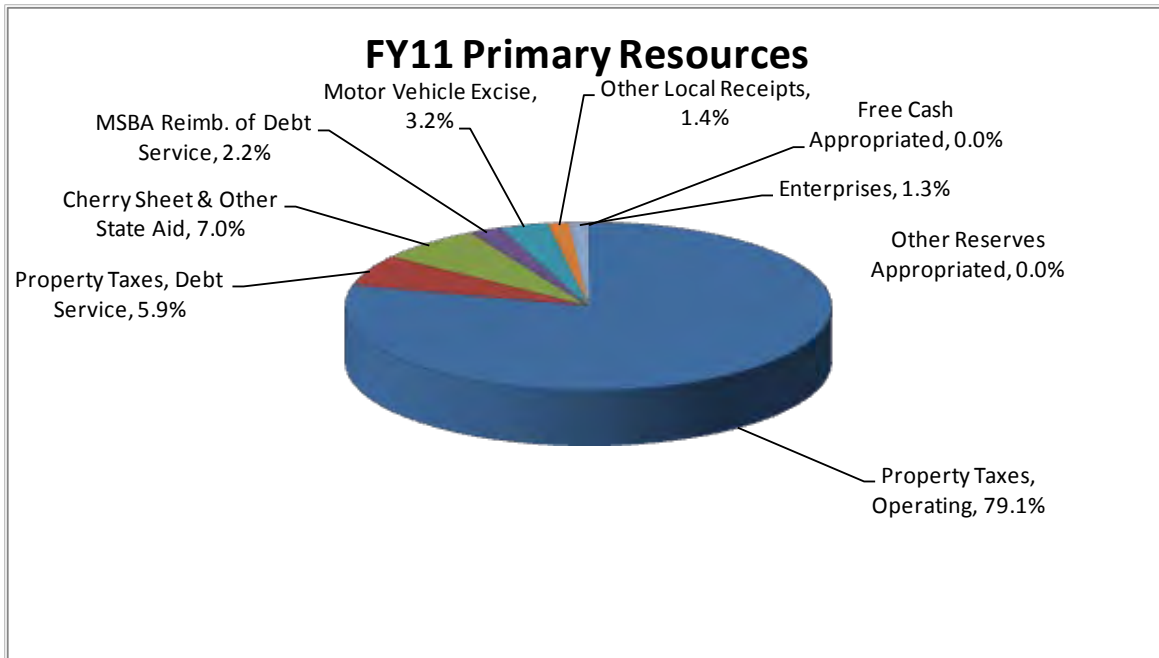


The revenue indicator analysis shows that growth in total revenues has been steady (averaging 5% per year since 2001), but mostly due to property taxes, in particular because of five overrides totaling \$10 million in the past decade. We have clearly become more reliant on taxes to make up for the sluggish or declining trends in all other revenues. With the composition of the tax levy continuing to change and apparent lack of appetite for further tax overrides, we can expect minimal growth in financial resources, which undoubtedly places more pressure for the Town to cut a new path for operating within the confines of Proposition 2½.

PRIMARY FINANCIAL RESOURCE PROJECTIONS

Snapshot

Below is a snapshot of the Town's Primary Governmental & Proprietary Resource projections for FY11. These primary financial resources from General (Governmental) and Enterprises (Proprietary) funds represent 91% of all revenues for the Town.



Revenue Sources		FY11
Property Taxes, Operating		62,739,459
Property Taxes, Debt Service		4,709,300
Cherry Sheet & Other State Aid		5,551,335
MSBA Reimb. of Debt Service		1,702,597
Motor Vehicle Excise		2,536,250
Other Local Receipts		1,116,610
Enterprises		1,012,397
Free Cash Appropriated		-
Other Reserves Appropriated		-
Total Primary Resources		79,367,948

FY11 marks the second year in a row that the Town has not relied on reserves to fund the operating budget.

Primary Financial Resources by Categories

	FY09 Actual	FY10 Projected	FY11 Budget	Dollar Change	Percent Change
Property Tax Levy (net of exclusions)	58,232,997	60,678,202	62,739,459	2,061,257	3.40%
Cherry Sheet & Other State Aid	5,650,528	5,680,026	5,551,335	(128,691)	-2.27%
Local Receipts	4,287,194	4,058,288	3,652,860	(405,428)	-9.99%
Free Cash	294,110	-	-	-	
Other Reserves	472,320	321,000	-	(321,000)	-100.00%
Subtotal: General Operating Fund	68,937,149	70,737,516	71,943,654	1,206,138	1.71%
Enterprise Funds	774,359	969,387	1,012,397	43,010	4.44%
Total Available for Operating Purposes	69,711,508	71,706,903	72,956,051	1,249,148	1.74%
Property Tax Levy for Debt Service	5,030,127	4,850,950	4,709,300	(141,650)	-2.92%
MSBA Reimbursement for Debt Service	1,702,597	1,702,597	1,702,597	-	0.00%
Total Revenue	76,444,232	78,260,450	79,367,948	1,107,498	1.42%

~ The majority of all funding resources reside in the Town's General fund ~

Revenue Projection Details

Biggest Source of General Fund Revenue: The Property Tax Levy

	FY09 Actual	FY10 Projected	FY11 Budget	Dollar Change	Percent Change
Previous Year Levy	56,353,700	58,669,252	60,770,204	2,100,952	3.46%
2.5% over prior levy	1,408,843	1,466,731	1,519,255	52,524	3.58%
New Growth	906,709	634,221	450,000	(184,221)	-29.05%
Override	-	-	-	-	
Taxes for Capital	-	-	-	-	
Taxes for Debt Service	5,030,127	4,850,950	4,709,300	(141,650)	-2.92%
Tax Levy Limit	63,699,379	65,621,154	67,448,759	1,827,605	2.79%
Taxes Raised	63,263,124	65,529,152	67,448,759	1,919,607	2.93%
Levy Surplus	436,255	92,002	-	(92,002)	-100.00%

Property Tax Levy**FY11 Estimate: \$67,448,759**

Sudbury's property tax levy is expected to increase by a total of \$1,919,607 or 2.93% percent over FY10's taxes raised. This however does not mean that the property tax rate will increase by 2.93%, as \$450,000 of the estimated increase is due to New Growth.

Projected new tax levy growth for FY11 is estimated by the Board of Assessors at \$450,000, based on new residential and commercial construction permit information occurring during the previous calendar year. The much higher actual new growth for FY09 (shown in the previous table as \$906,709) was due to a change in tax regulations on personal property for various utility/communications companies. FY10 results reflect a \$134,221 improvement from what was previously budgeted and including a moderate positive prior year (FY09) adjustment identified after the previous tax rate setting process had concluded.

It is important to note that not all elements of the levy grow at the same rate, or in perpetuity. Furthermore, the Town has a split tax rate, which can shift up to a 150% share of tax levy from residential to commercial and industrial property. The shift as well as the tax rates are voted each year by the Board of Selectmen. Below is a three-year history and one-year projection of tax levy. Net levy refers to the tax base for each year, which excludes new growth.

Assessment Date	Fiscal Year	Total Tax Levy	New Growth Levy	Impact on tax base before new growth		
				Net Levy	\$ over prior total levy	% over prior total levy
Jan. 1, 2007	2008	\$ 60,539,786	498,878	\$ 60,040,908	2,794,150	4.88%
Jan. 1, 2008	2009	63,263,124	906,709	62,356,415	1,816,629	3.00%
current year						
Jan. 1, 2009	2010	65,529,152	634,221	64,894,931	1,631,807	2.58%
forecasted						
Jan. 1, 2010	2011	67,448,759	450,000	66,998,759	1,469,607	2.24%

The estimated average residential tax bill for FY11 is \$10,693 or 2.24% higher than FY10.

Assessment Date	Fiscal Year	Average Residential Parcel	Tax Rate	Avg. Tax Bill
Jan. 1, 2007	2008	\$ 683,800	\$ 14.27	\$ 9,758
Jan. 1, 2008	2009	662,100	15.29	10,124
current year				
Jan. 1, 2009	2010	650,400	16.08	10,458
forecasted				
Jan. 1, 2010	2011	650,400	n/a	10,693

The FY11 forecast assumes same property values and no new growth for residential base.

For more tax rate history information, [see appendix F](#).

Second Largest Source of General Fund Revenue: Cherry Sheet and Other State Aid

	FY09 Actual	FY10 Projected	FY11 Budget	Dollar Change	Percent Change
Chapter 70 (school aid)	4,280,621	4,280,621	4,221,900	(58,721)	-1.37%
General Government Aid	1,332,144	1,366,413	1,298,643	(67,770)	-4.96%
Offset Receipts	37,763	32,992	30,792	(2,200)	-6.67%
Subtotal: General Purpose State Aid	5,650,528	5,680,026	5,551,335	(128,691)	-2.27%
MSBA School Debt Reimbursement ¹	1,702,597	1,702,597	1,702,597	-	0.00%
Total State Aid	7,353,125	7,382,623	7,253,932	(128,691)	-1.74%

1. While MSBA reimbursement is reported as State Aid it may only be used to offset related debt service. Therefore, also may be referred to as a capital financial resource.

State Aid

FY11 Estimate: \$5,551,335

Sudbury's share of State aid, which is also referred to as local aid, comes directly from the State's budget. Our first indication of State aid for the coming year comes when the Governor files his version of the State budget with the Legislature in January. This budget, known as **House 1 or 2** includes his recommendations for school aid (Chapter 70) and general governmental distributions. In order to move forward with the budgeting process, we must make our own judgments as to whether or not these initial estimates will hold true during the revision process by the House and Senate. Heading into Town Meeting our best estimate of \$5,650,528 general purpose aid was somewhat lower than the Governor's proposal. Our estimate represents a moderate reduction of 2.27% from FY10. At the time, all indications coming from legislative representatives and committees suggested a *reduction* in aid of between 4 – 7% from FY10. It should also be noted that Sudbury receives a portion of Lincoln-Sudbury Regional High School State Aid through the assessment reapportionment process. That revenue share is netted against our Regional Operating Assessment (expense). [See Section 6](#) for LSRHS revenue and expenditure information.

PostScript - The final State Budget for FY11 was released more than two months after Town Meeting, on June 30, 2010. Final Sudbury aid was slightly lower than our projection by \$13,650. The Town expects to generate enough miscellaneous income to cover this projected shortfall. Therefore, no revisions to the budget are required.

1. Chapter 70 Aid

Projection: \$4,221,900

Chapter 70 assistance is Sudbury's largest category of State aid. In general, Chapter 70, also known as **Educational Assistance**, is based on a complicated formula involving a variety of enrollment and community factors. Because Sudbury's educational spending exceeds the State's minimum requirements, our Chapter 70 aid increases have been limited to per pupil minimum aid amounts in recent years. Now that the State is having great difficulty funding

education in total, we have also started to see a decrease in our per pupil reimbursement. This type of aid represents a modest decrease from FY10 of \$58,721 or -1.37%.

2. General Governmental Aid

Projection: \$1,298,643

Starting in FY10 the State combined the Lottery and Additional Assistance programs into one general reimbursement category. It is difficult to say what the future holds in terms of allocations to Sudbury. This category also includes a few other small State payment streams such as the Quinn Bill (Police Career Incentives), State Owned Land, Veterans and Other Exemption reimbursements. It is difficult to say what the future holds in terms of general allocations to Sudbury. For now, Sudbury's share for FY11 represents as decrease of \$67,770 or -4.96% from FY10.

3. Offsets

Projection: \$30,792

This category is made up of two small special offset revenues that are required to be spent directly by Schools and Library. FY11 represents a decrease of \$2,200.

Smallest Category of Operating Resources (General Fund Revenue): Local Receipts

	FY09 Actual	FY10 Projected	FY11 Budget	Dollar Change	Percent Change
Motor Vehicle Excise	2,805,055	2,600,288	2,536,250	(64,038)	-2.46%
Other Excise	58,045	50,000	46,436	(3,564)	-7.13%
Penalties & Interest	167,502	197,000	125,000	(72,000)	-36.55%
PILOT	57,494	60,000	57,494	(2,506)	-4.18%
Fees	113,025	115,000	90,000	(25,000)	-21.74%
Rentals	128,352	135,000	122,609	(12,391)	-9.18%
Library	30,040	24,000	21,600	(2,400)	-10.00%
Cemeteries	18,848	22,000	19,543	(2,457)	-11.17%
Other Departmental	84,477	100,000	50,000	(50,000)	-50.00%
Licenses & Permits	456,158	455,000	410,033	(44,967)	-9.88%
Fines & Forfeits	77,669	120,000	85,785	(34,215)	-28.51%
Investment Income	165,976	180,000	88,110	(91,890)	-51.05%
Misc. Non-Recurring	124,553	-	-	-	
Total Local Receipts	4,287,194	4,058,288	3,652,860	(405,428)	-9.46%

Local Receipts

FY11 Estimate: \$3,652,860

Local Receipts are those fees and charges, which may be imposed by a municipality. Massachusetts General Law Chapter 40 Section 22(f) provides that *"any municipal board or officer empowered to issue a license, permit, and certificate or to render a service to perform work for a person or class of persons may, from time to time, fix reasonable fees..."* This is a local acceptance statute, which was approved at the 1992 Annual Town Meeting. Previous indicator results illustrated how local receipts remained stable and hovered around \$5 million up through FY03. Economic conditions during the next couple of years produced a dip in revenues but this category recovered during FY07-FY08. Since most of these revenues are very sensitive to economic conditions we expect local receipts to drop in FY11 by as much as \$405,428 or nearly -10% from what was budgeted for in FY10.

- 1. Motor vehicle excise** **Projection: \$2,536,250**
This projection represents a -2.46% decrease from our current FY10 estimate. During a downward economic cycle, motor vehicle excise taxes decline because people are buying fewer high valued vehicles and holding onto current autos much longer. The Town is projecting a drop in MVE tax receipts of \$64,028 in FY11.
- 2. Other excise** **Projection: \$46,436**
Until recently, this revenue stream came solely from local hotel/motel taxes. However, in FY10, the State allowed municipalities to pass a new local option to charge local meals tax (.75%) as well as increase existing local room tax to 6% (previously limited to 4%). Sudbury approved both changes at Town Meeting and will begin receiving the monies on a quarterly basis from the State starting in FY11. Because this is a new revenue source without means of reasonable estimation in year one, the Town will not start budgeting for these items until FY12. In the meantime, other excise projections will represent only the expected revenues from the existing local hotel/motel tax levy of 4%.
- 3. Penalties and interest** **Projection: \$125,000**
This projection represents a significant decline below FY09 actual results. The Town continues its efforts to keep tax title balances at a minimum. However, due to economic conditions we are expecting fewer tax title payoffs in FY11. More delinquent homeowners (and mortgage companies) are expected to wait for the Town to petition for foreclosure before paying overdue balances. This process can extend collections 10-18 months.
- 4. Payment in lieu of taxes (PILOT)** **Projection: \$57,494**
This revenue is primarily limited to the three accounts with which the Town has agreements for PILOT (Wayside Inn, US Fish and Wildlife Service, Sudbury Public Housing Authority). The Town hopes to implement a new PILOT program in FY11, which may encourage more non-profits to contribute to the tax levy. However, we are uncertain as to how much new PILOT revenues to expect at this time.
- 5. Fees** **Projection: \$90,000**
Fees include charges for applications, tax administration, municipal lien certificates, tax redemptions, and administration fees for police detail. This projection reflects a significant decrease from FY09 actual receipts. Current indications in these types of activities suggest a maximum estimate of \$90,000 appropriate for the coming year.
- 6. Rentals** **Projection: \$122,609**
We have projected receipts in this area to be similar to FY09. The major fee in this category is for cell tower leases. Cell tower activity and Town-owned property rentals have leveled off. The Town is exploring options to increase cell tower activity but does not expect anything additional to materialize in the coming year.
- 7. Library, Cemeteries and Other Departmental Revenues.** **Projection: \$91,143**
Library and Cemetery income is expected to be similar to FY10. Other Departmental Revenues are generally small amounts taken in by departments for such things as photocopy charges, sale of voter lists, etc. This category is expected to generate much lower receipts than in recent years based on initial results during FY10.

- 8. Licenses and permits** **Projection: \$410,033**
Licenses are expected to remain steady. However, building permits, which represents the largest portion of this category, is expected to stay well below the FY09 mark. This projection is based on the number and level of permitting thus far in FY10 and the link between sluggish new construction and the economic crisis facing the Nation right now.
- 9. Fines and forfeits** **Projection: \$85,785**
Fines include charges for false alarms, parking tickets, court fees, and for overdue library materials. Current collections in FY10 suggest a return to FY08 levels.
- 10. Investment income** **Projection \$88,110**
General fund investment income has plummeted over the last couple of years for two reasons: short-term interest rates have dropped precipitously since FY08 (General funds are strictly regulated to short-term, no risk opportunities) and we simply do not have as much General Fund balances available for investment, as we have in the past.

Capital Resources: Bond proceeds and bond debt service reimbursement

Capital Resources: **FY11 Estimate: \$1,702,597**

- 1. MSBA School Debt Reimbursement** **Projection: \$1,702,597**
MSBA (Massachusetts School Building Authority) aid is reimbursement for the Sudbury Public School construction and renovation projects. This annual reimbursement (for all completed school projects) will not change for the remainder of the payments scheduled through FY21 unless the Town is able to refinance the outstanding debt at lower interest rates. MSBA reimbursement must be used to reduce the amount of the school debt issued (and excluded from the normal Proposition 2 ½ tax levy limit). Since this revenue may only be used to pay off project debt service, it is considered a Capital Resource rather than Operating (unlike all other State aid previously noted).
- 2. Bond Proceeds for Capital Projects** **Projection: \$0**
Larger, long-term capital projects for the Town are funded through bond issues typically ranging anywhere from 5-20 years. Bond proceeds in the year received represent an additional funding source for the Town. Long-term Debt service (payments of principal and interest) is paid annually and budgeted by the Town as operating expense requiring additional taxes to be levied for the duration of the bonds. The Town does not anticipate issuing general obligation bonds during FY11.

Reserves or Other Available Funds: Free Cash, Overlay Surplus or other available funds

	FY09 Actual	FY10 Projected	FY11 Budget	Dollar Change	Percent Change
Free Cash Appropriation	294,110	-	-	-	
Tax Levy Overlay Surplus	421,000	321,000	-	(321,000)	-100.00%
Retirement Trust Transfers	25,000	-	-	-	
Town Meeting Continuing Articles - Reappropriation of Balances	26,320	-	-	-	0.00%
Total Free Cash & Other Reserves	766,430	321,000	-	(321,000)	-100.00%

1) Free Cash Use

Projection: \$0

Addition to Free Cash (undesignated fund balance available for appropriation) is a function of prior year revenue collections in excess of estimates and prior year expenditures less than appropriations. The Town's Certified Free Cash balance as of July 1, 2009 was \$488,595. As a non-recurring revenue source, the DOR recommends that communities only use Free Cash to fund one-time expenditures, a capital purpose or to replenish other reserves. Up until FY2009, the Town had used virtually all of its Free Cash each year to fund the next year's budget. The Town has ended this practice and hopes to build up Free Cash for future additions to Stabilization or other special reserves.

2) Abatement Overlay Surplus Use

Projection: \$0

A reserve for property tax abatements and exemptions is created each year as what is called an Overlay account. Overlay Surplus becomes available when the Board of Assessors determine that all claims for abatements and exemptions of a specific fiscal year have been resolved for less than what was reserved. Only then may overlay surplus be used to fund current or next year's operating budget by Town Meeting vote. The Board of Assessors does not anticipate any significant overlay surplus through FY11. Therefore, the Town did not use any overlay surplus to fund the FY11 operating budget.

3) Other Available Funds Use

Projection: \$0

Occasionally the Town may create miscellaneous available resources for funding the general operating budget by identifying prior year article balances, trust or grant monies that may be used. Such funds are appropriated or re-appropriated by Town Meeting. The Town did not anticipate any miscellaneous funds available for use by the FY11 operating budget.

Enterprise Resources: Revenues and Enterprise Retained Earnings used to fund the budget

	FY09 Actual	FY10 Projected	FY11 Budget	Dollar Change	Percent Change
Atkinson Pool	316,432	332,795	301,032	(31,763)	-9.5%
Transfer Station	457,927	476,592	489,868	13,276	2.8%
Recreation Field Maintenance	-	160,000	221,497	61,497	38.4%
Total Enterprises	774,359	969,387	1,012,397	43,010	4.4%

Enterprise Resources:

FY11 Estimate: \$1,012,397

1. Enterprise Revenues Use

Projection: \$931,497

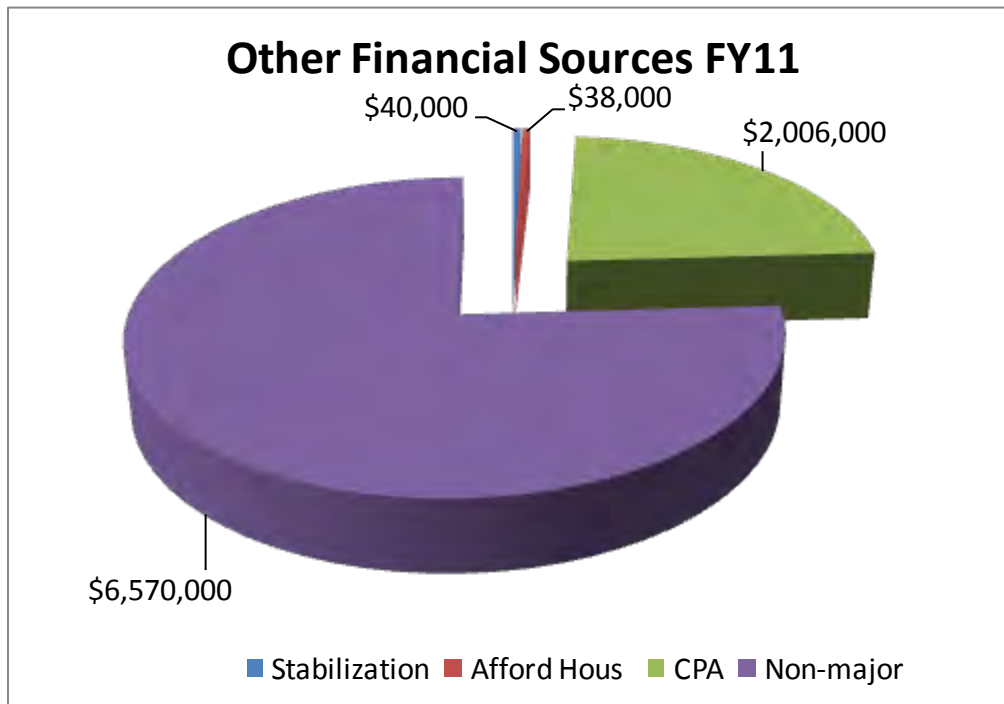
All estimated Enterprise receipts for FY11 are available to fund their operating budgets (subject to appropriation limits set at Town Meeting). Estimated receipts for all three Enterprises for FY11 total \$931,497. During the year, the Enterprises must closely monitor actual receipts. Should actual receipts not meet expectations, the Enterprises must reduce spending to avoid revenue deficits.

2. Retained Earnings Use

Projection: \$80,900

Revenues in excess of expenses from the prior year produce additions to retained earnings. Once certified, retained earnings may be available for use to help fund next year's Enterprise budgets. Both the Pool and Transfer Station anticipate the need to use some retained earnings to supplement operations during FY11. The Recreation Field Maintenance Enterprise was new in FY10 and has yet to undergo its first Free Cash certification. Therefore, no retained earnings are expected for use in the FY11 budget cycle.

Outside Resources: Available resources outside the General fund



Other Resources (outside General Fund):

FY11 Estimate: \$8,654,000

As mentioned earlier, nearly 91% of all Town operations are funded by the General (Governmental) and Enterprises (Proprietary) funds. The remaining 8-9% of financial resources come from the

above four categories. Not all resources are expended each year. Only some funds require appropriation at Town Meeting.

Stabilization Fund. No General fund monies have been appropriated for Stabilization for FY11. Therefore, the revenue projection for Stabilization is based strictly on likely investment earnings. Total Stabilization Fund Revenue is projected to be no more than **\$40,000** for FY11.

Community Preservation Fund (CPA). CPA surcharges are levied annually and at a rate of 3% of residents' 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 as defined by Department of Revenue guidelines. Surcharge projections are based on current tax rolls. Our Intergovernmental match started at 100% of surcharge levied but has started to decline significantly due to a decline in available State funding. The Community Preservation Committee (CPC) adjusts its estimates for this particular revenue each year based on formula input from the State. Total CPA Fund Revenue is projected to be **\$2,006,000** for FY11.

Sudbury Housing Trust Fund (AHT). To date the majority of fund balance associated with the SHT is attributable to transfers from the CPA (as opposed to revenues generated or income earned by the SHT fund directly). Total SHT Revenue is projected to be **\$38,000** for FY11.

Non-major Special Revenue Funds. These are funds that have a specific purposes that are restricted by law. Town Meeting does not make annual appropriations of all items in this category (i.e. benefits trusts, grants or gifts). However, any transfers into the General Fund budget (i.e. Ambulance Receipts Reserve for Appropriation) must be authorized by the Town. Income/revenues for each fund is estimated individually based on historical trending, fee schedules or most recent activities, etc. Total revenues for Non-major Special Revenue Funds is projected to be **\$6,570,000** for FY11, which is only slightly lower than FY10.

Thereof, Grants and Revolving Fund Revenues (as previously discussed in Section 1) represent a significant source of revenues that support several areas of Town and School operations that would otherwise fall onto the general tax levy, or perhaps cease to exist due to a lack of funding. **Grants** and **Revolving Fund** revenues are projected to produce a combined **\$4.7 Million** in FY11, or 5% of all revenues for the Town for the same period. Together these two revenue streams account for 78% of all revenues in the **Non-major** category.

Section Three

Financial Uses

Expenditure drivers' history and forecasts



The Town's Primary Governmental and Proprietary Financial Uses

The Town's primary governmental and proprietary financial uses can be broken down into the same four broad categories discussed in Section 1: operating, capital, reserve and enterprise.

Operating uses consist of a wide variety of expenditures within all general government functions. Virtually every division, program or department that provides services to the community survives (substantially) on funding from the general tax levy. Operating expenses (and transfer out to other funds or areas outside General fund) represent 94% of all General fund expenditures and approximately 93% of ***all*** fund expenditures each year. Examples of operating expenditures: Salaries and benefits, utilities, maintenance, contracted services, office supplies, postage, gasoline, legal fees, educational supplies, property and liability insurance, bank charges, etc. Operating uses, (expenditures) are **high and recurring in frequency, big or small in value and high in volume**.

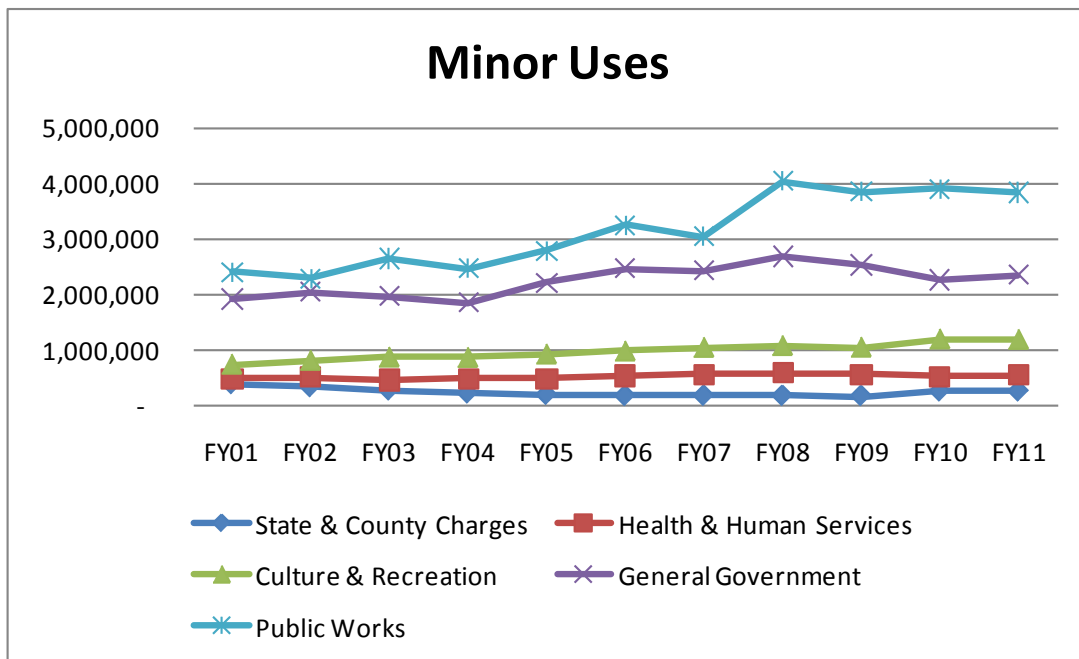
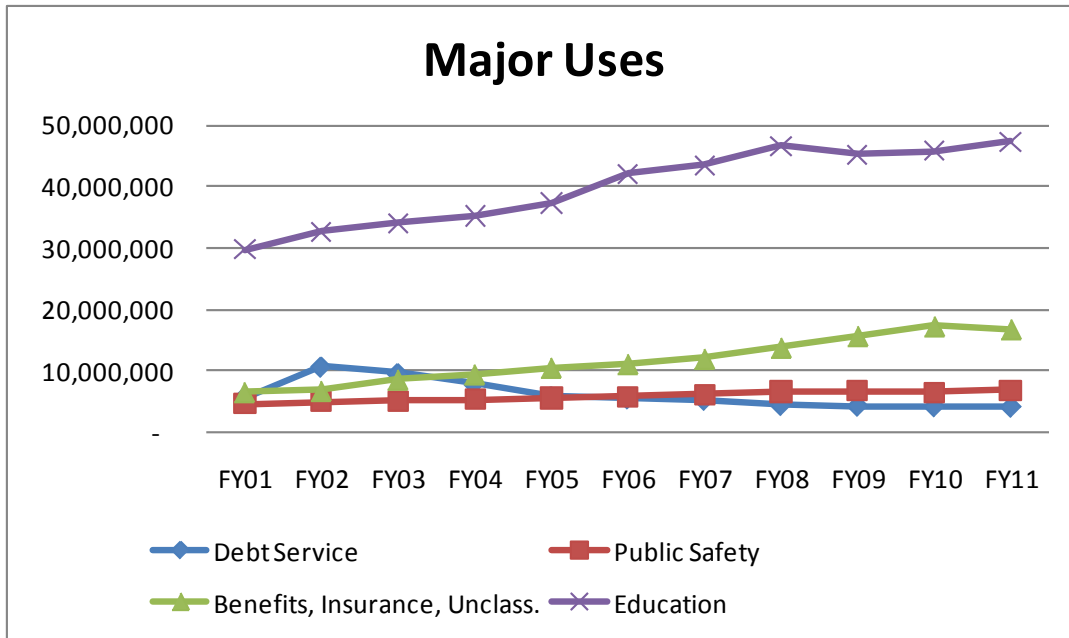
Capital uses consist of all costs associated with capital asset acquisitions or completion of capital projects (e.g. school building renovations, town building construction, development of new roadways, sewers, etc.) Capital uses may also constitute debt service payments relating to capital asset acquisition or project development. Capital uses for CPA are kept separate from that which is levied and paid for by general fund tax levy. Capital uses are **low in frequency (except for annual debt service), typically big in value and low in volume**.

Reserves or Other Available Fund uses require appropriation or transfer into the General fund from another area. Uses may be designated (by Town Meeting) specifically to somewhere within the General fund budget (e.g. RRA from Ambulance Services fund to Public Safety) or simply released as a resource to be shared by all cost centers (e.g. Free Cash or Abatement Surplus as available resources released). Reserve uses are **low in frequency, typically moderate in value and low in volume**.

Enterprises uses represent *operating* expenditures specifically for (within) Enterprise funds. Further details on Enterprise budgets can be found in [Section 11](#). It is important to remember that with very few exceptions, all operating expenditures within an Enterprise fund must be supported or paid for by the Enterprise's revenues. That is to say, little or no subsidy from the general tax levy is allowed nor expected given the legal and functional structure of Enterprise funds. Enterprise uses are **high and recurring in frequency, big or small in value and high in volume**.

Primary Financial Use Trends and Indicators

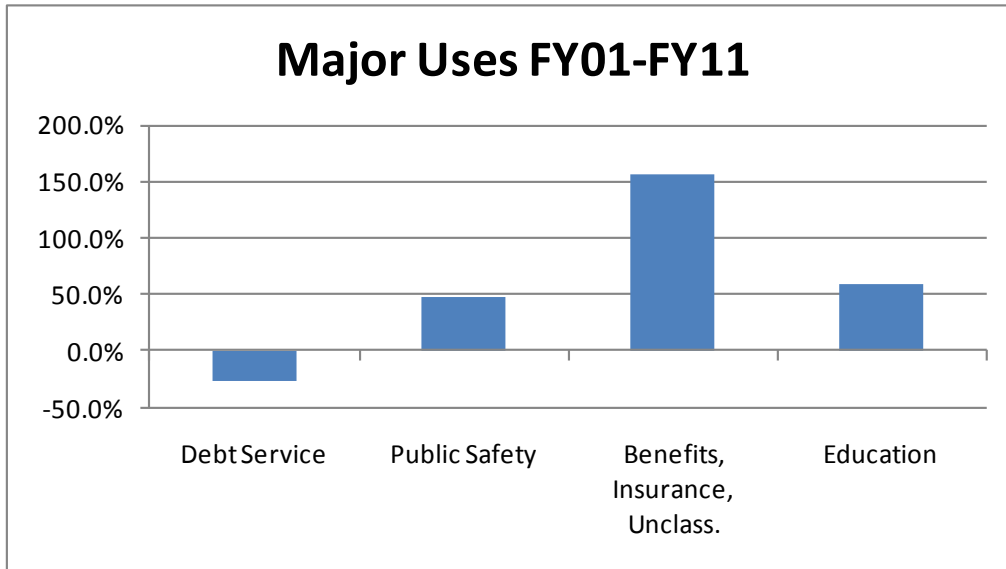
The following charts provide a macro view of the Town's financial major and minor uses (expenditure) streams, over the last several years. FY10 and FY11 data are projections. Growth may vary significantly depending on the type of expenditure. These charts show all operating, capital and reserve uses for the General fund only. Recall that the General fund supports 90% of all expenditures.



Dollar cost of education has increased significantly over the last decade. Benefits & insurances as well as Public Works have also grown. General government peaked in 2008 and is now leveling back to FY01 usage figures. All other use categories have remained relatively flat over the past ten years. Debt service is the only category that has declined over the past decade.

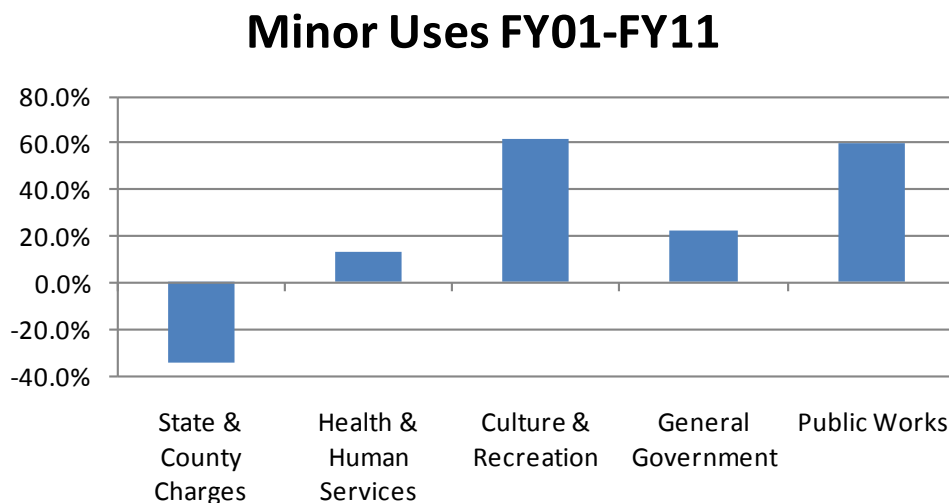
The next two charts show where the General fund budget has changed the most over the past decade. Within the major use categories, Benefits and Insurances costs have surpassed even Education in terms of percentage growth over the past ten years, although due to

recent changes in health insurance plan design and employer contribution rates, the projected expenditures for health insurance in FY11 will be less than the FY09 expenditures. Public safety as measured in general fund dollars expended during the same time has increased by almost 50%. Debt service has decreased by nearly 27% of what it once was back in FY01.

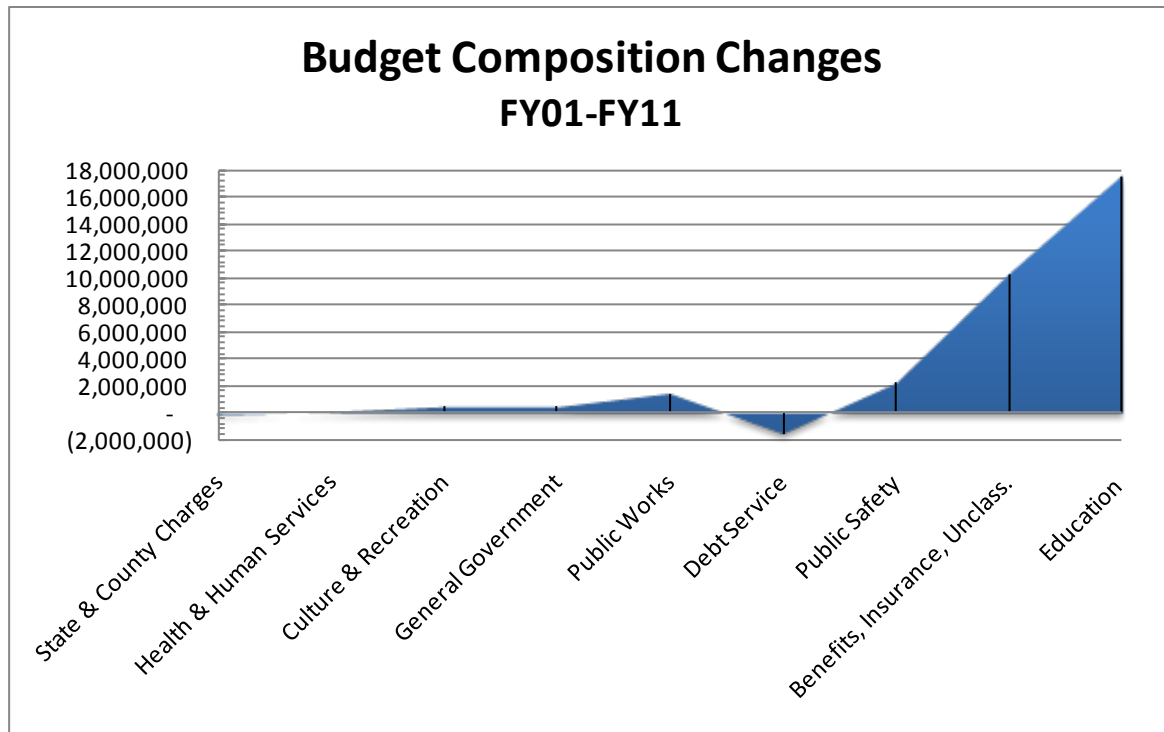


Minor uses (measured as expenditure categories of less than \$4 million per year) have by 60% increases in both Public Works and Culture & Recreation expenditures. Both General Government and Health & Human Services categories have increased in relative size. State assessments & charges have dropped significantly but represent a relatively small percentage of total budgets to begin with.

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In the past decade, the General fund budget has grown by \$30.7 million. While most expense categories have shown growth during that time, several categories stand out as requiring the most dollar increases for the past ten years – Education and Benefits & Other Unclassified Expenditures. Many of these main categories cover a broad spectrum of expenditures and require further study to understand what the key cost drivers of the organization are and what can be expected in the future.



SUDBURY FINANCIAL TRENDS MONITORING SYSTEM ANALYSIS CONTINUED

Financial Use Executive Summary

The ICMA publication *Evaluating Financial Condition – a Handbook for Local Government* defines financial condition as the ability to continue to provide the kind of services the community desires and are necessary for the health, safety, and welfare of the community. This is known as service level solvency. This is more than cash solvency (enough cash to pay bills for the next 60 days) and more than budgetary solvency (enough revenues to pay this year's appropriations). It focuses on a balance between available revenues and expenditure decisions on a continuing, sustainable basis, without deferring any costs to the future, or depleting reserves in the process.

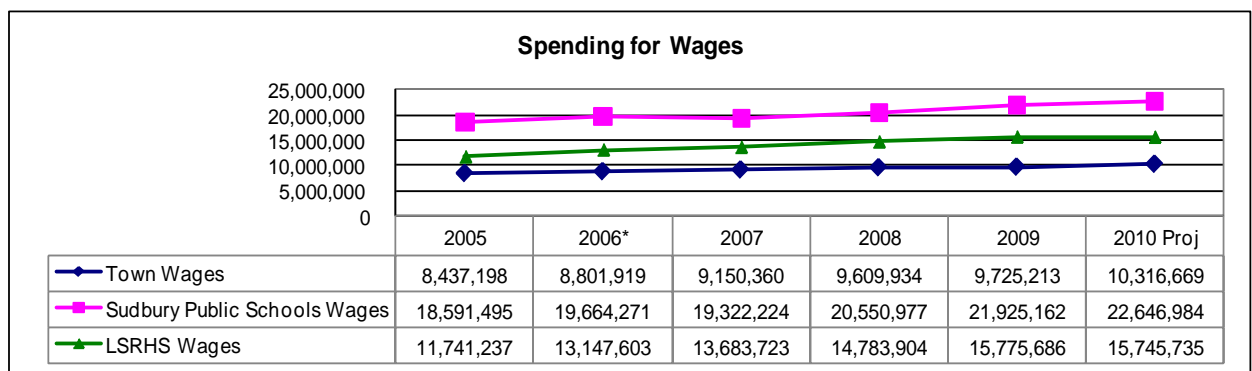
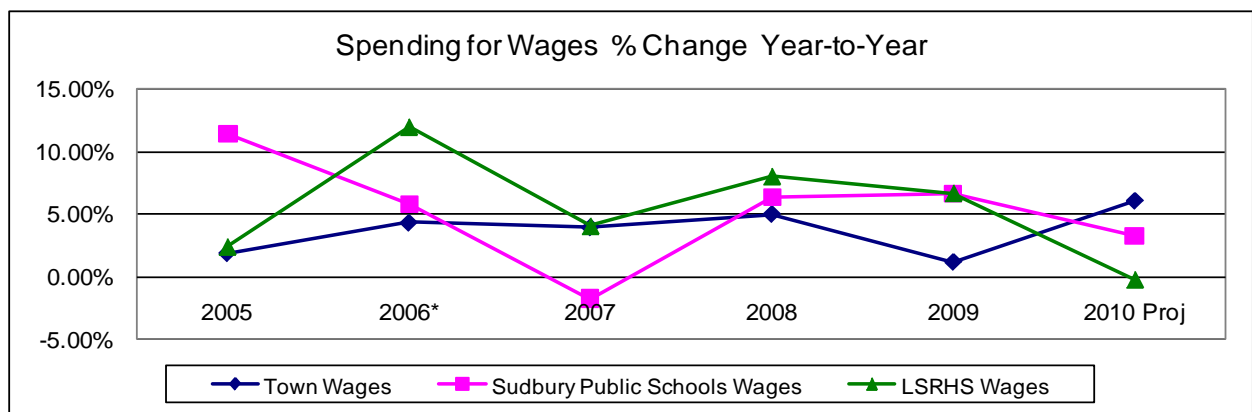
Based on this definition and the analysis of the indicators, the Town of Sudbury remains in sound financial health. This assessment is reflected by the Town's 'AAA' bond credit rating most recently reaffirmed in December 2009. The Town continues to meet its liquidity requirements, has revenues exceeding expenditures, is supported by a strong tax levy and able maintain appropriate levels of spending to meet ongoing demand for services.

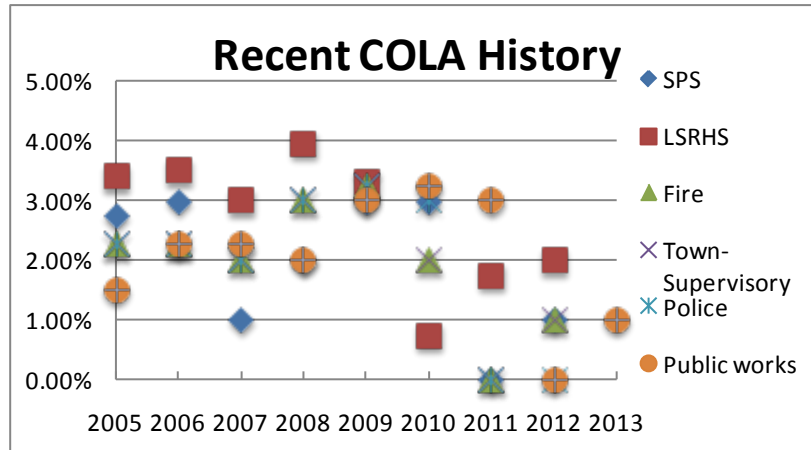
Sudbury's residents have very high expectations of the level and quality of public services. Budget constraints during the last three years in particular have focused the attention of Sudbury's citizens and government alike, on ways to cut costs (produce one-time savings) and slow the growth (produce recurring impacts) especially in areas deemed key to our structural deficit. Ideas for closing the revenue-expense gap are actively explored and implemented where feasible. Both elected and appointed town and school officials are working to protect all of what makes Sudbury such an attractive, vibrant place to: live, teach, play, invest, learn, share, grow, and work.

Expenditure Pressures

Several "budget busters" can drive high rates of spending growth. In order to know what we can expect for the next fiscal year and beyond, we monitor these areas to see *where we might be gaining, losing or holding steady*.

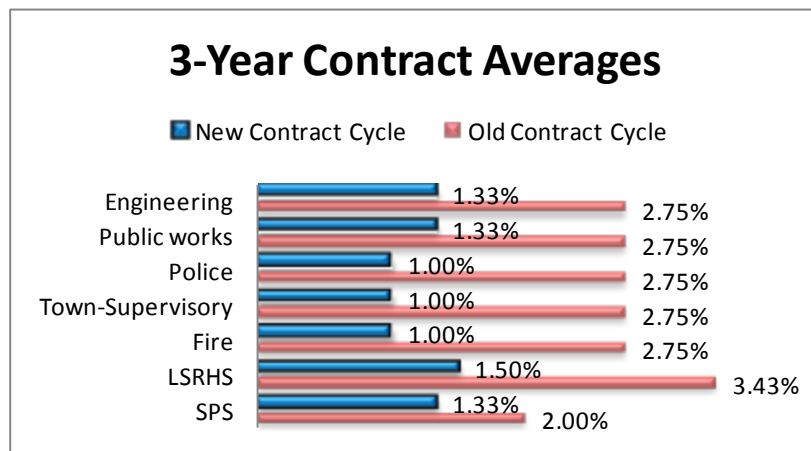
Indicator 1: Salaries and wages. Salaries and wages are the largest component of the operating budgets for all three major cost centers. Since the majority of the employees are organized for collective bargaining purposes, multi-year wage packages are the norm. The tables below show data for salaries and wages for a six-year period.





All three major cost centers must consider the multi-year impact of contracts. Most contracts run on the same 3-year cycle, currently FY10-FY12. Thus, we are able to forecast the costs for this major budget component for FY11 with greater certainty (differences would primarily be attributable to staffing turnover or reductions). The above chart shows recent COLA history for all major unions.

Union contracts are complex. Each bargaining unit consists of different grades and steps, merit increases, longevity or other financial compensation components that make comparisons to each other difficult. Even so, we can see certain patterns emerge and measure the effectiveness of negotiations in controlling rapidly increasing spending for salaries and wages. A general measure or indicator of progress in this area of budget management is the percentage increases year-to-year (often referred to as cost of living adjustment or COLA's). However, it must be noted that in the recently concluded Town and SPS labor contracts, the award of COLA's – generally 3% in year one, 0% in year two and 1% in year 3) is paid primarily out of the savings from employees paying more for health insurance. In terms of overall compensation (salary + benefits), the Town and SPS reduced costs in one area (benefits) in order to more than pay for the increased costs (COLA's) in another area (salary).

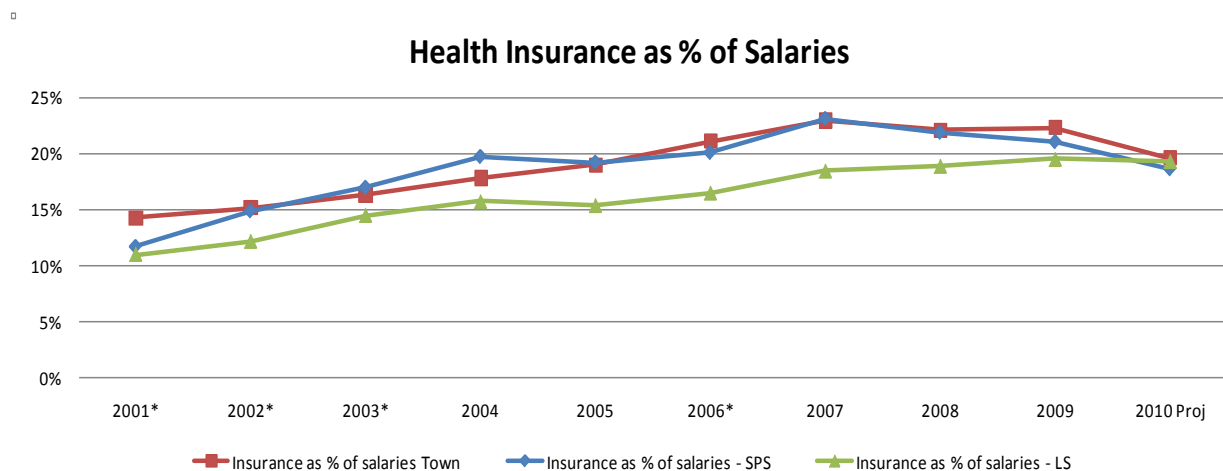


The last salary and wages chart shows that average 3-year COLA for all recently settled contracts is considerably lower than in the previous cycle. A lower average COLA will produce slower growth in salaries during the FY11-FY12 cycle. Note: the first two bargaining units on the chart (Engineering and Public Works) are on a slightly different schedule than all the rest (these results represent FY11-FY13). All other unions are running on a current contract cycle of FY10-FY12. Since DPW and Engineering only recently settled following essentially same pattern as the other groups (their COLA is the same 4% over three years, but has 0% in year one, 3% in year two, and 1% in the 3rd year) their department details show only step movement rather than COLA's. COLA increases for these two groups reported for budgeting purposes in the Salary Contingency line item for the Town.

Budget Assessment: Overall percentage increases for contracts and in spending growth for **salaries and wages – Gaining ground.**

Indicator 2: Health Insurance Costs. Municipalities provide health insurance for both active employees and retirees. State statute and case law provide strict guidelines for public employers in Massachusetts as to what benefits must be offered and how changes in such plans can be achieved. Changes in health insurance plans are subject to collective bargaining and generally must be agreed to by all bargaining units before any changes can be implemented. Premium rates are voted on annually by the Board of Selectmen following recommendations from the Town Manager, Director of Human Resources and Insurance Advisors.

Compared to other municipalities, the Town has saved significant dollars over time by maintaining health insurance benefits on a standalone, self-insured basis. (The Town periodically compares our programs to other options to ensure our offerings as desirable and cost effective). This has resulted in a more favorable trend for health insurance costs as a percent of salaries & wages.

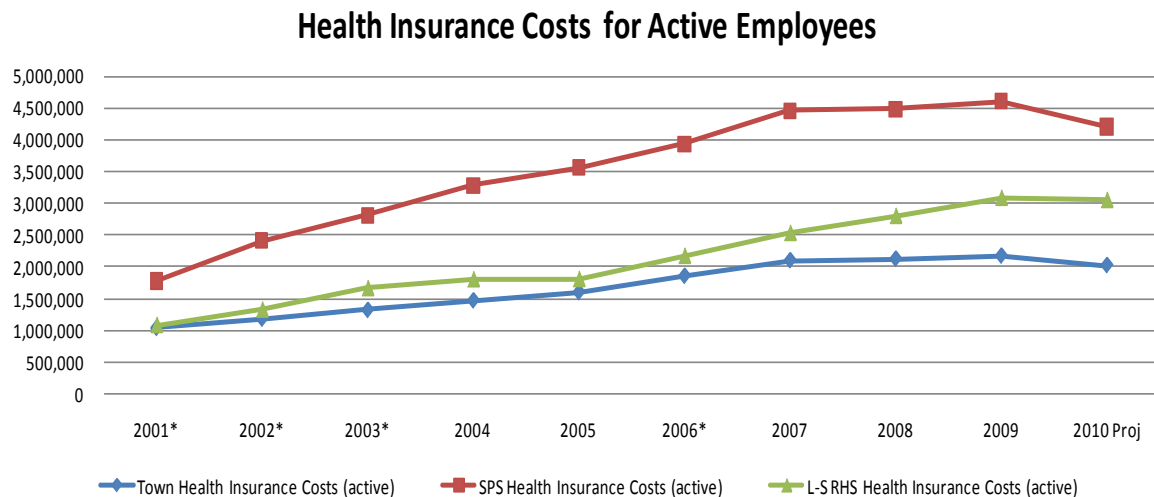


The escalation in overall healthcare costs is due to forces in the Massachusetts and national economies and is beyond the Town of Sudbury's power to control. In a report issued March 2010 by the Attorney General's Office on the ***Examination of Health Care Cost Trends and Cost Drivers***, it was determined that "price increases, not increases in utilization, caused

most of the increases in health care costs during the past few years in Massachusetts. Also, that the commercial health care marketplace has been distorted by contracting practices that reinforce and perpetuate disparities in pricing”. The report goes on to say that, the market players have not effectively controlled cost in recent years. The report concludes this will continue until some overwhelming hurdles (legislative, marketplace and consumer-based) can be overcome to move us toward a value-based solution with improved market function, pricing parity and develop products and delivery systems that promote prudent decisions by both the market players and payers.

In the meantime, in order for municipalities to control the rate of growth in the cost to providing health benefits we must effectively manage our programs’: administration, offerings/design, and employer contribution rates. In addition, we must continue to consider any State or Federal programs or regulations that may reduce our current and future health benefit costs (i.e. M.G.L. C.32B S.9A provides municipalities pay 50% of premium cost payable by a retiree, C.32B S.18 governing mandatory transfer of age eligible retirees to a Medicare health plans from active employee plans, GIC plan offerings, etc.)

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Both the Town (including SPS) and LSRHS have recently adopted M.G.L. C.32B S.18, producing significant savings in retiree healthcare benefits now (a combined estimated \$200,000 - \$300,000 annually) and perhaps ten-fold in future OPEB liability. In FY10, the Town (including SPS) has been successful in making significant plan design changes and negotiating new contribution splits with all collective bargaining groups. As you can see above the trend in healthcare costs is ending on a positive note. (See Section 9 for further details on recent changes.) The significant changes to health benefits in this decade will continue to pay dividends in the future first, by resetting the level of overall costs for the next few years (at a time when we sorely need room to grow elsewhere in operating budget), second by slowing the rate by which our health benefits may grow going forward in spite of problems in the medical services marketplace, and third by dramatically reducing our future OPEB liability, which we have hardly begun to truly fathom let alone start funding.

Budget Assessment: Overall cost structure and percentage growth in **health insurance costs** – Gaining ground.

Indicator 3: OPEB Municipalities offer health and other insurance benefits also called ***OPEB or Other Post Employment Benefits***) for all retirees. OPEB is considered compensation similar to pension benefits and as such, they are expected to be accounted for and possibly funded while the employee is working. This premise is known as financial “intergenerational equity” – being that compensation is either paid for or set aside as earned rather than pushing the financial responsibility into the future and onto a new generation of tax levies. Regardless of whether or not municipalities can or do choose to adhere to this premise for OPEB, the financial reality is that this type of benefit does create a significant liability on what is continuing to grow in participants over time. It is therefore in everyone’s best interest that municipalities take steps to proper **OPEB management** –

- a) Continue to afford payment of current OPEB benefits provided to current retirees. Sudbury and LSRHS continue to have adequate funding under the current “pay as you go” basis by budgeting for and paying actual OPEB costs for program (retiree) participants. While by no means an insignificant annual expense to all three major cost centers (see preceding tables for further details), we continue to manage and pay for this through normal operating expense. The savings created within the area of Health Insurance benefits mentioned earlier have produced savings for our current retiree benefits program costs, as well.
- b) Minimize what we are all starting to understand as a potential financial hazard in the future as long as OPEB liability remains fully unfunded. Sudbury and LSRHS have conducted initial OPEB actuarial studies to ascertain the extent of liability (see following tables for further details). Each entity will conduct periodic actuarial studies to monitor progress, adjust assumptions as necessary and meet all GASB requirements. The Finance Committee and LSRHS Committee are also committed to making citizens aware of the large financial liabilities that exist for OPEB and solicit support for any steps taken to better manage this future obligation. Sudbury has already taken the required legislative action to start an OPEB Trust (which will operate similar to current pension systems to set aside funds, invest and be able to pay for OPEB expenses in the future).
- c) Take immediate corrective actions to manage OPEB liability and begin addressing the enormous problem looming in the distance. We now have a grasp on what our OPEB liability is (see following tables for further details), we now need to increase or divert current revenues to start funding this liability. The mechanics of funding OPEB liability will be touched on briefly. What is most critical to realize now is that we may significantly reduce our future OPEB liability by setting aside even a portion of our estimated annual required contribution. Conversely, our liability will continue to grow from here as long as there are deficient contributions. “Pay as you go” only pays for current actual OPEB expenses. It does not address *one* dollar of the previously earned or future earnings of these benefits by all participants (active and retired employees).

OPEB management exhibits and notes –

- a) **Current “pay as you go” results**

GASB standards for OPEB are still evolving. Sudbury and LSRHS started reporting OPEB information including the breakdown for current OPEB expenses paid, during FY09. Health benefits costs for retirees are estimated as follows at the time of this publication:

"Pay as you go" Contributions	FY09	FY10 Proj	FY11 Proj
Town	237,726	225,081	232,668
SPS	534,126	534,126	534,126
LSRHS	935,587	856,493	981,945

"Pay as you go" contributions represent Town and Schools costs for actual retiree health benefits costs. This includes all employer contributions for retiree health insurances and any other non-pension benefits. These payments are recorded as part of unclassified benefits as an operating expense (financial use).

b) OPEB Actuarial Accrued Liabilities

Town of Sudbury		LSRHS	
Latest valuation as of	7/1/2007	Latest valuation as of	7/1/2007
Interest Discount Rate	5.00%	Interest Discount Rate	5.00%
Participants	904	Participants	318
Active	590	Active	184
Retired	314	Retired	134
Annual Required Contribution	\$ 3,341,000	Annual Required Contribution	\$ 3,374,471
General Government	184,366	Teacher	2,336,912
Public Safety	544,921	Non-teacher	1,037,559
Education	2,236,709		
Public Works	198,001		
Health and Human Services	47,015		
Culture and Recreation	89,368		
Enterprises	40,620		
Contributions made	\$ (771,852)	Contributions made	\$ (1,087,000)
Increase in net OPEB Obligation	2,569,148	Increase in net OPEB Obligation	2,287,471
Net OPEB obligation at year-end	\$ 2,569,148	Net OPEB obligation at year-end	\$ 2,287,471
Accrued Liability (30 years)	\$ 27,874,000	Accrued Liability (30 years)	\$ 47,057,884
Unfunded Actuarial Accrued Liability	\$ 27,874,000	Unfunded Actuarial Accrued Liability	\$ 47,057,884

Annual OPEB Cost and Net OPEB Obligation – The annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer, which is an actuarially determined amount in accordance with general standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year ("pay as you go" and fully fund the OPEB liability).

Present Value of all Benefits Earned to Date (AAL)- is the actuarial accrued liability which represents the present value of all benefits already earned to date. Until or unless municipalities, start funding this existing liability their AAL will also equal their UAAL or unfunded liability.

Present Value of all Projected Benefits (PVPB) - is the total present value of all expected future benefits. It is the current measure of the benefits promised to (existing) current and future retirees. The Plan's estimated PVPB as of the last actuarial study is \$40 million for Sudbury and \$68 million for LSRHS, respectively. (We have already discussed the escalation in healthcare costs. For actuarial study purposes, cost escalation is generally estimated at 12% per year until 2013 and 5% thereafter. If these assumptions need to be adjusted later due to differences in actual medical inflation trends, our estimated future costs will change accordingly)

- c) **How to approach growing OPEB liability** – on a year-to-year basis it is difficult to see the differences between a pre-funded system and one that is funded on a “pay as you go” basis. However, the actuarial studies certainly illustrate the magnitude of the problem, if we continue as we have rather than implementing a pension like system. The chart below shows how funding an OPEB plan would change the results of our present course.

Town of Sudbury		LSRHS	
Latest valuation as of	7/1/2007	Latest valuation as of	7/1/2007
Interest Discount Rate	7.00%	Interest Discount Rate	8.25%
Funding Status		Funding Status	
AAL	21,331,000	AAL	28,142,397
Assets	-	Assets	-
Unfunded AAL	\$ 21,331,000	Unfunded AAL	\$ 28,142,397
Increase/(Decrease)	\$ (6,543,000)	Increase/(Decrease)	\$ (18,915,487)
	-23%		-40%
Expenses		Expenses	
Service Costs	\$ 957,000	Service Costs	\$ 722,470
AAL Amortization	\$ 1,719,000	AAL Amortization	\$ 2,459,567
Total Contributions	\$ 2,676,000	Total Contributions	\$ 3,182,037
Increase/(Decrease)	\$ (665,000)	Increase/(Decrease)	\$ (192,434)
	-20%		-6%

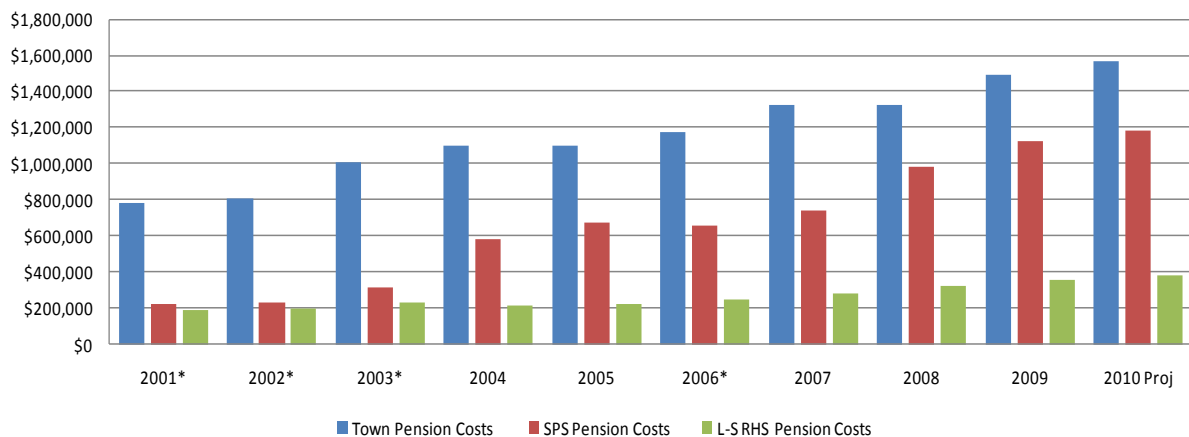
Different funding returns were used in the above scenarios, however in each case the dramatic impact pre-funding would have on both our total unfunded liability and required contributions going forward is apparent. In this example, we would need to contribute an additional \$1.7 million and \$2.5 million in expected service costs, for Sudbury and LSRHS, respectively. So the question remains, how can we best afford to start chipping away at this liability? Where can we find another \$1-\$2 million annually in our operating budgets to start funding the solution to our looming OPEB problem? Aside from the obvious long-term financial considerations, we have to also be concerned about what an unfunded liability may mean to future credit ratings. Sudbury and LSRHS both maintain 'AAA' status, which has helped us keep bond interest rates very low. Large unfunded OPEB liabilities may hurt our chances of 'AAA' credit ratings in the future.

Budget Assessment: Unfunded liability and potential future escalation as a “pay as you go” system in **OPEB costs – Losing ground.**

Indicator 4: Pension Costs The Town of Sudbury, the Sudbury Public Schools and L-S are all required to contribute to the Middlesex Retirement System (MRS) on behalf of all Town and school employees who work at least 20 hours per week except for teachers. (Teachers are covered by and contribute to the Massachusetts Teachers Retirement System (MTRS), therefore the State pays the employer portion of their current and future pension liability). Pension assessment costs continue to increase. We need to be concerned with current pension assessment levels as well as our future levels of liability. Pension assessment goes toward funding future pension benefits as active employees earn them. Therefore, while we do have unfunded pension liability, we are working toward reducing this amount over the next several years. The following table focuses on annual assessment payments (financial use) into MRS only.

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Middlesex Retirement System Assessment Costs



The MRS pension system is a **defined benefit plan**, with set contributions rates from employees depending on their date of hire: Before Jan 1, 1975: 5% of compensation; Jan 1975 - Dec 1983: 7%; Jan 1984 - June 30, 1996: 8%; after July 1, 1996: 9%. Additionally, all employees who earn over \$30,000 annually are required to pay a 2% surcharge on the amount over that threshold. Thus, some employees are paying 11% on earnings toward their own pensions. Due to recent historical investment returns and prior unfunded liability issues, program sponsors have been asked to contribute in assessments more than what would otherwise be required pay for future benefits of future retirees subject to normal retirement age. Most employees hired after 1996 are in fact funding the majority of their own pension through their own contributions.

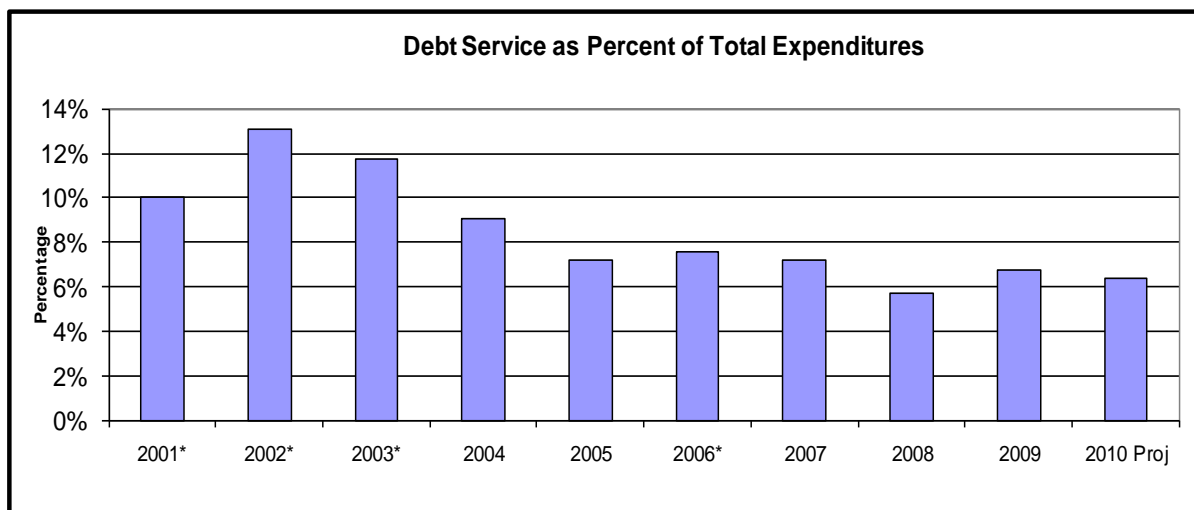
MRS Unfunded Pension Liability (UAAL)-Both the MRS and the MTRS have significant unfunded liabilities that are borne by all program sponsors. MRS sponsors (member towns and districts) are currently paying towards a completion date of 2028, the MTRS slightly shorter at 2025. Should circumstances change (e.g. amortization schedule, asset performance, etc.) we can expect significant increases in pension assessment costs for UAAL in the future. Sudbury's share of the estimated unfunded actuarial accrued liability of MRS

is approximately \$27 million and represents \$2.28 million or 83% of our current assessment. Since MRS assessments are determined on a 2-year cycle, we may expect our next significant jump in pension system costs for the FY12-FY13 timeframe. However, the outlook for UAAL funding remains stable. Funding ratio for MRS is holding steady at approximately 50%.

MTRS Unfunded Pension Liability (UAAL) – Since SPS and LSRHS retirees are mostly supported by the MTRS we must also be concerned with the State sponsored plan. While local school districts do not contribute or bear responsibility for their teachers’ retirement benefits, we have already seen how the State’s *current* budget problems have woefully affected Local Aid payments over the last few years. Cities and towns ultimately share in the unexpected or unfunded liabilities at the State level through reductions (in what is left) to spend towards Chapter 70 and other vital State aid programs. Therefore, any escalating pension costs for MTRS \$8.1 billion unfunded liability most certainly trickles down to us at the local level one way or another. How system manages their UAAL from here on in will determine the severity (upward slope or curve to escalation for contributions) placed on plan sponsors going forward. However, the outlook for UAAL funding remains stable. Funding ratio for MRS is holding steady at approximately 75%.

Budget Assessment: Unfunded liability and potential future escalation in **MRS Pension System Costs** and **MTRS vis-à-vis declining State Aid – Holding ground.**

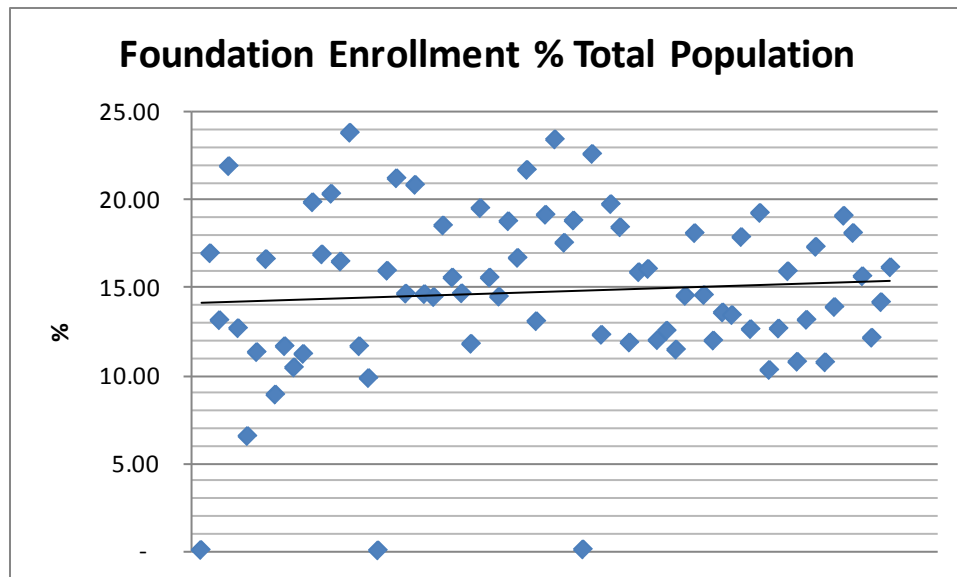
Indicator 5: Debt Service Costs The Town issues debt, pursuant to bond authorization votes of Town Meeting and voters’ approval to exclude all long-term debt from the limits of Proposition 2 1/2. Debt service costs for Town and SPS projects has declined significantly since FY07 when debt service for the new LSRHS building reached its highest point. The Town also performed two bond refundings, which will save approximately \$400,000 in interest payments over the next 10-20 years. Another refunding involving MSBA bonds is scheduled for FY11 that would produce an estimated net savings of \$500,000 during FY12-FY15. The next refunding deal notwithstanding, debt service will continue to decline from here with a significant drop off in FY15 when debt expense will fall below \$2 million or approximately \$300 on the average residential tax bill. The chart below shows how debt service has changed as a percent of total spending over the last ten-year period.



Budget Assessment: Outstanding liability and annual expenditures in **Debt Service – Gaining ground.**

Indicator 6: Impacts of Population Growth and School Age Children Finally, we must acknowledge the impact of rapid service population growth on our budget in recent years. Such growth creates more demand for Town services, most acutely felt on our two school systems, public safety, library, recreation, and human services departments. The following chart provides a ten-year snapshot of Sudbury’s major service segments: Population, residential households and students (Sudbury’s total share of K-8 and LSRHS population).

Over the last decade, Sudbury’s population has grown by 4.5%, households by 3.8% and school enrollments by 12.7%. Sudbury continues to have one of the highest school age populations in the State. The following table is a scatter sampling of communities with between 10,000 and 20,000 citizens. Foundation enrollment is a DOE metric used in the calculation for Chapter 70 State Aid. Sudbury is well above the mean % FE per population.



The next table looks at total enrollment (school age children) % per population for various communities. If other communities on the list share the school age population density as Sudbury, they would be faced with educating between 300 to almost 9,000 more students than they educate do now. With that, their total cost for education would be a much larger percentage of total operating expense.

School Age Children as a Percent of Overall Population

	DOR FY08 Population	DOE FY10 Enrollment	% School Age Children	Student Pop. Differential
Sudbury*	17,207	4,529	26.3%	-
Arlington	40,993	4,713	11.5%	6,077
Bedford	13,545	2,429	17.9%	1,136
Concord*	17,450	2,789	16.0%	1,804
Framingham	64,885	8,153	12.6%	8,925
Hopkinton	14,338	3,453	24.1%	321
Hudson	19,597	3,071	15.7%	2,087
Lexington	30,272	6,182	20.4%	1,786
Lincoln*	8,078	1,300	16.1%	826
Needham	28,560	5,311	18.6%	2,206
Wayland	12,996	2,738	21.1%	683
Wellesley	27,244	4,868	17.9%	2,303
Weston	11,711	2,388	20.4%	694
Winchester	21,090	4,198	19.9%	1,353

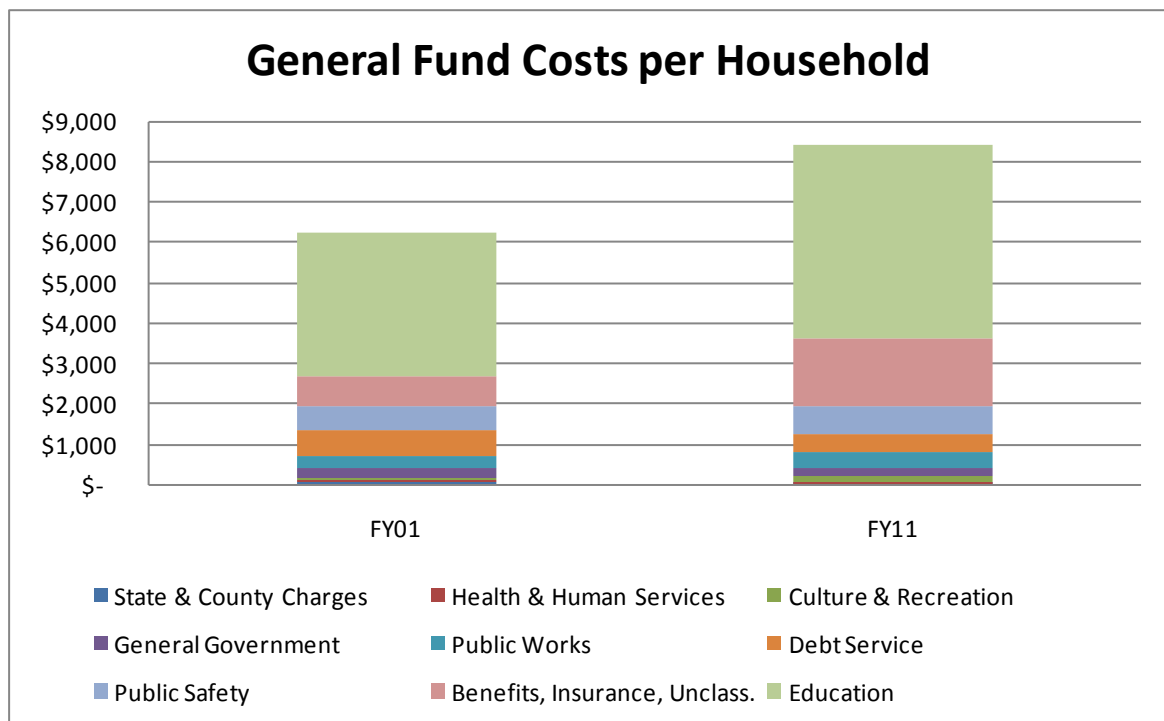
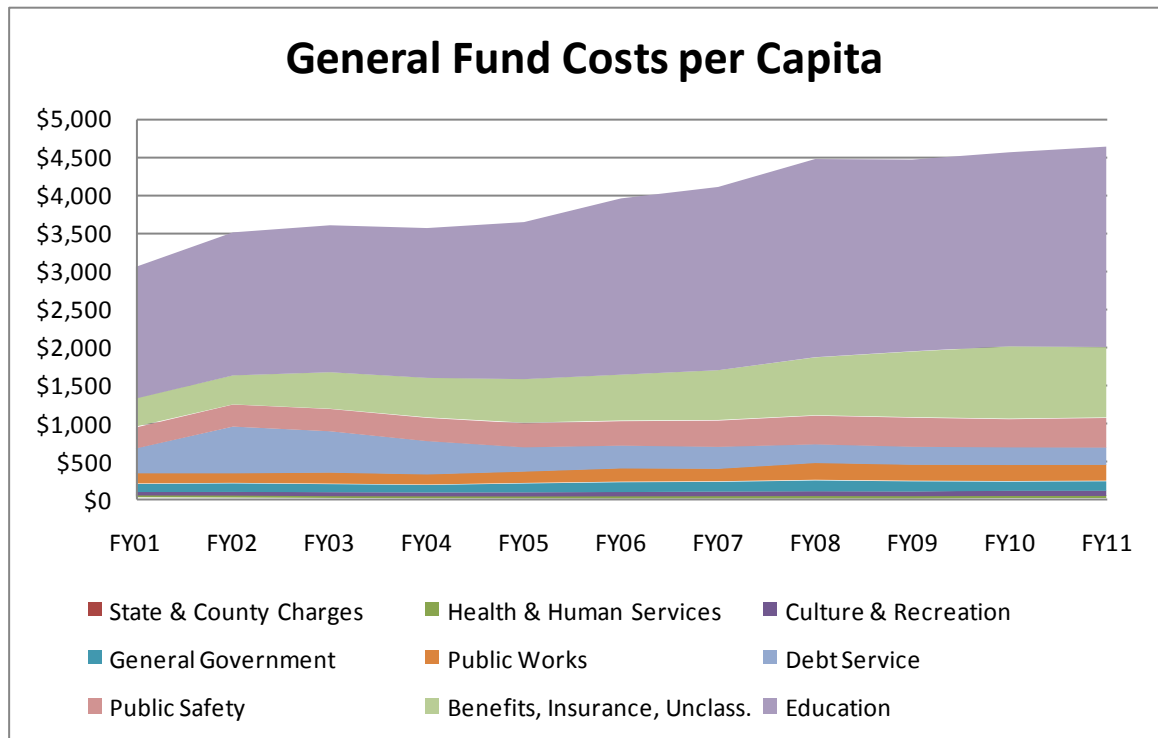
*Sudbury, and Concord have been adjusted to include their portion of regional high school districts

Large increases in student population require major changes to infrastructure, as occurred in the late 1990's-early 2,000's in conjunction with renovation and new school building construction. Teacher staffing, section management and course offerings may be seriously affected by moderate changes in total or school specific population, as occurred more recently with redistricting and in response to significant budget constraints since FY07. Since education is by far the largest segment of all operating expenditures (financial use) any changes to this area's service population may have a dramatic effect on our ability to fund other areas of the budget.

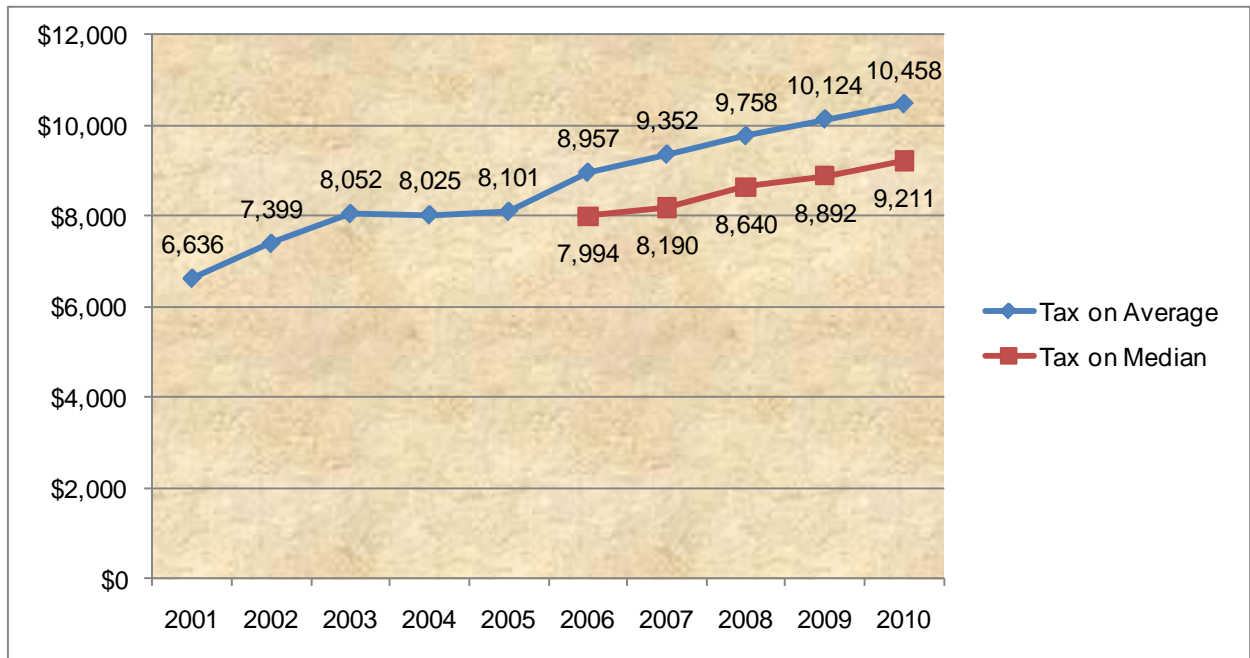
In FY10, it cost SPS (K-8) and LSRHS, \$11,158 and \$15,158 per pupils for education, respectively. Combined student enrollment represents 25.1% of the Town's total population for the same period. System-wide enrollment peaked this decade in FY09. Total enrollment over the next few years is expected to stay in the range seen during FY04-FY06. This may have a positive impact on cost of education although some population is shifting from elementary to high school, which has a much higher per pupil cost.

Budget Assessment: Changes in service populations: **number of residents, households and school age children – Holding ground.**

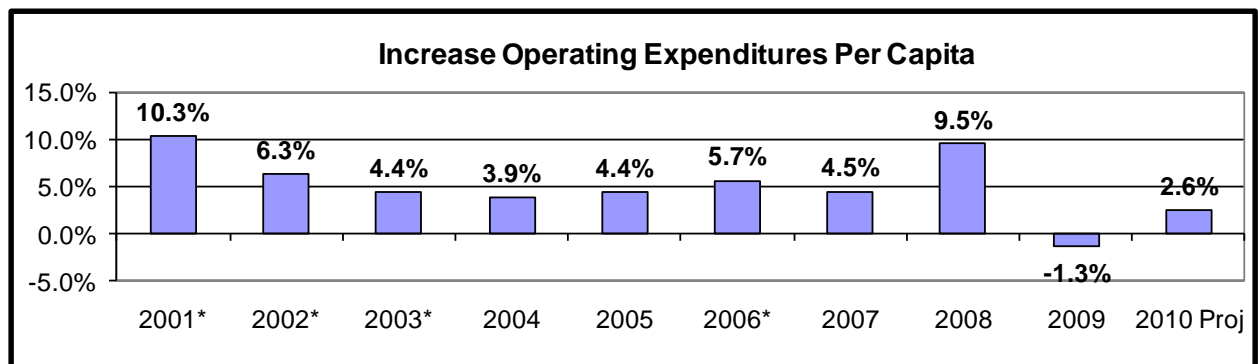
General Fund Cost Metrics



Sample Tax Bills on Single Family Parcels



Note: Median Values not available for fiscal years before 2006



Operating expenditures exclude debt services. Operating expenditure patterns may change unexpectedly from budget due to timing of carry-forward expenses. Actual operating expenditures in FY08 rose in part because of such carry-forward costs. Asterisks indicate years with tax overrides.

Cost Centers	Operating Expenditures			Per Capita		
	FY08	FY09	FY10 Proj	FY08	FY09	FY10 Proj
LS Assessment	\$ 16,514,863	\$ 16,334,542	\$ 16,837,045	\$ 921	\$ 909	\$ 935
SPS	\$ 33,411,001	\$ 33,039,130	\$ 34,270,641	\$ 1,864	\$ 1,838	\$ 1,902
Town	\$ 17,288,916	\$ 17,486,998	\$ 18,028,069	\$ 965	\$ 973	\$ 1,001
	\$ 67,214,780	\$ 66,860,670	\$ 69,135,755	\$ 3,750	\$ 3,719	\$ 3,838

Conclusions: Sudbury has seen many changes over the past decade. There are many ways to evaluate how well the Town has identified need, distributed financial resources and contained growth in expenditures. Not just Sudbury, but all Massachusetts communities continue to operate within an environment of increasing expenses and slower-paced or even shrinking revenues. Therefore, the expenditure pressures we are facing loom larger with every passing budget cycle. While the Town and schools have been successful in reducing the rate of increase in expenses, the reductions in every revenue source except property taxes, coupled with the unique number of school-aged children in Sudbury, continues to produce challenging spending and service level decisions.

Cost Awareness and Avoidance

Town management initiated the C.A.R.E. program (Cost Avoidance and Revenue Enhancement) several years ago as a means of documenting the Town's efforts to shrink the gap between the revenue and expenditure pressures discussed in this section. Last year the Town Manager and SPS School Superintendent began the C.O.R.E. program, (Consolidation/Coordination, Outsourcing, Regionalization, Evaluation) as a means to closely study the structure and processes for many "back room" and administrative type activities and determine if through using one of these strategies we could improve the efficiency and reduce the cost of such tasks. Thus far there have been a number of successes, including the town taking over payroll for SPS, sharing of a Recreation Director with another town, among others. Finally, the Board of Selectmen created the citizens Budget Review Task Force and town and school staff have studied and implemented many of the suggestions that came out of this group.

The collaborative efforts underway will continue to serve the Town well as we search for the difficult answers to providing all of the services that taxpayers need, want, and have come to expect, for the least amount of cost possible; within the confines of the Massachusetts municipal revenue structure.

PRIMARY FINANCIAL USE PROJECTIONS

FY11 Budget Summary

EXPENDITURES	FY08 Actual	FY09 Actual	FY10 Budget	FY11 Appropriated
LS Gross Assessment	16,806,624	16,471,854	16,886,852	16,999,542
LS Offsets/Re-apportionments	(3,234,629)	(3,255,278)	(3,031,946)	(2,640,344)
ARRA Stimulus Funds			(160,352)	-
LS Employee Benefits Assessment	2,942,868	3,117,966	3,142,491	3,218,181
LS E&D Fund Assessment	-	-	-	-
LSRHS NET (Operating Assessment)	16,514,863	16,334,542	16,837,045	17,577,379
SPS Gross Expenses	27,005,076	28,641,329	30,309,520	30,685,207
SPS Offsets	-	(2,302,767)	(2,255,533)	(2,480,863)
ARRA Stimulus Funds			(163,484)	-
SPS Employee Benefits	6,405,925	6,700,568	6,382,334	6,450,128
SPS NET	33,411,001	33,039,130	34,272,837	34,654,472
Minuteman Regional Assessment	222,239	237,788	299,768	228,794
Other Regional School Assessments	66,308	43,212	20,700	-
Total: Schools	50,214,411	49,654,672	51,430,350	52,460,645
General Government	2,167,886	2,160,424	2,304,858	2,332,782
Public Safety	6,246,172	6,330,016	6,617,602	6,767,558
Public Works	3,457,517	3,406,588	3,495,717	3,299,348
Human Services	534,167	515,673	534,312	538,650
Culture & Recreation	1,119,080	1,080,329	1,135,342	1,149,824
Unclassified & Transfer Accounts	86,756	70,643	221,277	386,005
Town Employee Benefits	3,907,680	4,153,667	4,090,747	4,224,185
subtotal, town services	17,519,258	17,717,340	18,399,855	18,698,352
Town Operating Offsets	(230,342)	(230,342)	(381,600)	(468,369)
Total: Town Departments	17,288,916	17,486,998	18,018,255	18,229,983
Capital Planning Committee	585,303	513,042	523,383	529,054
Capital Exclusions	405,000	-	-	-
Total: Capital Budget	990,303	513,042	523,383	529,054
Subtotal: Operating Budget	68,493,630	67,654,712	69,971,988	71,219,682
Town Debt Service	4,472,354	4,347,060	4,269,223	4,180,354
LSRHS (Debt Assessment)	2,647,937	2,394,071	2,298,949	2,237,147
Total: Debt Budget	7,120,291	6,741,131	6,568,172	6,417,501
Enterprise Fund Expenditures	656,922	702,292	938,434	982,802
Stabilization Fund	50,000	-	-	-
Total: Other	706,922	702,292	938,434	982,802
Other Charges to be raised	698,517	983,524	781,857	744,548
Total: To Be Raised	77,019,360	76,081,659	78,260,450	79,364,533

The above exhibit includes all General and Enterprise fund expenditures. Expenditures for other funds are discussed in further detail elsewhere in this document. Expenditures from the General and Enterprise funds are projected to increase by \$1,104,083 or 1.41% from FY10 budget. All of these expenditures, including debt service for FY11 will be supported by the tax levy (85%), State Aid (9%) and Other Revenues (6%).

FY11 General Fund Expenditures per Capita

□

Other	\$37						
Capital Spending	\$29						
Human Services, Culture & Recreation	\$94						
General Government	\$130						
Public Works	\$183						
Public Safety	\$376						
Debt	\$357						
Benefits	\$593						
Education						\$2,556	
	\$0	\$500	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000

The estimated breakdown in per capita costs for FY11 General Fund only expenses is shown above.

FY11 All Budget Category % to Total

	FY10	FY11	FY11
ALL LINE ITEMS - ALL FUNDS*	Budget	Appropriated	% of Budget
Lincoln-Sudbury Regional High School	16,837,045	17,577,379	22.1%
Sudbury Public Schools	34,272,837	34,654,472	43.7%
Minuteman and other Voc Schools	320,468	228,794	0.3%
Town Departments	18,018,255	18,229,983	23.0%
Debt Service - Town, SPS and LSRHS	6,568,172	6,417,501	8.1%
Transfer Station Enterprise Fund	301,842	271,437	0.3%
Atkinson Pool Enterprise Fund	476,592	489,868	0.6%
Field Maintenance Enterprise Fund	160,000	221,497	0.3%
Capital Items	523,383	529,054	0.7%
Stabilization Fund	-	-	0.0%
State and Local Charges	781,857	744,548	0.9%
Total Budget*	78,260,450	79,364,533	100.0%
* Total budget reporting includes all cost centers and all funds to be appropriated or expended, except for revolving funds.			

FY11 Operating Categories % to Total

	FY10	FY11	FY11
OPERATING BUDGET*	Budget	Appropriated	% of Total
Lincoln-Sudbury Regional High School	16,837,045	17,577,379	24.7%
Sudbury Public Schools	34,272,837	34,654,472	48.7%
Minuteman and other Voc Schools	320,468	228,794	0.3%
Town Departments	18,018,255	18,229,983	25.6%
Capital Items	523,383	529,054	0.7%
Total Operating Budget*	69,971,988	71,219,682	100.0%
*Operating cost centers only. Excludes debt service and one-time charges. Enterprise funds are also omitted from this table. The cost centers shown above are the ones that are primarily supported by the General Fund.			

FY11 Employee Headcount

EMPLOYEE HEADCOUNT (Full Time Equivalents)			
Cost Center	FY09 Actual	FY10 Actual	FY11 Appropriated
LSRHS*	220.15	211.67	209.57
		-3.9%	-1.0%
Sudbury K-8 Schools *	389.89	393.31	385.81
		0.9%	-1.9%
Public Safety	79.25	76.97	76.97
Public Works	32.70	31.86	31.28
General Government	31.80	30.50	30.50
Human Services	7.20	6.20	6.20
Culture & Recreation	18.11	16.63	16.12
Town Operating Sub-total	169.06	162.16	161.07
		-4.1%	-0.7%
Town Enterprises	9.60	9.60	10.18
		0.0%	6.0%
TOTAL	788.70	776.74	766.63
% Change from Prior		-1.5%	-1.3%

*Includes positions covered in full or in part by grants. LSRHS figures represent full FTE's; they are not prorated by the regional assessment.

Section Four

Budget FY11 Issues and Transmittal -

Current budget concerns and top-level impacts



BOARD OF SELECTMEN OVERVIEW

In planning for FY11, the Board of Selectmen directs staff to focus their budget efforts primarily on the following three sustainability issues:

- *Financial recovery for Town's revenues and reserves*
- *Economic development*
- *Evaluating and adapting services and staffing to a time of continued resource constraints (aka "the new normal")*

The Board is deeply concerned about the staffing reductions, which occurred at the schools and Town departments in the current year, and that future budgets might result in even further job and service losses. Our aims going forward are to avoid further staffing reductions. The recently negotiated contracts include provisions that will reduce the rate of growth in employee compensation for the future through reductions in the cost of health insurance.

Changes in employee compensation are not the only avenue we are pursuing to address the ongoing structural gap between expenses and available revenues. There are other tools in the "toolbox". We created the Budget Review Task Force to generate ideas to reduce expenses and enhance revenues from sources other than residential property taxes. Several of their ideas, including the potential consolidation of school administrations, are being implemented. The Town and Sudbury Public Schools (SPS) are engaged in a project known as CORE to improve efficiencies and reduce the cost of shared "backroom" administrative tasks. We have seen the regionalization of the administration of recreation services and hope to find other regionalization opportunities to pursue.

We all must work together to preserve town and school services. If we as a town are going to be successful in moving beyond recurring annual budget crises, it will require all of us to compromise our parochial interests, set aside old models, and break down barriers to change.

FINANCE COMMITTEE ADVISORY OVERVIEW

In their opening remarks for the FY11 Budget Season, the Sudbury Finance Committee had this to say in terms of what continue to be the primary *financial* drivers of the budget.

Short-term considerations:

Operating the town and schools is a service business so people, and therefore employee compensation, is by far our largest cost. Wages account for 60% of the operating budget and benefits and insurance comprise another 19%, so that compensation totals 79% of the Sudbury operating budget. The impact of employee compensation on the growth in expenses can be seen in the following statistics for the three fiscal years ending June 2009: The total annual salary increase per employee has averaged 5.7% per annum. Salary growth is the sum of cost of living increases (COLA's) and increases based upon years of service as a proxy for experience (so-called "step" increases). The step portion of the

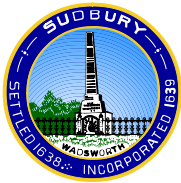
average increase is 2.5% per annum. The cost of healthcare benefits per employee grew 10.5% per annum. Total payments on behalf of retirees for pensions and/or retiree healthcare grew 18.6% per annum. As a result, total operating expenses grew 4.8% per annum; 84% of that, growth was for increases in employee compensation (salaries plus benefits); 11% of that growth was for increases in payments on behalf of retirees; and 5% of that growth was for everything else.

Long-term considerations:

In accordance with good funding practices, Sudbury issues bonds to finance the cost of long-term capital projects such as school and municipal buildings. In addition to its bonds, Sudbury also has long-term obligations to make payments on behalf of its employees and former employees for pensions and retiree healthcare. In the private sector, the amount of these future payments is recorded as a liability just like the liability for debt, which is also an obligation to make future payments. While the amount of the retiree benefits may be more difficult to calculate than the face amount of a bond, the obligation is there nonetheless. Using professional actuaries, the private sector estimates the amount of those future payments and calculates the present value of them (less the cash set aside specifically to cover them) as the liability to put on the balance sheet. A present value calculation says that an obligation to pay a dollar in ten years is worth less than the obligation to pay a dollar today.

Municipal accounting rules have recently changed and are moving toward the private sector standard for accounting for the cost of promises made to retirees. The first step has been the hiring of actuaries to compute the amount of the Sudbury and Lincoln-Sudbury obligations for retiree healthcare. This amount will be shown as a footnote in the next set of audited financial statements. The amount of those retiree healthcare obligations, calculated as the present value of the future payments Sudbury and LSRHS have promised to make (and assuming no change in the current “pay as you go” method) is estimated as follows: Town of Sudbury (including the K-8 system): \$40 million and Lincoln-Sudbury Regional High School: \$68 million. Over half of these amounts represent the value of benefits earned by active employees and to be paid after they retire.

Executive and Administrative Response



Town of Sudbury

Town Manager's Office

278 Old Sudbury Road
Sudbury, MA 01776

978-639-3381

Maureen Valente, Town Manager

THE TOWN MANAGER'S BUDGET TRANSMITTAL

The Honorable Board of Selectmen, Finance Committee, Sudbury Public School Committee and L-S Regional School Committee:

I hereby submit to you the consolidated As Appropriated Budget for Fiscal Year 2011 (July 1, 2010 – June 30, 2011), in accordance with the requirements of the Town Charter. This budget contains appropriation amounts for the various Town Departments, Schools, and Enterprises as they materially appear in articles of the 2010 Annual Town Meeting Warrant; updated as necessary and presented at Annual Town Meeting for approval. This budget document also contains background information regarding revenue and expenditure trends, organizational goals, performance indicators and other financial data, by way of explanation and in support of the FY2011 budget recommendations.

As our national recession continues, the negative impacts on our community's ability to fund essential Town services become ever more difficult. Ultimately, the Town approved all appropriations allowable under the limitations of Proposition 2 ½ .. This ***Non Override*** budget requires a number of reductions, some in staffing but mostly in the ability to provide services through outsourcing (contracts with vendors) and to have adequate quantities of materials and supplies that departments need to continue providing the same services and response times as in years past. These reductions are an extension of similar actions that were taken across-the-board in FY09 and FY10.

In addition to staffing cuts felt within Sudbury Public Schools and Lincoln-Sudbury Regional High School District, we have collectively cut overtime budgets, reduced hours of operation, cutback significantly on purchasing and nearly eliminated basic maintenance for all town and school grounds. Spending to maintain town assets and our physical plants and school buildings has also been decreased.

The following is in response to the concerns for FY11 as laid out by both the Board of Selectmen and Finance Committee, and meant as a companion summary to the extensive budget assessment details provided in the previous [section 3](#), in this document.

FY11 Priorities

1) Service Outsourcing/Consolidation/Regionalization -

While there are myriad efforts ongoing to achieve these goals, I want to emphasize three overall strategies we are employing. First, we know our greatest costs (as well as greatest assets) are our employees and the private vendors we outsource. We have had no choice but to use a reduction in this area to keep spending within the allowed limits. In some cases, this reduction has resulted from a careful study of impacts on services and a proposed alternative that allows the Town to continue to offer high quality services. The sharing of a Recreation Director with Wayland is one example of the careful approach that both saves money and protects service levels. Unfortunately, in other areas, the loss of employee hours or position or private vendor's hours has clearly had a negative service impact. The reduction in Library hours, purchased hours from public health nurses and police patrols are examples of the latter outcome. Through the C.O.R.E initiatives (consolidation/cooperation, outsourcing, regionalization, and evaluation process engaged in by Town and SPS staff), and by engaging in lengthy discussions with our own staff, board and committee members, and the administrations of surrounding towns, we have identified a number of initiatives that we hope will lead to more cost avoidance/service protection scenarios. We also continue to evaluate situations where we can shift the cost of less critical services to a fee basis for user/recipients. An example of this is our new field maintenance enterprise fund for recreational services. The direct cost of providing playing fields in the condition that is expected by our youth sport user groups has been shifted to an enterprise fund that is more funded by user fees rather than the Town's general budget.

2) Health Insurance Benefits Changes-

In FY10, the Town and SPS successfully completed the latest collective bargaining process with all employee unions. Our employees are very aware of the current economic environment, and have agreed to significant benefit changes resulting in them paying more of the cost of their health insurance benefits and switching to "rate saver" plans with higher co-pays and deductibles. The combination of changes has resulted in the following cost savings for FY10 and FY11. These changes will also have a lasting impact on costs going forward, including OPEB for retirees.

	APPROPRIATION PROJECTION FOR NEWLY NEGOTIATED RATE SAVER PLANS				APPROPRIATION PROJECTION FOR FORMER HEALTH INSURANCE PLANS ESTIMATED AT 10% ANNUAL GROWTH			
	FY09	FY10	FY11	FY12	FY09	FY10	FY11	FY12
Active employ subtotal	6,607,951	5,990,000	5,581,144	5,933,547	6,607,951	7,268,746	7,995,621	8,795,183
Retired Empl. Subtotal	800,898	731,178	817,789	930,995	800,898	880,988	969,087	1,065,995
SUBTOTAL	7,408,849	6,721,178	6,398,933	6,864,541	7,408,849	8,149,734	8,964,708	9,861,178
\$ Variation, year to year		(687,671)	(322,245)	465,608		740,885	814,973	896,471
% Variation, year to year		-9.28%	-4.79%	7.28%		10.00%	10.00%	10.00%
\$ Variation, cumulative				(544,308)				2,452,329
% Variation, cumulative				-7.35%				33.10%
Annual cost avoidance compared to former plans		(1,428,556)	(2,565,775)	(2,996,637)				

3) OPEB Liability-

The Town was one of the first municipalities to adopt legislation a few years ago to create an OPEB Trust, which would allow Sudbury to address this large unfunded retiree liability. To date, the Town has conducted its first OPEB actuarial study as of 7/1/2007, which has shown the gravity of what was previously only a vague reckoning of a large liability looming in the distance. Our next study will be conducted during fall 2010 after which we will be prepared to submit our initial Trust documentation to PERAC for approval. In the meantime, we are engaging in public discussions regarding OPEB liability and have begun reporting this information as part of our CAFR footnotes. While we have yet to devise a workable funding schedule for OPEB due to a lack of available resources, we look forward to addressing this concern as part of the FY12 budget cycle. Finding a way to start funding this large liability will not be easy. However, any amounts we can start to contribute over and above the current “pay as you go” threshold for retiree healthcare benefits will dramatically reduce our unfunded liability.

4) Slowing Growth in Salaries & Wages-

I am pleased to report on the progress made towards this goal during the latest round of collective bargaining. Concessions made in employee health benefits during FY10 exceeded increases in salaries and wages for the same period. This resulted in fewer than expected staffing cuts during the year and had the Town not projected revenues in local receipts, state aid and use of reserves to be lower than FY10 levels we would not have needed the level of staffing and other reductions to balance the budget. For FY11 both SPS and LSRHS are cutting staffing by 6.50 and 2.42 FTE's, respectively. The Town was able to keep positions vacant and/or find non-General Fund sources to avoid staffing cuts for municipal departments. . Salaries and wages for FY12 may be more of a challenge as the contracts call for a modest COLA as well as step increases.. However, with the average COLA's for the latest 3-year contracts cycle (FY10-FY12 in most cases) ranging from only 1% to 1.50% for all collective bargaining units, we have been able to prevent what could have been even deeper reductions in employee positions.

5) New Financial Resources-

We continue to work on strategies to grow and diversify our tax base so that we are less vulnerable to economic cycles. The primary goal for several years has been to provide our commercial district with a wastewater treatment plant. After considering and finding unacceptable over 70 possible parcels, the Town has identified a potential parcel this past year to serve as a leaching field for the wastewater plan and we are able to begin the many steps that must be addressed if this project is brought to reality, including questions of finances, governance, zoning and permitting. Diversifying our revenue base beyond property taxes has also been a continuing goal. Sudbury adopted two local option taxes at Town Meeting (a .75% meals excise and an additional 2% hotel room excise) that will generate an estimated \$80,000 in new receipts starting in FY11. The availability of many State and Federal programs prompted the Board of Selectmen to create the Green Ribbon Energy and Sustainability Committee to examine opportunities to invest in renewable energy sources, which we hope will provide long-term sustainable revenue, and cost-reduction opportunities for Sudbury. And staff have developed and proposed to the Selectmen a new Payment in Lieu of Taxes (PILOT) effort and a new donor/gift program, both ideas recommended by the Budget Review Task Force.

6) Reserves-

We are committed to protecting Sudbury's long-term financial health. A large part of that effort revolves around the Town's ability to protect and grow reserves. FY11 marks the first budget cycle where Sudbury has not used Free Cash or Overlay Surplus to supplement the operating budget. Recent economic conditions have resulted in less opportunity to generate undesignated fund balances. We continue to make tough choices to make fewer dollars stretch farther across a General Fund operating budget that contains many components that continue to grow with inflation, or otherwise produce growth regardless of difficult program or service level adjustments. Best practices advocate maintaining reserves for one-time, extraordinary items and unexpected circumstances. We look forward to building Free Cash, Stabilization and other reserves for our future rather than eroding them on short-term financial patches to the General Fund's operating budget.

FY11 Budget Results

This year's budget deliberations included two budget-levels for consideration: A Revenue Constrained or Non Override Budget totaling \$79,364,533, and an alternative Budget totaling \$80,567,673 that would require an override of \$1.20 million in additional tax levy. Ultimately, the Town appropriated a budget at the non override level of \$79.4 million. This budget represents the consolidated General and Enterprise fund operations – the details of which are discussed in detail in the remaining sections of this document.

The ***FY11 Non Override*** budget was based on the maximum allowable revenue anticipated (within Proposition 2½) for FY11, which was expected to be severely affected by troubling economic times and the State's budget deficit. All Massachusetts municipalities braced for the across-the-board cuts in State aid. At the time of Town Meeting, we estimated a 2.3% reduction in State Aid from FY10. This combined with the maximum allowable tax levy increase (within Proposition 2½) for FY1, limited the Town's total budget growth under a ***non override*** scenario to 1.41 % over FY10.

The following table compares the budget for ***all*** amounts funded by the FY11 Appropriated Budget against the FY10 Budget. The total budget is increasing by \$1,104,083 or 1.41% over FY10. The total operating budget, which includes the three major cost centers along with any capital expenditures for the year, is increasing by \$1,247,695 or 1.78% over FY10.

	FY10 Budget	FY11 Appropriated	Increase (Decrease)	%
Lincoln Sudbury RHS (Assessment)	\$ 16,837,045	\$ 17,577,379	\$ 740,334	4.40%
Sudbury Public Schools (K-8)	\$ 34,272,837	\$ 34,654,472	\$ 381,636	1.11%
Minuteman Vocational H.S.	\$ 299,768	\$ 228,794	\$ (70,974)	-23.68%
Other High School Assessments	\$ 20,700	\$ -	\$ (20,700)	-100.00%
Town Government	\$ 18,018,255	\$ 18,229,983	\$ 211,729	1.18%
Capital Budget	\$ 523,383	\$ 529,054	\$ 5,671	1.08%
SUBTOTAL, OPERATING BUDGET	\$ 69,971,987	\$ 71,219,682	\$ 1,247,695	1.78%
Debt Sevice	\$ 6,568,172	\$ 6,417,501	\$ (150,671)	-2.29%
Enterprise Funds	\$ 938,434	\$ 982,802	\$ 44,368	4.73%
Contribution, Stabilization Fund	\$ -	\$ -	\$ -	
Charges	\$ 781,857	\$ 744,548	\$ (37,309)	-4.77%
SUBTOTAL	\$ 8,288,463	\$ 8,144,851	\$ (143,612)	-1.73%
GRAND TOTAL	\$ 78,260,450	\$ 79,364,533	\$ 1,104,083	1.41%

FY11 Operating Budget Implications

The operating budget represents the cost for all operations of the Town government and the schools. The education of the children of Sudbury remains the primary focus of the Town, comprising approximately 74% of the operating budget in FY11; roughly the same percentage of the prior year's budget. There are three educational entities, which receive funding from the Town of Sudbury. Sudbury Public Schools (SPS) is a pre-Kindergarten through 8th grade system with four elementary schools and one middle school, with an enrollment projected in FY11 to be 3,113 students. SPS is a part of the Town of Sudbury and thus their employees are Town employees, even though SPS is under the direction of an elected five member School Committee and collective bargaining for SPS employee groups is conducted by the School Committee.

The other two educational entities are regional high schools, which mean they are independent political and governmental sub-divisions of the Commonwealth of Massachusetts and their employees are not employees of the Town of Sudbury. Public schools in the Commonwealth do not have their own taxing authority, although regional and vocational schools directly receive state aid and have the ability to charge and collect a variety of fees to supplement their budgets. The regional and vocational high schools that are paid an assessment by the Town of Sudbury are:

- Lincoln-Sudbury Regional High School, located in Sudbury, and projected to enroll approximately 1,301 Sudbury children in FY11.
- Minuteman Vocation Technical Regional High School, located in Lexington, which will educate an estimated 45 Sudbury students in FY11.

For the Minuteman Vocational Technical High School, state law requires that for all practical purposes Sudbury ***must*** pay the costs as assessed by the District and cannot unilaterally

reduce those costs. For L-S, it is important to note that the school receives funding from the Town of Lincoln, as well as state aid and own sources such as interest income and fees. Similar to the Town, L-S has suffered reductions in these revenue sources, and although it may appear the high school is being treated more favorably in budget allocations than the Town or SPS, that is not the case. The assessment from Sudbury might be higher than in FY10, but overall the high school's FY11 budget did not grow by a greater percentage than the other cost centers.

We recognize that although the Town of Sudbury and SPS spend less per capita or per student than many of our peers, as measured by school performance, size of community, demographics of our residents, or physical size of the town assets we maintain, that is only half the battle. We also need to insure our costs are sustainable within the ability of Sudbury to generate sufficient revenues to pay for expected and required services. We have an impressive track record of steps we have taken to reduce costs while preserving core services, including regionalization of some programs, significant reductions in cost of employee health insurance, automation and use of technology where possible, and shifting to user fees where appropriate, there is still much left for us to accomplish. We thank the residents of Sudbury for their support of their Town and school services.

Sincerely

Maureen G. Valente

Maureen G. Valente
Town Manager
Town of Sudbury

Section Five

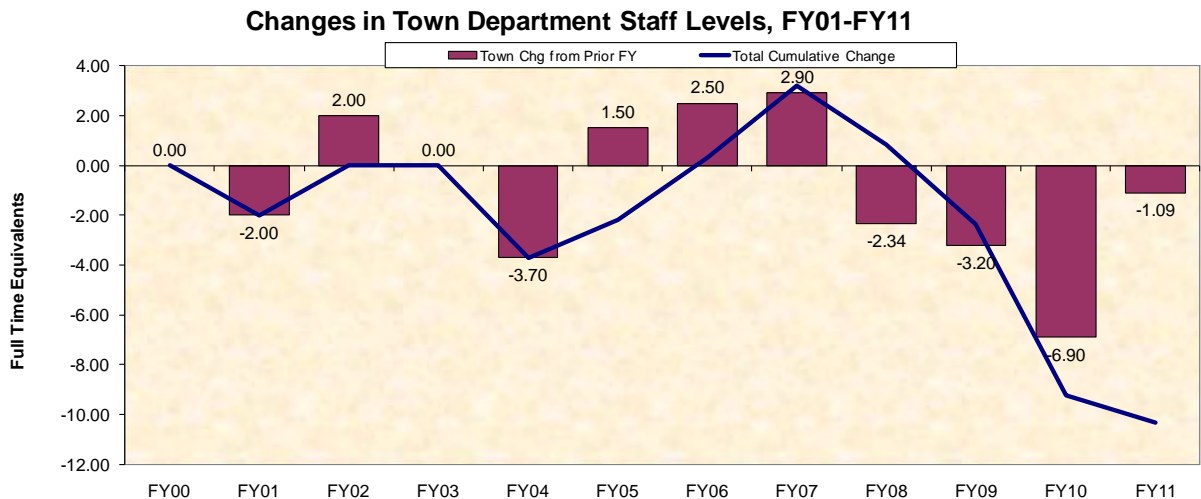
Budget Detail – Town Government

Budget accounts under the direction of the Town Manager



Summary of FY08-FY11 Budgets for Town Departments

Town Services Budget Summary				
	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
General Government	2,167,886	2,160,424	2,304,858	2,332,782
Public Safety	6,246,172	6,330,016	6,617,602	6,820,533
Public Works	3,457,517	3,406,588	3,495,717	3,299,348
Human Services	534,167	515,673	534,312	538,650
Culture & Recreation	1,119,080	1,080,329	1,135,342	1,149,824
Unclassified & Transfer Accounts	86,756	70,643	221,277	386,005
Town Employee Benefits & Insurances	3,907,680	4,153,667	4,090,747	4,224,185
Subtotal	17,519,258	17,717,340	18,399,855	18,751,327
Town Offsets	(230,342)	(230,342)	(381,600)	(468,369)
Total Town Services	17,288,916	17,486,998	18,018,255	18,282,958
Town Personal Service*	9,609,934	9,725,213	10,295,747	10,480,524
Town Benefits	3,907,680	4,153,667	4,090,747	4,224,185
Town Expenses	3,186,589	3,102,840	3,341,412	3,537,663
Town Capital	117,371	94,300	94,300	94,300
Town Snow & Ice	697,684	641,320	577,649	414,655
Town Offsets	(230,342)	(230,342)	(381,600)	(468,369)
	17,288,916	17,486,998	18,018,255	18,282,958
* Incl. Contingency Reserve				



General Government Services



	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
GENERAL GOVERNMENT				
Selectmen/Town Manager	277,412	287,644	309,382	310,964
ATM/Personnel	118,004	105,295	127,109	129,362
Law	187,880	175,353	192,696	159,793
Finance Committee	1,147	1,313	1,467	2,003
Accounting	263,802	278,393	280,125	311,602
Assessors	264,672	258,185	276,616	278,677
Treasurer/Collector	260,738	270,963	286,247	291,435
Information Systems	320,894	302,080	312,367	322,451
Town Clerk & Registrars	222,348	219,973	244,219	239,473
Conservation	97,480	105,180	108,178	109,912
Planning & Board of Appeals	153,509	156,045	166,452	177,109
Total General Government	2,167,886	2,160,424	2,304,858	2,332,782
Personal Services	1,681,467	1,732,588	1,840,245	1,918,502
Expenses	486,419	427,836	464,613	414,280
Total General Government	2,167,886	2,160,424	2,304,858	2,332,782
Salary	1,654,800	1,698,263	1,804,766	1,880,485
Overtime (excl'd snow & ice)	3,497	4,541	3,088	3,016
Temporary/Seasonal	8,068	13,007	11,297	10,969
Other payroll-related compensation	15,102	16,777	21,094	24,032
	1,681,467	1,732,588	1,840,245	1,918,502

GENERAL GOVERNMENT: Selectmen/Town Manager

MISSION OF THE OFFICE

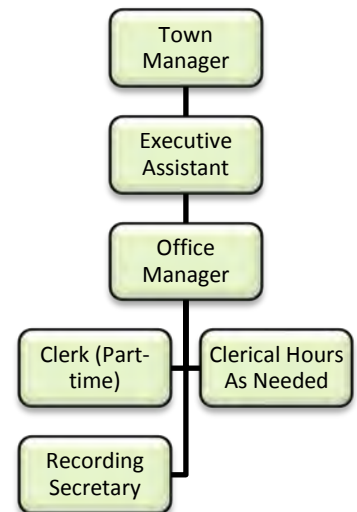
The Board of Selectmen and Town Manager provide executive leadership for the Town of Sudbury. Together, we pursue collaborative processes, ethical, and professional procedures to insure that Town resources are directed to providing the best services possible to protect public safety, public assets and a special quality of life in Sudbury. This office supports the Board and the Town Manager as they work toward this mission.

DESCRIPTION OF SERVICES

The Board of Selectmen is the executive branch of the Town government. The Board consists of three members, each elected for a three-year term. They serve without compensation. The Selectmen act as the primary policy-making body for the Town. They provide oversight for matters in litigation, act as the licensing authority for a wide variety of licenses, conduct site plan reviews, and enact rules and regulations for such matters as traffic control, and serve, along with the Town Treasurer, as Trustees of Town Trusts. The Town Manager is appointed by the Board of Selectmen, and is responsible for the management of all Town departments. The Town Manager is the appointing and contracting authority for all departments except the schools and the health department, and is responsible for overseeing all budgetary, financial and personnel administration activities of the Town. This includes preparing the annual budget, appointing all new staff and setting compensation, formulating and implementing personnel policies, and negotiating all contracts with the Town's union employees. Administrative staff in the office serves as liaison between the public and the Board, handles all telephone calls, visitors and correspondence directed to the office, and maintains all records of Board of Selectmen's meetings and the database of all Boards and Committees appointments and resignations. The office staff prepares the warrants for all annual and special Town Meetings, and coordinates production of the Town's Annual Report. They maintain the Selectmen's section of the Town's web site.

STAFFING (FTE's 3.20)

Staff in the Selectmen/Town Manager's office includes the Town Manager, the Executive Assistant to the Board and Town Manager, an office supervisor, a part-time recording secretary and hours for part-time assistance as needed at peak work times. Additionally, some clerical hours are provided by seniors who earn a reduction in property taxes through the Town's Tax Work-Off Program.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Common Victualler License Receipts	Dollars	1,550	1,250	1,300
Liquor License Receipts	Dollars	51,775	53,325	56,000
Cell Tower Lease Receipts	Dollars	130,307	98,427	103,350

License Application Fees	Dollars	2,214	2,275	2,400
Town Building Rental Receipts	Dollars	15,240	15,220	15,120
Selectmen's Meetings	Count	30	32	30
Town Hall Matters Broadcasts	Count	9	7	5
Special Town Meetings	Count	0	0	1
Departments represented during goal setting	%	100%	100%	100%
Departments met with during budget hearings	Count	25	25	25

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
SELECTMEN/TOWN MANAGER				
Town Manager	139,728	144,459	148,769	148,657
Administration	56,231	59,876	64,171	66,691
Overtime	1,507	1,545	1,500	1,516
Clerical	52,031	55,300	63,757	68,392
Executive Incentive Program	9,693	7,200	7,990	8,000
Non-accountable Travel	4,500	5,000	5,500	5,500
Sick Leave Buy Back	0	257	2,320	1,558
Sub Total: Personal Services	263,690	273,637	294,007	300,314
General Expense	8,474	11,141	13,575	8,850
Equipment Maint	144	154	200	200
Travel	398	162	250	250
Out of State Travel	2,156	0	750	750
Contracted Services	2,550	2,550	600	600
Sub Total: Expenses	13,722	14,007	15,375	10,650
Total: Selectmen	277,412	287,644	309,382	310,964

BUDGET ISSUES

Personal Services - The FY11 Budget is increasing by \$6,307, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including all employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Two employees in this department will receive a step increase in FY11.

Expenses - The FY11 Budget is decreasing by \$4,725, compared to the FY10 budget. As in FY10, the Town will be limited in the regional purchase and performance groups we can belong to, since membership usually requires a fee. One membership we have dropped is the Stormwater Community Assistance Program, through which the Town had been meeting its Stormwater Permit Public Education requirement. The Environmental Protection Agency (EPA) has begun to levy serious fines on municipalities who do not

adequately meet their storm water permit requirements. So as in-house staff begins picking up this work, we lose the economies of scale achieved from joining other towns in complying with these regulations. The office will also be severely limited in acquiring office supplies, such as paper, toners for printers and copiers, etc. Professional development opportunities will continue to be severely curtailed for this office's staff, as well as for other departments whose travel to educational events is often covered under this budget.

GENERAL GOVERNMENT: Assistant Town Manager/Human Resources Director

MISSION OF THE OFFICE

To ensure the most effective administration of Town government by employing human resources practices and policies that promote and sustain a high performance Town organization through hiring, developing and retaining high caliber employees.

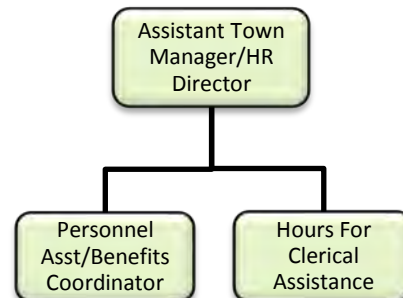
DESCRIPTION OF SERVICES

The Assistant Town Manager/Human Resources Director is responsible for personnel, risk and benefit management for over 700 employees and 200 retirees of the Town and the Sudbury Public Schools. Specific responsibilities include:

- Compliance with Labor Laws & Regulations
- Personnel Policies and Procedures
- Classification and Compensation Plans
- Personnel Records and Data
- Employee Insurance Benefits
- Management of Self-Insured Group Health Insurance Program
- Workers' Compensation Administration
- Property and Liability Insurance Administration
- Collective Bargaining
- Recruitment and Hiring
- Training
- Performance Evaluation Programs
- Supervisor Support
- Employee Relations and Communications
- Employee Recognition

STAFFING (FTE's 1.90)

Staffing consists of the Assistant Town Manager and part-time Personnel Assistant/Benefits Coordinator. In addition, a small amount is allocated for limited hours of clerical assistance as needed.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Personnel Action Forms Processed	Count	356	302	300
Employment Applications received	Count	140	83	100
Positions Filled	Count	32	27	25
Average applications per vacancy	Count	11	8	15
Employees covered by Town Health Insurance	Count	471	476	480
Retirees covered by Town Health Insurance	Count	284	287	290
Town Newsletters	Count	12	4	4
Benefits fairs, meetings	Count	4	7	4
Meet with all departments that are hiring employees	%	100%	100%	100%
Town collective bargaining agreements open/settled during fiscal year	Count	3/3	4/2	3/1
Town collective bargaining in arbitration	Count	0	0	0

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
ASSIST. TOWN MGR./HUMAN RESOURCES				
Human Resources Director	93,359	67,828	94,963	100,759
Benefits Coordinator		20,358	22,722	21,360
Personnel Salaries	17,981	0	0	0
Clerical	3,837	14,994	4,524	3,093
Sub Total: Personal Services	115,177	103,180	122,209	125,212
General Expense	905	651	2,000	1,750
Travel	296	326	400	400
Contracted Services	1,172	600	2,000	1,250
Employee Profess. Develop.	454	538	500	750
Sub Total: Expenses	2,827	2,115	4,900	4,150
Total: ATM/HR	118,004	105,295	127,109	129,362

BUDGET ISSUES

Personal Services – The FY11 budget is increasing by \$3,003, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including all employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11.

Expenses - The FY11 budget is decreasing by \$750, compared to the FY10 budget. As In FY10, this office will continue to have a very austere level of expense for recruiting, training, and evaluation of employees. The minimal amount for professional development included here seriously undermines not only our commitment to ongoing training for our supervisory staff and our employees, but also the Selectmen's ongoing value of protecting and enhancing the professionalism of the town's staff.

GENERAL GOVERNMENT: Law

MISSION OF THE OFFICE

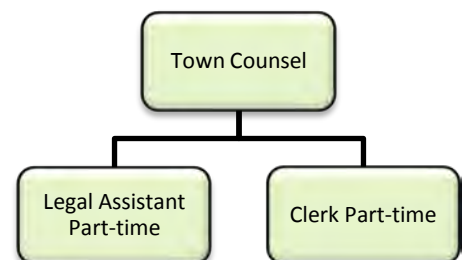
To support the Board of Selectmen, the Town Manager and the Town's departments and committees by providing legal advice and activities which sustain a Town organization that always acts ethically and professionally and avoids unnecessary and costly consequences.

DESCRIPTION OF SERVICES

The Town Counsel's office performs an intermediary function by providing legal opinions upon request from Town Departments. These requests involve issues such as conflicts of interest, interpretation and understanding of various rules, regulations, procedures, and state law and statutes in connection with Town programs and projects. The Town Counsel's office also provides legal review and drafting services for town acts, articles and bylaws, contracts and lease agreements, as well as the preparation of documents and filing, and representing the Town in all court actions and Appellate Tax Board matters. Additionally, Town Counsel is involved in land acquisition matters including negotiation and document drafting.

STAFFING (FTE's 1.30)

Personnel under this budget includes a Town Counsel, who is a contracted employee to the Town, a part-time legal assistant and one part-time clerk, who are employees of the Town, and job-share this position, neither requiring benefits. The Town Counsel is appointed by the Board of Selectmen, but supervised by the Town Manager. The Town Manager appoints other office staff.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Town legal expenses including labor relations counsel	Dollars	\$97,443	\$77,913	\$74,907
Departments & Committees given legal opinions or assistance	Count	20	20	20
Land, Property acquisitions	Count	1	1	unknown
Review contracts for TM signature	%	100%	100%	100%
Article drafts and/or review	%	100%	100%	100%
Labor Relations collective bargaining matters	CB Units	4	4	4

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
LAW				
Town Counsel	41,417	42,452	42,452	43,829
Clerical	32,321	31,053	38,480	40,827
Sub Total: Personal Services	73,738	73,505	80,932	84,656
General Expense	5,636	4,405	5,865	5,230
Legal Expense	108,506	97,443	105,899	69,907
Sub Total: Expenses	114,142	101,848	111,764	75,137
Total: Law	187,880	175,353	192,696	159,793

BUDGET ISSUES

The Board of Selectmen relies on reserve fund transfers to supplement this budget if any costly legal matters within the year exceed this department's appropriation. It is difficult to anticipate litigation and appellate tax board matters. Litigation to defend the decisions of the various Town boards can be expensive and difficult to predict. Also included in this budget is the cost for specialized labor counsel. Collective bargaining, which is a time consuming process involves detailed knowledge of labor law at both the federal and state level.

Personal Services - The FY11 budget is increasing by \$3,724, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget.

Expenses - The FY11 budget is decreasing significantly by \$36,627, compared to the FY10 budget. The decrease from FY10 legal expense reflects expected costs for litigation and particularly for collective bargaining during FY11. Should circumstances change, this department may request additional funds from the Town's reserve fund.

GENERAL GOVERNMENT: Finance Department – Finance Committee

MISSION OF THE COMMITTEE

The Mission of the Finance Committee is to advise Town Meeting on all budgetary and financial matters that come before Town Meeting, and to consider requests from the Town Manager for allocations from the Reserve Fund.

DESCRIPTION OF SERVICES

The Finance Committee (FinCom) is comprised of nine members appointed by the Town Moderator. Approximately nine months before the April Annual Town Meeting, the FinCom issues guidelines for development of the operating budget requests from the various cost centers, based upon revenue expectations and information needs of the FinCom. During the year,

members of the FinCom serve as liaisons to the cost centers and attend monthly planning meetings with them. During January and early February of each year, the FinCom conducts detailed budget hearings, leading to a recommended budget that is balanced within the limits of Proposition 2½. The Finance Committee may also recommend a budget that exceeds these limits, requiring a Proposition 2½ override question be placed on a ballot at the annual or a special election if approved by the Board of Selectmen and Town Meeting

STAFFING (FTE's .20)

The only Town staff for this committee is a part-time recording secretary.

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Public hearings/meetings held	Count	19	19	19
New member selections	Count	2	3	2
Cost centers and committees met with during budget cycle	Count	7	7	7
Budget hearings held	Count	7	7	7
Monied articles at Town Meeting requiring FinCom position	Count	20	15	15

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
FINANCE COMMITTEE				
Clerical	1,136	1,196	1,230	1,763
Sub Total: Personal Services	1,136	1,196	1,230	1,763
General Expense	11	117	237	240
Sub Total: Expenses	11	117	237	240
Total: Finance Committee	1,147	1,313	1,467	2,003

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$533, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. Finance Department staff heavily support FinCom activities particularly relating to the budget and Town Warrant publications.

Expenses - The FY11 budget is increasing by \$3, compared to the FY10 budget. General expense in this department consists of office supplies used to publish and distribute budget materials.

GENERAL GOVERNMENT: Finance Department – Accounting

MISSION OF THE OFFICE

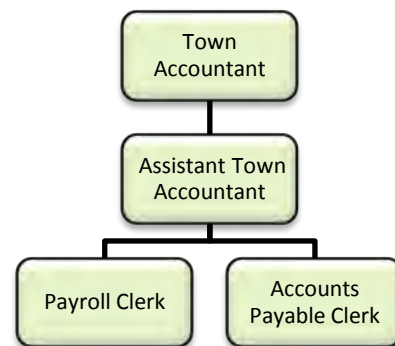
The Mission of the Town Accountant's Office is to protect the Town's financial interests and ensure that Town resources are expended and received according to local bylaws, General Laws of the Commonwealth and sound accounting practices. Charged with maintaining and examining all financial records, the Accounting Office provides Town officials and the public accurate information to facilitate the effective management of the Town.

DESCRIPTION OF SERVICES

The Town Accountant's Office maintains all the financial records for the Town. Payroll for all Town and school employees and accounts payable for all departments are processed through this office. As mandated by law, the Town Accountant examines and approves all financial transactions verifying compliance with all local and state laws. The office maintains the Town's general ledger, and monitors all budgets and provides a monthly budget statement to all departments and boards. It is also responsible for managing the Town's annual audit process and for filing of a myriad reports with the Department of Revenue and various governmental agencies.

STAFFING (FTE's 4.0)

The Accounting division of the Finance Department consists of the Town Accountant, the Assistant Town Accountant and two clerical positions. Additionally, a senior who is earning a reduction in property taxes through the Town's Tax Work-Off Program provides some clerical hours.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Accrual Records Created	Count	102	100	100
Fixed Asset Records (Incl. Infrastructure)	Count	42	40	40
Invoices Paid	Count	18,394	18,500	18,500
Payroll & Direct Deposits Processed	Count	17,842	17,850	17,850
W-2's & 1099's Processed	Count	1,200	1,200	1,200
Total General Fund Dollars Expended	Dollars	75,001,460	75,000,000	75,000,000
Public information requests within Statutory requirements	%	100%	100%	100%
DOR/DLS reporting within deadlines and completeness	%	100%	100%	100%
MUNIS upgrades & new modules	Count	2	2	2
Late payrolls or accounts payable warrants	Count	0	0	0
Budget transfer requests processed	Count	19	25	25
Journal entries processed	Count	503	500	500

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
ACCOUNTING				
Town Accountant	68,413	72,827	78,031	81,032
Salaries	123,986	123,563	130,990	140,026
Sick Leave Buy Back	1,557	1,658	2,014	3,095
Overtime	983	1,201	0	0
Sub Total: Personal Services	194,939	199,249	211,035	224,153
General Expense	6,025	5,065	1,650	4,775
Computer	21,030	29,739	29,215	32,028
Equipment Maint	1,439	696	225	1,496
Travel	369	644	0	650
Contracted Services	40,000	43,000	38,000	48,500
Sub Total: Expenses	68,863	79,144	69,090	87,449
Total: Accounting	263,802	278,393	280,125	311,602

BUDGET ISSUES

This office provides accounting and payroll services for both the Sudbury Public Schools (SP) and all Town departments. By volume of payroll and vouchers processed, tax filings, retirement activity, remittances, vendor maintenance, and so on, the larger percentage of activities of this office is attributable to supporting Sudbury Public Schools.

Personal Services - The FY11 Budget is increasing by \$13,118, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including all employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Most employees in this department will receive a step increase in FY11.

Expenses - The FY11 Budget is increasing by \$18,359, compared to the FY10 budget. The contracted services line has been increased to cover the cost of the Town's annual audit. General expense has been increased to accommodate an adequate supply of consumables such as check stock, envelopes and print toners used to carry out this department's mission. The travel line for this department has been restored for travel and accommodations for annual certification classes for both the Town Accountant and Assistant Town Accountant. This line item was eliminated in FY10 due to budgetary constraints. However, this budget seeks to restore this valuable continuing education opportunity for mandated personnel.

GENERAL GOVERNMENT: Finance Department – Assessors

MISSION OF THE OFFICE

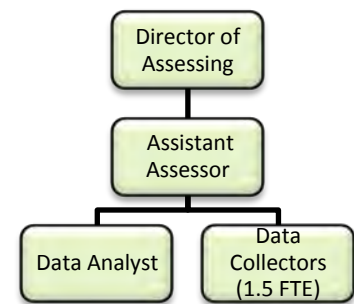
To ensure an equitable share of the tax burden to all taxable real and personal property entities, by regular review and analysis.

DESCRIPTION OF SERVICES

The Assessor's Office is responsible for the valuation and assessment of property taxes. To accomplish this, all real and personal property is re-valued annually. The valuations are used to fairly allocate the taxes necessary to fund the Town's annual budget. Additionally, this office is responsible for calculating the annual new growth and other factors to determine the Town's tax levy limit. The Assessors' set the annual tax levy and rate(s) for the year, prepare the annual tax rolls, and administer the State's (RMV) Motor Vehicle Excise tax program. This office is also responsible for administering the tax exemption/deferral program and act on all abatement and exemption applications, including those administered within the Community Preservation Act Surcharge program. The Assessing Department interacts constantly with the public, and provides a variety of data to numerous Town Departments, committees and State agencies.

STAFFING (FTE's 4.60)

The personnel in this office include the Director of Assessing, an Assistant Assessor, one full-time data analyst, one full-time and one part-time data collector. The Town Manager appoints all staff.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Real & Personal Property values maintained	Count	6,918	6,942	6,965
Property re-inspections completed	Count	378	558	716
Permits, valued, measured and listed	Count	350	444	561
Excise committed and maintained	Count	17,726	18,233	18,700
All Exemptions & Deferrals Processed	Count	534	573	630
DOR required Revaluation Performed	Type	Interim all property types	Triennial certification all property types	Interim all property types
DOR/DLS/BOA reporting within required deadlines and completeness	%	100%	100%	100%
Tax rate certification approved by DLS	Date	12/17/2008	1/27/2010	12/15/2010

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
ASSESSORS				
Assessor	77,914	82,606	83,872	86,741
Clerical	153,730	159,971	166,138	169,519
Stipend	1,000	1,000	1,000	1,000
Sick Buy Back	1,217	1,818	3,115	3,418
Sub Total: Personal Services	233,861	245,395	254,125	260,678
General Expense	8,455	7,590	5,137	4,999
Contracted Services	21,356	5,200	17,354	13,000
Sub Total: Expenses	30,811	12,790	22,491	17,999
Total: Assessors	264,672	258,185	276,616	278,677

BUDGET ISSUES

The town depends heavily on property taxes for our primary source of revenue. Therefore, this is a mission critical office. The budget for this office is for the staff, materials and contracts needed to perform their mission. General expense for this department consists primarily recording fees for documents at the Middlesex Registry of Deeds and costs associated with property inspections. Also included in this line item are office supplies such as toner and other consumables as well as membership and attendance fees for various meetings of state assessing organizations.

Personal Services – The FY11 budget is increasing by \$6,553, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Some employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$4,492, compared to the FY10 budget. The decrease in general expense reduces purchasing power for supplies. The department will also have less to spend on contracted services for special assessment activities and appellate board cases.

GENERAL GOVERNMENT: Finance Department – Treasurer/Collector

MISSION OF THE OFFICE

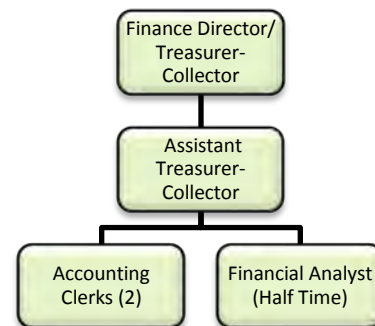
To provide collection, deposit, investment and financial reporting for all funds due to the Town in an efficient and effective manner. To provide all financial custodial services for the Town in compliance with all State and local regulations, in a manner that that best meets the needs of the individual taxpayer and the community, as a whole.

DESCRIPTION OF SERVICES

The Treasurer/Collector office issues over 20,000 new bills each fiscal year, including real estate and personal property taxes (quarterly), and motor vehicle excise tax (annually). The office pursues timely collection of all bills and maintains a collection rate of nearly 99% of all property tax bills. The Treasurer/Collector establishes and maintains Tax Title accounts on all delinquent tax accounts. In the area of Treasury management, the Treasurer's office is responsible for the receipt, investment and disbursement of all Town funds. Staff manages all Town bank accounts, conducts both short term and long term borrowing for the Town and invests all available funds to produce investment income. The Treasurer, along with the Board of Selectmen, is a Trustee of Town Trusts, and invests and reports on all Trust Fund Activities. The department also provides notary and passport agency services for the public.

STAFFING (FTE's 4.60)

The personnel in this department includes the Finance Director/Treasurer-Collector, the Assistant Treasurer-Collector, 2 full-time clerks and a half time Financial Analyst position. Additionally, some clerical hours are provided by a senior who is earning a reduction in property taxes through the Town's Tax Work-Off Program.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Collections Activities				
Average elapse time to tax title	Months	<3	<3	<3
Delinquent tax balance over \$10K	Parcels	10	15	20
Tax title bills issued	Parcels	75	100	125
Percent of real estate tax levy collected	%	99%	99%	99%
Municipal Lien Certificate processing	Days	<1	<1	<1
Municipal Lien Certificates processed	Count	800	825	850
Land auction proceeds	Dollars	\$0	\$0	\$0
Subscribers to Tax email listserver	Count	570	880	1,000
Foreclosures/Auctioned Property	Count	1	3	4
Treasury Activities				
Revenues processed	Dollars	\$88M	\$91M	\$93M
Department Revenue Turn-In's processed	Count	1,300	1,350	1,350
Annual hits Treasurer-Collector WebPages	Count	34,127	40,134	45,000

DOR/DLS reporting within required deadlines and completeness	%	100%	100%	100%
Monthly reconciliation of all cash & investments, days after month-end	Time	2 weeks	2 weeks	2 weeks
Passport Activities				
Applications processed	Count	436	500	550
Revenues Generated	Value	\$11,646	\$16,085	\$18,000
Budget/Finance Activities				
Bond Credit Rating (S&P)	Value	AAA	AAA	AAA
Bond issues/Official Statements Prepared	Count	2	2	1
Complete Town Budget to Selectmen	Date	12/12/2008	12/11/2009	1/15/2010

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
TREASURER/COLLECTOR				
Fin. Director/Treas.-Collector	87,080	92,743	98,661	103,242
Clerical	122,553	132,900	139,149	152,908
Stipends	2,500	2,500	2,500	2,500
Sub Total: Personal Services	212,133	228,143	240,310	258,650
General Expense	11,916	9,743	21,652	8,000
Equipment Maint	14,551	2,020	1,500	1,840
Travel	623	1,045	985	1,045
Tax Collection	21,515	22,018	20,000	18,900
Tax Title Expense	0	7,994	1,800	3,000
Sub Total: Expenses	48,605	42,820	45,937	32,785
Total: Treasurer-Collector	260,738	270,963	286,247	291,435

BUDGET ISSUES

This is a mission critical office, as are all the offices in the Finance Department. The budget for this office is for the staff, materials and contracts needed to perform their mission. Tax collection expense consists of bill processing costs, document-recording fees at the Registry of Deeds, advertising and other collection costs. General expense for this department consists primarily of office supplies, banking and other service fees. Mandated personnel in this department also maintain memberships and attend meetings of state collection and treasury management organizations.

Personal Services - The FY11 budget is increasing by \$18,340, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including the employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of

health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Three employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$13,152, compared to the FY10 budget. This budget may not be sufficient to maintain operations. This department required transfers from other areas in FY10 to cover normal tax billing and collection costs. Tax title expense has been increased from FY10 to reflect similar activities in this area, as conducted in prior years. Tax title expense includes legal services and other collection costs relating to pending and ongoing foreclosure cases. Cutting back in this area decreases our ability to collect on seriously delinquent accounts.

GENERAL GOVERNMENT: Finance Department – Information Systems

MISSION OF THE OFFICE

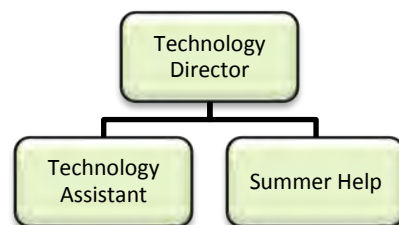
The mission of the Information Systems Office is to increase productivity by streamlining the flow of information through the Town's internal and external network, website and document stores, and provide technical support and training to all Town offices.

DESCRIPTION OF SERVICES

The information systems division of the Finance Department is responsible for administering and maintaining the Town's network infrastructure, which includes all network and wireless connectivity, users, servers, computers, software, backup, data stores and security. The IT Department manages the Town's Website as well as Telecommunications, including all telephone systems, email, cellular technology, fax operations, pagers and cable television. The IT Department also provides all computer training, software support, system maintenance and repairs. The department is also responsible for GIS administration and the overall management of the Town's electronic documents, providing the capability to archive documents securely while offering efficient access when needed.

STAFFING (FTE's 2.0)

Staff in the Information Systems Office includes the Technology Director, Technology Assistant with some summer help and a consultant to work on the Town's website. Additionally, a senior who is earning a reduction in property taxes through the Town's Tax Work-Off Program provides some clerical hours.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Staff Computers	Count	232	229	230
Computer User Accounts	Count	256	253	255
Email Accounts / Email Distribution Groups	Count	2416/128	2577/130	2575/132
New Staff Computer Setups - Town	Count	21	20	20

VPN Users	Count	39	39	39
Total Website Hits Per Year	Count	6,715,738	8,046,598	9,000,000

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
INFORMATION SYSTEMS				
Technology Administrator	80,658	85,538	87,218	89,839
Non-clerical	58,309	59,771	61,175	63,050
GIS Administrator	0	0	0	0
Sick Leave Buy Back	1,814	1,932	1,981	1,996
Summer Help	8,068	13,007	11,297	10,969
Sub Total: Personal Services	148,849	160,248	161,671	165,854
General Expense	5,688	3,437	5,000	4,497
Software	58,339	38,875	45,845	45,000
Equipment Maint	7,808	11,541	8,600	8,000
Travel	94	649	486	400
Contracted Services	27,297	24,707	24,600	29,600
Equipment	41,985	379	35,994	40,900
Professional Development	2,304	40,505	4,000	3,700
WAN/Telephone Connections	15,930	11,740	11,500	10,500
Network	9,262	3,471	5,000	5,000
Internet	3,338	6,529	9,671	9,000
Sub Total: Expenses	172,045	141,832	150,696	156,597
Total: Information Systems	320,894	302,080	312,367	322,451

BUDGET ISSUES

This is a mission critical office, as are all the offices in the Finance Department. The cuts made in this budget in FY09 and FY10 have substantially affected the department's ability to replace failing or obsolete computer desktop inventory and network servers. A half time GIS Administrator approved for FY08 was never filled due to subsequent financial constraints. In FY09, this position was eliminated from the Town's budget. Progress continues with vital GIS initiatives without the aid of a GIS Administrator. However, it places a growing burden on existing staff to accomplish this department's many other duties, most of which are critical to continued operation of all other Town departments.

Personal Services - The FY11 budget is increasing by \$4,183, compared to the FY10 budget. This department struggles under an increasing workload and continues to request clerical support to lessen the burden. However, this budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including the remaining employee of this office, received a 3% wage adjustment effective October 1,

2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. This employee will receive a step increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11.

Expenses - The FY11 budget is increasing by \$5,901, compared to the FY10 budget. This includes a modest increase for computer equipment. The cuts made here since FY09 have drastically limited the department's ability to replace the Town's failing or obsolete desktop inventory and network servers. Currently the oldest computers and servers in use are 10 years old. The budget inadequately funds efforts to maintain and expand GIS.

GENERAL GOVERNMENT: Town Clerk, Registrars and Document Preservation

MISSION OF THE OFFICE

The Town Clerk's office serves as a central information center for the Town by collecting, maintaining and disseminating public records; providing a direct link between the residents of Sudbury and their local government. The mission of this office is to preserve and protect the Town records, including vital records, and to conduct fair and impartial elections for registered voters, in accordance with Massachusetts General Laws, and rendering equal service to all. The office strives to serve the public and all Town departments by being versatile, alert, accurate and patient, thereby meriting public confidence.

DESCRIPTION OF SERVICES

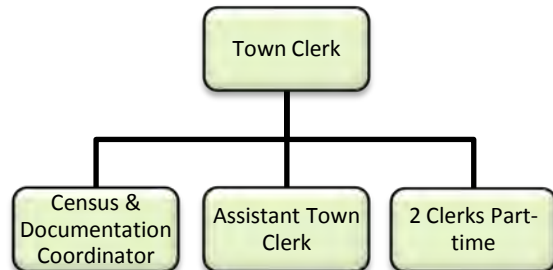
The Town Clerk is the official keeper of the Town Seal and the Town's Oath Book. The Town Clerk oversees and ensures statutory and by-law required functions are performed correctly and efficiently. In conjunction with the Board of Selectmen's Administrative Assistant, Town Moderator and Town Counsel, the Town Clerk insures well run Town Meetings and submits general and zoning bylaw amendments at the close of Town Meeting to the Attorney General for approval.

Other duties include the following:

- Records and certifies all official actions of the Town, including Town Meeting legislation and appropriations, Planning, Zoning Board and Board of Appeals decisions and signs all notes for borrowing.
- Chief election official, overseeing polling places, election officers, and the general conduct of all elections.
- Administers campaign finance laws, certifies nomination papers and initiative petitions and serves on the local Board of Registrars.
- Conducts the annual Town census and prepares the street list of residents.
- Custodian of Town records and official documents, responsible for the maintenance, preservation, public inspection of and disposition of Town records.
- Administers dog-licensing program and provides notary services to the public.

STAFFING (FTE's 4.20)

Staffing includes a Town Clerk, an Assistant Town Clerk, one full-time Census and Documentation Coordinator, and two part-time clerical positions. The Town Clerk, along with the Board of Registrars, oversees all elections held in Sudbury, and her office includes the salaries for part-time poll workers and police details associated with elections. Office staff completes the work of the Committee for the Preservation of Town Documents.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Certified Vital Records and Burial Permits	Count	1,117	995	1,000
Business Certificates Issued	Count	139	147	150
Yearly Census Generated & Mailed	Count	6,325	6,293	6,300
Returned and Processed	%	96.8%	96.9%	97%
Number of New Registered Voters	Count	898	582	600
Current Voters	Count	11,824	11,893	11,900
Official Population	Count	17,977	18,015	18,050
Registered Dogs	Count	2,203	2,147	2,150
Number of Absentee Ballot Applications	Count	1,730	1,128	850

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
TOWN CLERK & REGISTRARS				
Town Clerk	54,487	58,905	61,196	65,489
Overtime	1,007	1,795	1,588	1,500
Clerical	121,461	119,896	132,699	129,777
Election Workers	15,810	12,731	8,668	16,000
Registrars	882	882	956	932
Sub Total: Personal Services	193,647	194,209	205,107	213,698
General Expense	12,354	9,881	13,546	11,550
Equipment Maint	0	0	875	875
Travel	932	653	850	850
Tuition	2,193	858	1,500	500
Elections	12,738	14,372	22,341	12,000
Equipment	484	0	0	
Sub Total: Expenses	28,701	25,764	39,112	25,775
Total: Town Clerk & Registrars	222,348	219,973	244,219	239,473

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$8,591, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including the remaining employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Several employees of this department will receive a step increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11.

Expenses - The FY11 budget is decreasing by \$13,337, compared to the FY10 budget. The largest decrease is due to fewer elections expected for FY11. This level of budget still does not allow for adequate investment in archival storage materials or other tasks that preserve the Towns' vital records. General expense provides for only a minimal amount of microfilming of permanent records.

GENERAL GOVERNMENT: Conservation

MISSION OF THE OFFICE

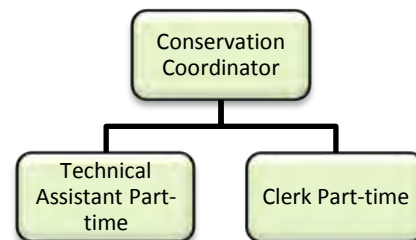
The Sudbury Conservation Commission was established in 1962 to protect local natural resources and features and to act as stewards of the Town's conservation properties. The Conservation Commission's primary mission is to protect the ecological integrity of Sudbury's wetlands and the surrounding landscape.

DESCRIPTION OF SERVICES

The Commission is responsible for implementing and enforcing the Massachusetts Wetlands Protection Act and the Sudbury Wetlands Administration Bylaw. The Conservation Commission manages the Town's eleven major conservation lands for public enjoyment. These properties and the Sudbury River offer many opportunities for outdoor recreation. One major goal is to increase public awareness and appreciation of the many ways in which our local plants, wildlife, and natural landscape add to the quality of life in our community. As part of educational efforts, the Conservation Commission leads public walks, speaks to elementary school science classes, and teaches field workshops for local scout groups. The Conservation Coordinator is responsible for preparing the Open Space and Recreation Plan for the Town, which enables the Town to receive state reimbursement for land acquisition projects, and assists in review and negotiations for new land purchases.

STAFFING (FTE's 2.0)

Current staffing includes a full-time Conservation Coordinator, a part-time clerical position, and a part-time Technical Assistant shared with the Board of Health.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Permit Applications	Count	55	55	30
Permit Hearings Held	Count	66	75	65
Site Inspections/Call Responses performed	Count		240	240
Wetland Violations Actions	Count	15	20	30

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
CONSERVATION				
Conservation Coordinator	67,133	70,658	72,607	74,994
Non Clerical	13,533	18,117	19,475	20,206
Clerical	11,625	10,776	10,892	11,453
Sick Leave Buy Back	1,514	1,612	1,664	1,707
Sub Total: Personal Services	93,805	101,163	104,638	108,360
General Expense	1,739	2,631	400	150
Clothing	340	458	450	450
Trail Equipment Maint	636	0	2,090	711
Travel	960	928	600	241
Sub Total: Expenses	3,675	4,017	3,540	1,552
Total: Conservation	97,480	105,180	108,178	109,912

BUDGET ISSUES

Besides personnel costs, this office has very limited expenses. General expense primarily consists of required membership and training provided by state conservation organizations, for both Commissioners and staff. Travel expense consists of reimbursements to staff for using their own vehicles to attend training and when visiting sites in Town for inspection, enforcement, etc. Funds are also budgeted each year to maintain and improve the trails on all conservation land in Town.

Personal Services - The FY11 budget is increasing by \$3,722, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Two employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$1,988, compared to the FY10 budget. This level does not adequately fund for trail maintenance or travel for onsite review. The department will have to rely on grants or other sources of funding or else forego normal levels of activities.

GENERAL GOVERNMENT: Planning and Community Development Department

MISSION OF THE DEPARTMENT

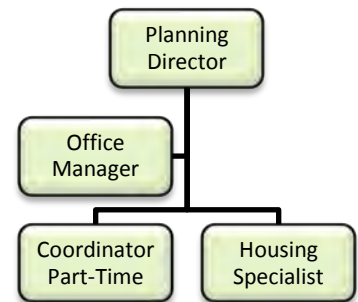
The mission of the department is to provide technical advisory services and coordination of town officials, committees, and commissions on issues involving planning, zoning, land management, development/re-development and affordable housing.

DESCRIPTION OF SERVICES

The department provides staff services on a regular basis, directly to the Planning Board, Zoning Board, Board of Selectmen, Community Preservation Committee, Design Review Board, Sudbury Housing Trust, Historical Commission, and Historic Districts Commission. Staff also provides services for the Conservation Commission and the Board of Health. The department processes and reviews development applications, coordinates land acquisition projects, and communicates Town projects and goals to the public via the website and other media. Additionally, this department assists with budget preparations for the various boards and committees, coordinates data collection and serves as advisors to the Town Manager on all issues relating to land use, planning, zoning and development.

STAFFING (FTE's 2.50)

The personnel in the department include a full-time Director of Planning and Community Development, a part-time Planning and Zoning Coordinator (funded partially with CPA funds), a full-time Community Housing Specialist (funded entirely with CPA funds and Housing Trust revenue) and a part-time office manager.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Subdivision Applications Filed	Count	0	1	3
Subdivision Lots Approved	Count	0	0	0
Senior Development Permit Applications Filed	Count	0	0	0
Senior Development Units Approved	Count	0	0	0
Site Plan Applications Reviewed	Count	4	4	5
Comprehensive Permits Filed	Count	1	2	1
Comprehensive Permit Units Approved	Count	2	16	5
Affordable Housing Units Created	Count	6	4	16
Total ZBA Applications Filed	Count	27	35	40
Tear down applications filed	Count	4	8	10
ZBA Special Permit Renewals	Count	13	15	15
Wireless Communications Applications	Count	1	3	3
Accessory Dwelling Applications	Count	1	4	4
Special Permits for Signs	Count	1	4	4
Other Special permits/variance applications filed	Count	7	10	10
Sign Applications Filed	Count	18	20	25
Number of Committees Served by members of the PCD	Count	13	14	14

Number of CPC Applications Submitted and Reviewed	Count	14	14	10
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	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
PLANNING & COMMUNITY DEVELOPMENT				
Planning Director	86,778	93,064	95,983	100,909
Staff Planner	2,530	0	0	0
Clerical	60,184	58,599	67,998	70,996
Stipend	1,000	1,000	1,000	1,000
Sick Leave Buy Back	0	0	0	2,258
Sub Total: Personal Services	150,492	152,663	164,981	175,163
General Expense	2,530	2,680	1,471	1,121
Professional Development	362	577	0	700
Clothing Allowance	125	125	0	125
Sub Total: Expenses	3,017	3,382	1,471	1,946
Total: Planning	153,509	156,045	166,452	177,109

BUDGET ISSUES

Besides personnel costs, this office has very limited expenses. General expense primarily consists of standard office supplies and advertising costs for public hearings.

Personal Services - The FY11 budget is increasing by \$10,182, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, including all employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Several employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is increasing by \$475, compared to the FY10 budget. Funds have been added back to allow the Director to attend a national conference, which will be held in Boston in FY11. This is an important professional development opportunity, which is available in FY11 without the need for travel expenses.

Public Safety Services



**Sudbury Fire
Headquarters**



**Sudbury Police
Station**

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
PUBLIC SAFETY				
Police	2,583,396	2,626,498	2,715,423	2,756,869
Fire	2,776,170	2,823,482	2,955,908	3,065,135
Building Department	886,606	880,036	946,271	945,553
Total Public Safety	6,246,172	6,330,016	6,617,602	6,767,558
Personal Services	5,158,191	5,214,211	5,424,390	5,539,408
Expenses	970,610	1,021,505	1,098,912	1,133,850
Capital	117,371	94,300	94,300	94,300
Total Public Safety	6,246,172	6,330,016	6,617,602	6,767,558
Salary	4,375,758	4,333,068	4,608,445	4,722,331
Overtime (excl'd snow & ice)	671,596	751,986	662,612	646,976
Temporary/Seasonal				
Other payroll-related compensation	110,837	129,157	153,333	170,101
	5,158,191	5,214,211	5,424,390	5,539,408

PUBLIC SAFETY: Police Department

MISSION OF THE DEPARTMENT

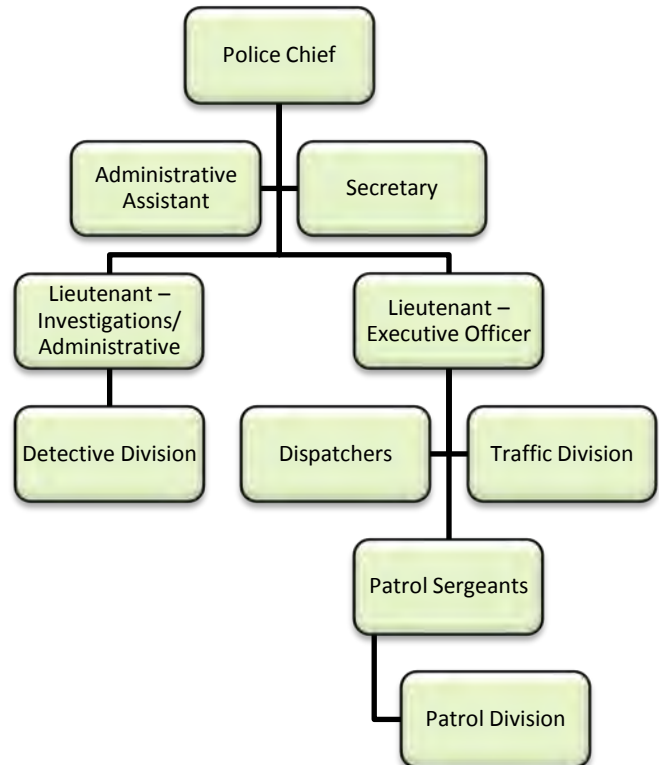
The mission of the Sudbury Police Department is to work with all residents of the community to create a positive partnership emphasizing equality, fairness, integrity and professionalism. Our objective is to provide the most responsive and highest quality police services possible by working in a collaborative proactive manner with the community to identify and solve problems, prevent crime, and apprehend offenders in a manner consistent with established State, and local laws.

DESCRIPTION OF SERVICES

The Sudbury Police Department provides a complete range of public safety and community-based services including criminal investigation, motor vehicle law enforcement, preventive patrol and emergency response. The Department provides crime prevention programs, services to youth, D.A.R.E., and the processing of permits including firearms, door-to-door solicitors', raffles and public assembly.

STAFFING (FTE's 32.92)

The Sudbury Police Department has a sworn staff of 29 personnel (one chief, two lieutenants, five sergeants, and twenty-one patrol officers) plus 4 dispatchers and 2 administrative positions.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Calls for Service	Count	18,385	18,755	19,130
Arrests	Count	181	185	189
Criminal Complaint Applications	Count	476	486	496
911 Calls Received	Count	3,720	3,795	3,871

Alarms	Count	776	792	808
Response to motor vehicle accidents	Count	562	574	586
Medical Aids	Count	793	809	825

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
POLICE				
Police Chief	130,908	133,382	115,678	121,149
Lieutenant	190,829	181,800	214,402	188,862
Patrol Officers	1,369,310	1,417,949	1,508,899	1,524,747
Night Differential	18,231	22,093	20,300	25,760
Overtime	238,022	230,682	209,019	232,900
Clerical	97,518	97,603	90,977	96,511
Dispatchers	161,624	155,685	164,375	174,113
Sick Leave Buy Back	2,038	9,043	9,468	9,714
Holiday Pay	12,569	13,347	14,941	15,329
Non-accountable Clothing	9,974	11,375	11,760	12,180
Stipend	28,995	32,081	33,375	33,375
Sub Total: Personal Service	2,260,018	2,305,040	2,393,194	2,434,640
General Expense	52,465	53,743	49,708	49,708
Maintenance	55,571	62,280	58,580	58,580
Travel	3,170	1,380	3,000	3,000
Uniforms	18,473	19,727	19,180	19,180
Tuition	1,441	5,299	9,000	9,000
Equipment	2,717	8,435	7,500	7,500
Gasoline	72,170	76,294	80,961	80,961
Sub Total: Expenses	206,007	227,158	227,929	227,929
Police Cruisers	117,371	94,300	94,300	94,300
Sub Total: Capital	117,371	94,300	94,300	94,300
Total: Police	2,583,396	2,626,498	2,715,423	2,756,869
OFFSET Dispatch Grant	-	-	-	(25,000)
Net Police	2,583,396	2,626,498	2,715,423	2,731,869

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$41,446, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All Police Union employees received a 3% wage adjustment midyear in FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be

receiving a cost of living adjustment increase in FY11 or FY12. While no employees will receive a cost of living adjustment increase in FY11, several employees in this department will receive a step increase. The overtime budget has been restored in FY11 to better reflect the needs for shift and emergency coverage based on the last two years of actual activities. The Police Chief can now back fill up to 65% of the shifts that will be open due to officers being on vacation or sick leave, and to hold over shifts at times of public safety emergencies, such as blizzards. The Dispatch grant will be used to offset payroll expense.

Expenses - The FY11 budget is increasing by \$0, compared to the FY10 budget. The department will likely have to cut back in various areas in order to maintain purchasing power for those supplies and general expenses considered most vital to sustaining operations in FY11. Timely replacement ensures the vehicles are not spending much time in the repair shop and are available for use, and that unmarked vehicles can continue to be passed down to other departments. The same numbers of vehicles are scheduled to be replaced in FY11 so long as pricing for these specially equipped items remains steady.

PUBLIC SAFETY: Fire Department

MISSION OF THE DEPARTMENT

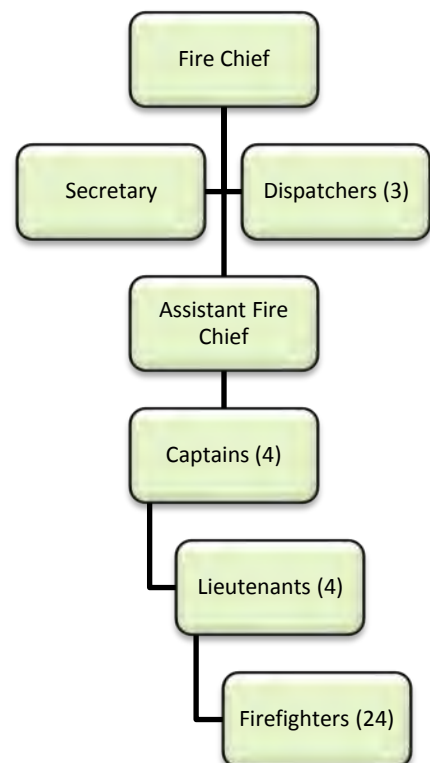
The mission of the Sudbury Fire Department is to protect the lives and property of the community from emergencies involving fire, medical, hazardous materials, and environmental causes.

DESCRIPTION OF SERVICES

The Fire Department is responsible for fire prevention/education, fire suppression, ambulance and emergency medical services, as well as fire inspections, disaster preparedness and mitigation.

STAFFING (FTE's 41.65)

Currently the Department consists of 1 Chief, 1 Assistant Chief, 4 Captains, 4 Lieutenants and 24 firefighters, as well as 3 civilian dispatchers and a 3/4 secretary. The Captains, Lieutenants and firefighters are organized into four groups, with each group comprising one Captain, 1 Lieutenant and 6 firefighters. Thirty-five personnel are certified Emergency Medical Technicians.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Calls for Assistance	Count	1,983	2,026	2,071
Structure Fires	Count	13	10	10
Calls for Ambulance	Count	1,063	1,106	1,151
Permits Issued	Count	494	500	500
Burning Permits	Count	900	950	1,000

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
FIRE				
Fire Chief	109,736	116,861	126,952	132,903
Deputy Chief	87,972	94,399	104,022	106,771
Firefighters/EMTs	1,753,851	1,655,324	1,773,814	1,852,822
Overtime	433,574	521,304	448,593	409,076
Weekend Differential	0	0	0	5,220
Clerical	33,454	34,446	35,827	38,442
Dispatchers	103,839	108,956	109,743	114,081
Non-accountable Clothing	23,013	22,713	25,654	28,300
Sick Buy Back	3,644	6,147	7,721	7,199
Fire Stipends	11,038	10,936	28,670	31,522
Sub Total: Personal Service	2,560,121	2,571,086	2,660,996	2,726,336
General Expense	30,325	34,308	42,139	42,687
Maintenance	50,652	54,606	63,000	63,771
Alarm Maint.	2,626	2,513	3,000	3,000
Travel	1,955	1,298	2,130	2,130
Utilities	44,424	45,878	52,770	52,770
Uniforms	10,682	3,014	18,800	19,020
Tuition	7,248	4,508	10,000	10,000
Contracted Services	26,176	38,371	49,714	84,817
Equipment	16,938	29,216	28,750	28,750
Gasoline/Diesel Fuel	25,023	38,684	24,609	31,854
Sub Total: Expenses	216,049	252,396	294,912	338,799
Total: Fire	2,776,170	2,823,482	2,955,908	3,065,135
OFFSET Ambulance Fund	(230,342)	(230,342)	(381,600)	(429,089)
Net Fire	2,545,828	2,593,140	2,574,308	2,636,046

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$65,340, compared to the FY10 budget. All Fire Union employees received a 2% wage adjustment midyear in FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. While no employees will receive a cost of living adjustment increase in FY11, several employees in this department will receive a step increase. The overtime budget has been increased in FY11 to better reflect the needs for shift and emergency coverage based on the last two years of actual activities. Weekend differential will be recorded separately starting in FY11. However, this is not a new payroll item.

Expenses - The FY11 budget is increasing by \$43,887, compared to the FY10 budget. The primary reason for this is that the Fire Department has begun, through a contracted service, billing for Advanced Life Support (ALS), (also known as paramedic) services. Previously, this service was provided for free by Emerson Hospital, but Emerson decided to cease providing this service for free, and surrounding towns in response developed alternative methods of providing this service, but also had to begin charging higher fees to cover this. Sudbury has always billed for the Basic Life Support services provided by our ambulance/emergency medical responses, and used the specialized billing service for this. Thus, contracted services line item continues to grow along with increased activities and in correlation with private industry standards, as a percentage of revenue. The net revenue generated by this service provides for a historically larger Ambulance Reserved for Appropriation Fund offset against our budget. Gasoline has also been increased to reflect expected use in FY11.

Ambulance Services Offset - The FY11 budget is increasing by \$42,789, compared to the FY10 budget. This line item will be used to offset payroll and general expenses relating to the Town's ambulance services.

PUBLIC SAFETY: Building Department

MISSION OF THE DEPARTMENT

The mission of the Building Department is to contribute to the protection of the public through the enforcement of building codes and zoning bylaws. The Building Department is also responsible for keeping many Town Buildings safe, clean, healthy and energy-efficient for use by the public and Town employees.

DESCRIPTION OF SERVICES

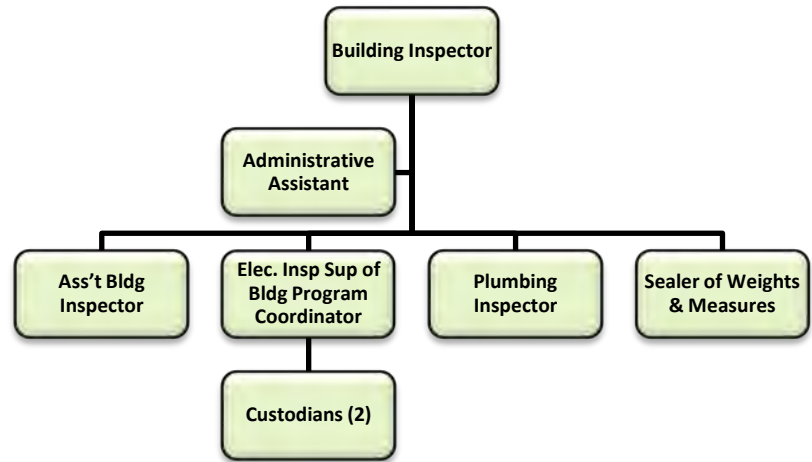
The Building Department staff enforces State building, electrical, plumbing, gas and mechanical codes, as well as local zoning by-laws and Architectural Access Board Regulations. The Commonwealth of Massachusetts, including enforcement and implementation of the State building code, the State-zoning act, the State gas and plumbing codes, and the State architectural access code, mandates many of the functions of the Department. Additional local codes and standards must also be enforced. Staff issue permits, inspect construction sites, conduct periodic safety inspections of restaurants, schools, religious institutions, and other places of assembly, and levy fines or prosecute

when necessary to obtain code compliance. This office processes more than 2,000 permits a year.

The Building Maintenance function of this department plans and budgets for the energy needs of Town buildings, secures contracted cleaning services and performs preventative maintenance and minor repairs on Town Buildings. Staff maintains the exterior walkways, including leaf pick up, snow removal, and sanding of these buildings as well. Additionally this department maintains three residential structures owned by the Town: the Haynes Meadow House, the Carding Mill House, and the Frost Farmhouse. Finally, they are responsible for daily distribution of U.S. mail and interoffice mail to all departments and the processing of outgoing mail.

STAFFING (FTE's 6.40)

This office consists of the Building Inspector, an Assistant Building Inspector, and an Electrical Inspector/Supervisor of Buildings, a Plumbing Inspector (part-time), 2 custodians, and an administrative assistant.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
New Residents Permits	Count	11	17	20
New Residents Permits (value)	Dollars	4,743,000	5,562,000	7,852,000
Tear down and Reconstructions	Count	12	8	11
Tear down and Reconstructions (value)	Dollars	\$4,576,200	1,875,800	3,906,600
Non-Residential Permits	Count	61	41	28
Non-Residential Permits (value)	Dollars	\$6,974,284	3,057,300	2,188,000
Additions/Renovations	Count	271	272	280
Additions/Renovations (values)	Dollars	\$11,247,671	8,230,500	8,290,500
Misc. Permits (wood stoves, roofs, siding, windows, pools, sheds, tents)	Count	248	238	250
Building Inspections	Count	1,355	1217	1,400
Electrical Inspections	Count	835	722	900
Plumbing & Gas Inspections	Count	724	746	850

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
BUILDING INSPECTION				
Building Inspector	77,087	81,738	83,340	85,438
Supv. of Town Bldgs.	59,767	63,358	64,384	66,673
Asst. Bldg Inspector	49,850	48,564	55,151	59,166
Clerical	45,771	38,289	55,403	50,544
Deputy Inspector	544	1,958	2,500	2,500
Zoning Enforce. Field Agent	3,000	0	0	0
Overtime	0	0	5,000	5,000
Sealer of Weights	2,150	2,150	2,150	2,150
Wiring Inspector	13,050	13,050	13,050	13,050
Custodial	85,498	87,556	87,778	92,408
Sick Buyback	1,335	1,422	1,444	1,502
Sub Total: Personal Service	338,052	338,085	370,200	378,431
General Expense	4,893	3,428	7,500	7,500
Town Bldg. Utilities	307,542	303,695	342,945	337,900
Town Bldg. Maint.	171,052	179,300	171,052	164,347
Vehicle Maintenance	2,046	938	2,000	2,500
Contracted services	60,738	47,877	48,099	49,900
Uniforms	1,431	1,475	1,475	1,475
In-State Travel	852	5,238	3,000	3,500
Sub Total: Expenses	548,554	541,951	576,071	567,122
Total: Building	886,606	880,036	946,271	945,553

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$8,231, compared to the FY10 budget. All non-union employees of the Town, including the remaining employees of this office, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Two employees of this department are members of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Some employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$8,949, compared to the FY10 budget. Utilities are expected to decrease due to efficiencies and favorable pricing. However, a decline in maintenance and minor repairs of Town buildings is harder to predict. If actual maintenance costs for FY11 exceed budget, a reserve fund transfer may be needed.

Public Works Department



**Public Works
Building**

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
PUBLIC WORKS				
Engineering	394,887	385,821	409,691	396,661
Streets & Roads	2,436,273	2,396,024	2,467,433	2,326,246
Trees and Cemetery	339,463	337,111	336,503	337,674
Parks and Grounds	286,894	287,632	282,090	238,767
Total Public Works	3,457,517	3,406,588	3,495,717	3,299,348
Personal Services	1,624,399	1,671,027	1,771,959	1,755,916
Expenses	1,135,434	1,094,241	1,146,109	1,128,777
Snow & Ice	697,684	641,320	577,649	414,655
Total Public Works	3,457,517	3,406,588	3,495,717	3,299,348
Salary	1,559,431	1,618,959	1,706,509	1,678,523
Overtime (excl'd snow & ice)	35,211	29,489	36,229	36,060
Temporary/Seasonal	19,239	16,162	20,409	18,093
Other payroll-related compensation	10,518	6,417	8,812	23,240
	1,624,399	1,671,027	1,771,959	1,755,916

PUBLIC WORKS: Engineering and Administration

MISSION OF THE OFFICE

The Department of Public Works is a professional team committed to improving the quality of life in Sudbury and supporting the Town's core values. We make every effort to maximize the efficient, effective use of our resources in the support, maintenance and upkeep of the infrastructure, public lands and programs. We are committed to public safety and providing prompt, courteous quality service to our customers and each other.

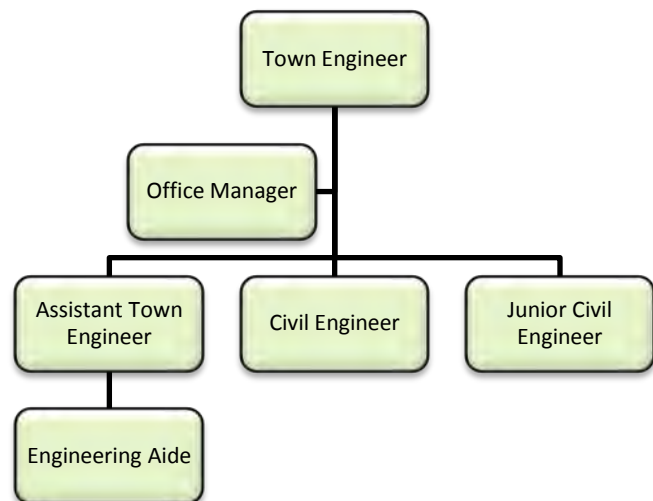
DESCRIPTION OF SERVICES

The Engineering division of this department is responsible for the design of public works projects, plan review of proposed developments, implementation of a GIS system, and assistance on Town and School building projects. The Division also provides a wide range of technical assistance to other departments and committees, including the Planning Department, Building Inspection Department, Conservation Department, Recreation Department, Police and Fire Departments and the Town Manager's office. Many other customers are supported as well, including residents, businesses, contractors, consultants, and realtors as well as State and Federal entities. The Engineering Division stores, maintains and updates public records and plans, and designs and administers public works projects of all kinds. Construction plans and documents are prepared, reviewed, and bid; construction inspections are performed and overseen by staff.

The Town Engineer also serves as the Director of the Public Works Department and as such reports directly to the Town Manager and serves on the Town Manager's Senior Management Team. As DPW Director, he oversees the management of \$3.2 million in appropriations (FY '09 dollars), and provides executive level planning and direction to 5 divisions, and 34 employees. Services provided by these employees affect the Town's public safety, community character, property values and quality of life. Further, he serves on the Town's land use planning working group, a staff task force chaired by the Planning and Community Development Director, to evaluate and help guide all development proposals made to various offices of the Town.

STAFFING (FTE's 5.16)

The engineering division staff consists of the Town Engineer/DPW Director, Assistant Town Engineer, 1 Civil Engineer, 1 Junior Civil Engineer, 1 Engineering Aide, and an Office Manager.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Maps copies issued	Dollars	n/a	469	425
Municipal property/project designs	Count	n/a	69	56
Driveway Permits	Count	25	17	16
Depository of property plans	Count	5,400	5,425	5,450
Street opening application approval within 5 days	Count	72	81	85
Street opening escrows	Dollars	3,000	5,500	4,250

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
ENGINEERING DEPARTMENT				
Dir. of Public Works	108,577	112,039	111,211	116,701
Non-Clerical	216,323	206,703	228,443	214,320
Clerical	45,906	48,169	48,169	50,694
Sick Leave Buy Back	4,184	4,297	4,482	2,560
Sub Total: Personal Services	374,990	371,208	392,305	384,275
General Expense	14,683	9,447	12,161	7,161
Maintenance	2,435	2,000	1,500	1,500
Travel	59	22	100	100
Uniforms	2,720	3,144	3,625	3,625
Sub Total: Expenses	19,897	14,613	17,386	12,386
Total: Engineering	394,887	385,821	409,691	396,661

BUDGET ISSUES

Personal Services – The FY11 budget is decreasing by \$8,030, compared to the FY10 budget. This budget is predicated on assumptions about collective bargaining for the 3-year period from FY11-FY13. Currently, funds for any resulting wage adjustment for this department for FY11 are carried in the salary contingency line. The non-clerical line has been reduced significantly with the retirement of the Assistant Town Engineer and the Junior Civil Engineer. Replacement of these positions is expected in FY11 but at lower starting salaries. Several union and non-union employees in this department are expected to receive a step increase in FY11.

Expenses – The FY11 budget is decreasing by \$5,000, compared to the FY10 budget. The decrease is all coming from general expenses. It is important to note that this department like many others continues to operate at a level substantially lower than FY08 spending. This decrease will reduce purchasing power in FY11 for a wide variety of supplies and services used to operate this department.

PUBLIC WORKS: Streets and Roads

MISSION OF THE OFFICE

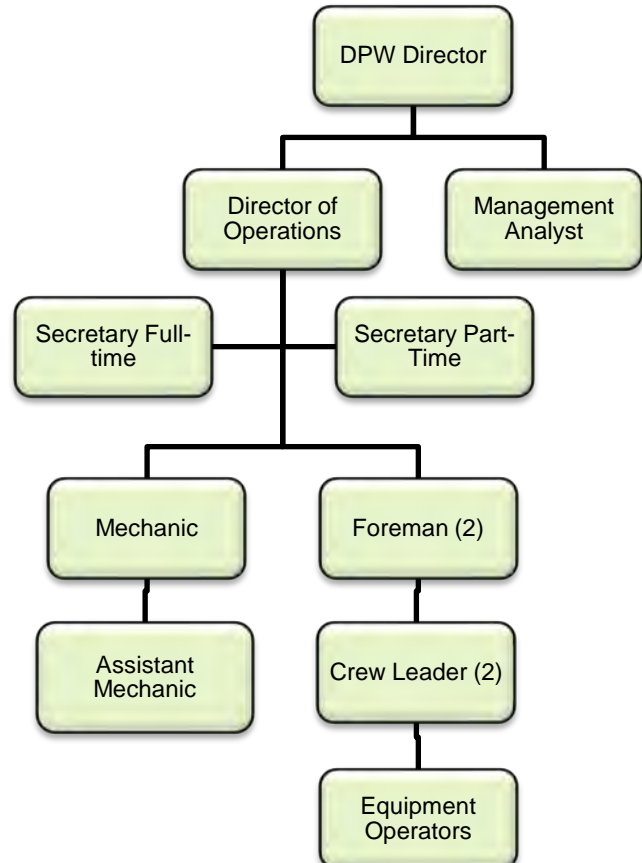
The mission of the Streets and Roads Division is to protect the safety, health and welfare of the Town Residents by maintaining the Town streets, walkways and storm water system in a safe and clean condition. This department also provides for the safe movement of vehicular traffic by performing minor construction repairs, removing snow and ice from streets, sweeping of streets, installing traffic signs and lane or line markers and supervising the work of contractual service providers who perform repairs, cleaning or maintenance work. In addition, the Road Machinery Division ensures that the Town's equipment fleet (90 plus pieces of apparatus) is always operational and well maintained by providing an efficient and effective maintenance and repair program and fuel management system.

DESCRIPTION OF SERVICES

The Streets and Roads Division is responsible for maintenance, construction, and snow removal of Town ways, including streets, curbing, walkways, drain systems, guardrails and signs. Priority snow removal is given to all school parking lots and driveways. Additional duties include roadside and sidewalk mowing, brush clearance, litter control, seasonal support to other Town departments (parades, elections, facility maintenance, celebrations). The department maintains approximately 140 miles of roads and 45 miles of walkways. This division annually evaluates street and walkway conditions as part of the pavement management plan.

STAFFING (FTE's 16.40)

Division staffing includes a Director of Operations, a Management Analyst, 1 Full-time Secretary, one Part-time Secretary, 1 Mechanic, 1 Assistant Mechanic, 2 Foremen, 2 Crew Leader/Heavy Equipment Operators, 5 Heavy Equipment Operators, and 3 Light Equipment Operators.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Miles of Roads Maintained	Miles	141	141	141
Drainage Structures Repaired	Count	35	45	35
Guard Rail Installed	Feet	765	700	700
Walkway constructed	Feet	5,100	5,000	5,000
Walkway re-constructed	Feet	2,800	2,000	2,000
Catch Basins cleaned	Count	400	400	400

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
STREETS & ROADS				
Highway Dir. of Operations	68,963	73,993	77,672	81,596
Management Analyst	72,487	73,777	73,777	77,755
Non-Clerical	569,205	599,096	647,455	643,432
Overtime	25,028	19,117	22,605	22,605
Clerical	44,385	48,620	50,821	54,703
Stipends	0	0	0	8,190
Summer Temp. Labor	2,433	0	5,068	5,068
Sick Leave Buy Back	3,049	1,085	1,810	1,810
Sub Total: Personal Services	785,550	815,688	879,208	895,158
General Expense	12,163	6,300	12,000	11,700
Gasoline	165,939	179,648	169,000	127,000
Bldg. Maintenance	13,068	12,741	16,000	16,000
Vehicle Maintenance	168,771	161,266	178,351	175,500
Utilities	16,095	13,818	16,800	17,150
Street Lighting	55,368	53,216	65,405	65,405
Travel	297	254	300	300
Uniforms	14,490	15,020	17,045	17,045
Tuition	0	0	1,500	1,500
Police detail	51,352	38,534	40,000	38,000
Roadwork	455,496	458,219	494,175	546,833
Sub Total: Expenses	953,039	939,016	1,010,576	1,016,433
Snow & Ice Overtime	159,030	195,311	144,584	117,407
Snow & Ice Contractors	154,183	157,130	293,826	106,520
Snow & Ice Materials	384,471	288,879	139,239	190,728
Sub Total: Snow & Ice	697,684	641,320	577,649	414,655
Total: Streets & Roads	2,436,273	2,396,024	2,467,433	2,326,246

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$15,950, compared to the FY10 budget. This budget provides for the same level of staffing as FY10 and is predicated on assumptions about collective bargaining. Currently, funds for any wage adjustment for this department are carried in the salary contingency line. Several union and non-union employees in this department are expected to receive a step increase in FY11.

Expenses - The FY11 budget is increasing by \$5,857, compared to the FY10 budget. Under this budget request, more is added to adequately fund the roadwork line item. Roadwork has been underfunded over the last few years especially, resulting in this account being depleted long before the end of the fiscal year. As the cost of gasoline has come down from the extreme high prices of FY09, this line item has been reduced by \$42,000 and the funds redirected to roadwork expense.

Snow and ice accounts are level funded compared to the FY10 original *appropriation*. Snow and ice expense is one of the more complicated aspects of municipal budgeting, given the unpredictability of winter weather. Since state law allows towns to 'deficit spend' in this area, so long as we appropriate *at least* what was originally appropriated in the previous year. Sudbury has used the approach of budgeting snow and ice using the average of the past several years' expenses, and setting aside funds into the Reserve Fund to augment the regular snow and ice budget, as needed. If snow and ice expense exceeds the Reserve Fund's capacity, then the Town can either carry the deficit into the next year, or reduce spending in other lines to transfer to the deficit in the current year, or some combination of the two. In FY10, actual snow and ice expenditures exceeded appropriation by \$162,994. Funds were transferred to from the Reserve fund to cover the overage so that no deficit spending was required.

PUBLIC WORKS: Trees and Cemetery

MISSION OF THE DIVISION

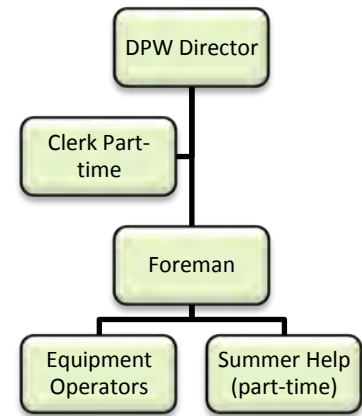
The Mission of this division is twofold: to protect and keep in a healthy state an important public asset of the Town – the beautiful shade trees that are found in the Town's public ways and that staff provide compassionate, courteous and professional service to bereaved families and strive to maintain a tranquil, well-maintained environment with perpetual care and beautiful historic cemetery grounds.

DESCRIPTION OF SERVICES

The Trees and Cemetery Division is responsible for maintenance and interments at the Town's five cemeteries. Tree responsibilities include maintenance and removal of trees in the public way, with attention to plantings, trimming, storm damage repairs, vandalism repairs, tree and stump removals, as well as care and watering of newly planted trees.

STAFFING (FTE's 6.0)

Division staffing includes a Foreman, 1 Crew Leader/Heavy Equipment Operator, 2 Heavy Equipment Operators, 1 Light Equipment Operator, and 1 part-time clerical position.

**PERFORMANCE/WORKLOAD INDICATORS**

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Tree Removals	Count	40	30	30
Interments	Count	46	50	50
Cemetery Maintenance	Acres	27.2	27.2	27.2

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
TREES & CEMETERY				
Non-Clerical	227,955	235,874	242,602	244,952
Overtime	6,021	6,937	9,169	9,000
Clerical	12,143	12,315	15,504	16,473
Stipends	0	0	0	4,095
Summer help	5,756	4,767	5,068	5,068
Sub Total: Personal Services	251,875	259,893	272,343	279,588
Cemetery Materials	23,009	15,218	19,000	18,000
Tree Planting	3,266	0	0	0
Tree Contractors	61,313	62,000	45,160	40,086
Sub-Total: Expenses	87,588	77,218	64,160	58,086
Total: Trees & Cemetery	339,463	337,111	336,503	337,674

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$7,245, compared to the FY10 budget. This budget provides for the same level of staffing as FY10 and is predicated on assumptions about collective bargaining. Currently, funds for any wage adjustment for this department are carried in the salary contingency line. Some union and non-union employees in this department are expected to receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$6,074, compared to the FY10 budget. Funding for cemetery materials and tree contractor expense remain much lower than what was afforded in

FY09. Tree planting has once again been eliminated from the budget due to a lack of funding to replace the growing backlog of dead/dying trees along Town roadways.

PUBLIC WORKS: Parks and Grounds

MISSION OF THE OFFICE

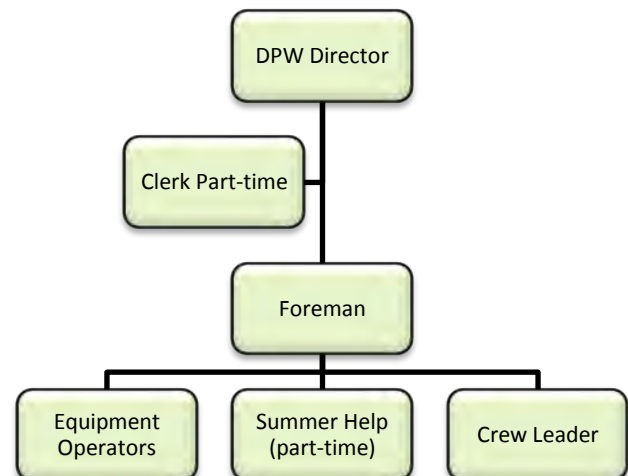
The Mission of this division is to maintain landscaping throughout the Town in park and field areas, public right-of-ways and around all public buildings and school grounds.

DESCRIPTION OF SERVICES

The Parks and Grounds division is responsible for maintenance of all Town parks, fields, and playgrounds. This includes Josiah Haynes, Peter Noyes, General John Nixon, Israel Loring, and Ephraim Curtis Middle Schools; Featherland Park, Davis Field, Frank Grinnell Veterans Memorial Park, Haskell Field, Fairbank Community Center, Frank G. Feeley Field, Cutting Field, Horse Pond Play Field, Training Field, Heritage Park, Central Fire Station, North Fire Station, DPW Building, Police Station, Goodnow Library, Town Common, Frost Farm, Piper Farm, Meachen Field, Davis Farm, Barton Farm, Mahoney Farm and Carding Mill Conservation areas. Maintenance of these facilities includes mowing, aerating, fertilizing, irrigation, line striping and system maintenance, weed and insect control; litter clean-up, leaf removal, leveling, grading and marking fields, fence and vandalism repairs; shrub and tree care, and support for civic activities.

STAFFING (FTE's 3.72)

Division staffing includes a Foreman, 1 Crew Leader/Assistant Mechanic, 1 Heavy Equipment Operator, 1 Light Equipment Operator, 1 part-time clerical position, and part-time summer help.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Mowing Conservation Land	Acres	81.0	81.0	81.0
Public Land	Acres	94.5	94.5	94.5
Public Schools	Acres	33.6	33.6	33.6

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
PARKS & GROUNDS				
Non-Clerical	186,256	200,811	202,788	169,432
Overtime	4,162	3,435	4,455	4,455
Clerical	7,231	7,562	8,067	8,466
Stipends	0	0	0	4,065
Summer help	11,050	11,395	10,273	7,957
Sick Leave Buy Back	3,285	1,035	2,520	2,520
Sub Total: Personal Services	211,984	224,238	228,103	196,895
Maintenance	72,378	60,537	50,987	38,872
Uniforms	2,532	2,857	3,000	3,000
Sub Total: Expenses	74,910	63,394	53,987	41,872
Total: Parks & Grounds	286,894	287,632	282,090	238,767

BUDGET ISSUES

Personal Services - The FY11 budget is decreasing by \$31,208, compared to the FY10 budget. This budget provides for the same level of staffing as FY10 and is predicated on assumptions about collective bargaining. Currently, funds for any wage adjustment for this department are carried in the salary contingency line. Some non-clerical expense along with the cost of hiring summer help has been reduced significantly in FY11 being redirected to the new Recreational Field Maintenance Enterprise fund.

Expenses - The FY11 budget is decreasing by \$12,115, compared to the FY10 budget. All of this decrease comes from the maintenance line item. This will provide only minimal attention to the many Town building and school grounds, and residents will see grass mowed less frequently, and landscaping unattended. The budget for this line item is only 46% of what was afforded in FY08.

Human Services



**Sudbury Senior Center at the
Fairbank Community Building**

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
HUMAN SERVICES				
Board of Health	356,472	365,236	375,485	374,533
Council on Aging	161,716	135,241	141,090	146,702
Veterans Affairs	15,979	15,196	17,737	17,415
Total Human Services	534,167	515,673	534,312	538,650
Personal Services	365,142	353,965	370,707	380,683
Expenses	169,025	161,708	163,605	157,967
Total Human Services	534,167	515,673	534,312	538,650
Salary	363,342	352,048	368,737	378,698
Overtime (excl'd snow & ice)				
Temporary/Seasonal				
Other payroll-related compensation	1,800	1,917	1,970	1,985
	365,142	353,965	370,707	380,683

HUMAN SERVICES: Board of Health

MISSION OF THE OFFICE

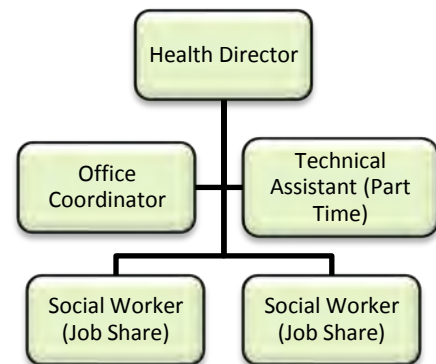
Mission of this office is to assess and address the health needs of the community and to contribute to the safety and quality of life through a variety of health programs, public outreach, services and enforcement of Town and State public health regulations.

DESCRIPTION OF SERVICES

The Board of Health is responsible for addressing the health needs of the community. Traditional duties include site evaluation for subsurface sewage disposal, permitting and inspections for food service establishments, summer camps, public swimming pools, septic installers and haulers, septic system and private well installations, supplying community nursing and mental healthcare services, as well as involvement in environmental health issues such as housing code violations, mosquito control, hazardous waste, animal/rabies control, ground water supplies and emergency preparedness.

STAFFING (FTE's 3.50)

This department consists of the Health Director, 2 part-time social workers who job share, 1 part-time technical assistant shared with the Conservation Department, and a full-time office coordinator.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Sewerage Permit Receipts	Dollars	16,500	15,200	16,000
Installer Permit Receipts	Dollars	4,750	4,750	4,750
Food Service Permit Receipts	Dollars	8,655	8,700	8,700
Well Permit Receipts	Dollars	1,100	400	500
Garbage/Hauler Permit Receipts	Dollars	1,800	1,800	1,800
Trench Permit Receipts	Dollars	1,800	2,700	2,700

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
BOARD OF HEALTH				
Director	79,821	84,661	86,330	89,129
Town Social Worker	77,259	85,251	72,427	71,520
Non-Clerical	0	0	19,414	20,206
Clerical	41,709	41,197	41,347	43,527
Sick Buy Back	1,800	1,917	1,970	1,985
Sub Total: Personal Services	200,589	213,026	221,488	226,366
General Expense	3,403	3,938	1,700	3,700
Maintenance	68	1,102	100	0
Mental Health	12,780	10,900	19,560	9,400
Nursing Services	49,842	51,347	51,347	51,347
Contracted Services	6,053	3,990	4,600	4,100
Lab Expense	0	70	250	0
Hazardous Waste	10,508	0	0	0
Mosquito Control	44,092	45,415	45,415	45,415
Animal/ Rabies Control	8,300	8,550	8,600	8,600
Animal Inspector	1,266	1,909	1,725	1,725
Senior Outreach	17,500	23,900	17,500	21,680
Community Outreach Prog	2,071	1,089	3,200	2,200
Sub Total: Expenses	155,883	152,210	153,997	148,167
Total: Board of Health	356,472	365,236	375,485	374,533

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$4,878, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town, received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Some employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$5,830, compared to the FY10 budget. Once again, the Town's hazardous waste program, which allows residents to safely dispose of hazardous materials locally, has been suspended due to a lack of funding.

HUMAN SERVICES: Council on Aging

MISSION OF THE DEPARTMENT

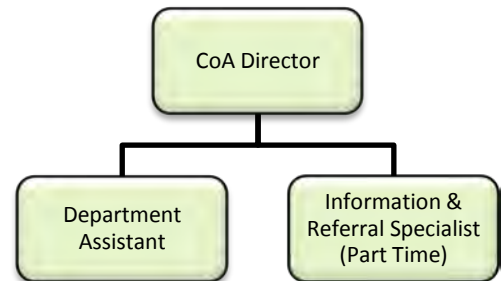
The mission of the Council on Aging (COA) is dedicated to serving the social, recreational, health and educational needs of older adults in the community. The Sudbury Senior Center has been a fully accredited center since December 2003, (one of only seven in Massachusetts).

DESCRIPTION OF SERVICES

The Council on Aging supports programs at the Sudbury Senior Center, provides van services for elders and people with disabilities, serves as an information resource for seniors and their families, offers a wide variety of recreational and educational programs as well as health-related exercise, information, and nutrition, coordinates numerous volunteer services to elders in the community, and plays an advocacy role for seniors at the local, state, and federal level.

STAFFING (FTE's 2.40)

The department currently consists of the Council on Aging Director, a full-time department assistant and a part-time Information and Referral Specialist, all appointed by the Town Manager. In addition, many Sudbury residents volunteer countless hours helping to run the many programs at the Senior Center. The activities of the COA are overseen by a 9-member volunteer Council on Aging, appointed by the Board of Selectmen.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Value of Volunteer Services	Hours	15,000	15,000	15,000
Dollar equivalent (per EOEA formula)	Dollars	206,000	210,000	210,000
Program Attendance	Count	2,000	2000	2000
Enhanced Information and Referral	Count	320/130	325/130	325/1230

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
COUNCIL ON AGING				
Director	64,945	69,674	74,401	77,522
Van Driver	31,389	0	0	0
Clerical	36,534	39,046	42,258	43,527
Information/Reference	20,683	20,942	21,023	21,653
Sub Total: Personal Services	153,551	129,662	137,682	142,702
General Expense	6,429	4,202	3,408	4,000
Contracted Services	1,736	1,377	0	0
Sub Total: Expenses	8,165	5,579	3,408	4,000
Total: Council on Aging	161,716	135,241	141,090	146,702

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$5,020, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Some employees in this department will receive a step increase in FY11.

Expenses - The FY11 budget is increasing by \$592, compared to the FY10 budget. As In FY10, this office will continue to have a very austere level of funds for general office expenses, which is nearly \$2,000 lower than has historically been allotted to the COA.

HUMAN SERVICES: Veterans' Affairs

MISSION OF THE OFFICE

The Mission of the Veterans' Affairs office is to help address the financial and medical needs of Sudbury's veterans and their dependents. The Veterans Agent also provides information and support to family members of Service personnel current in the Armed Forces.

DESCRIPTION OF SERVICES

The Agent assists veterans in applying for State and Federal services. The office also offers assistance and referrals in the areas of federal compensation and pensions, state and federal educational benefits, tax exemptions, annuities, home loans, counseling and job training. The Veterans Agent also serves as the Veterans' Graves Agent.

STAFFING

Staff consists of one part-time Veteran's agent.

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Veterans Served	Count	1,489	1,221	1,200
Chapter 115	Count	2	2	1
Outreach Visits	Count	117	88	100
Benefits Seminars	Count	4	2	2
Funerals	Count	1	0	1
VA Claims	Count	27	18	20
Veterans Receiving VA Benefits	Count	86	92	99
Total Benefits Received	Dollars	392,736	411,229	430,000
Ensure applications are forwarded within statutory timeframe	%	100%	100%	100%
Ensure reimbursement requests are forwarded within statutory timeframe	%	100%	100%	100%
Veterans State reimbursements	Dollars	2,000	2,536	2,000
Memorial Day celebration	Dollars	1,700	1,700	1,700
Website Hits	Count	13,708	8,996	10,000

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
VETERANS AFFAIRS				
Veteran Agent	11,002	11,277	11,537	11,615
Sub Total: Personal Services	11,002	11,277	11,537	11,615
General Expense	416	181	1,200	900
Veteran's Grave Markers	984	984	850	900
Veteran's Benefits	3,577	2,754	4,150	4,000
Sub Total: Expenses	4,977	3,919	6,200	5,800
Total: Veterans Affairs	15,979	15,196	17,737	17,415

BUDGET ISSUES

This budget provides for approximately the same level of part-time personnel and expenses as the FY10 budget.

Culture & Recreational Services



Goodnow Library



Hosmer House

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
CULTURE & RECREATION				
Goodnow Library	940,605	953,787	978,010	1,003,633
Recreation	171,026	118,468	149,269	138,190
Historical Commission	5,007	5,356	5,390	5,309
Historic Districts Commission	2,442	2,718	2,672	2,692
Total Culture & Recreation	1,119,080	1,080,329	1,135,342	1,149,824
Personal Services	780,735	753,422	762,127	781,055
Expenses	338,345	326,907	373,215	368,769
Total Culture & Recreation	1,119,080	1,080,329	1,135,342	1,149,824
Salary	777,631	750,244	744,958	765,452
Overtime (excl'd snow & ice)	0	0	14,516	12,525
Temporary/Seasonal				
Other payroll-related compensation	3,104	3,178	2,653	3,078
	780,735	753,422	762,127	781,055

CULTURE & RECREATION: Goodnow Library

MISSION OF THE DEPARTMENT

Goodnow strives to enhance the quality of life of all users, to strengthen the fabric of the Sudbury community and to promote a well-informed and enlightened citizenry. Goodnow's mission is to provide convenient and effective access to a wide array of print and electronic resources, direct and remote services and facilities that support the diverse recreational, informational, educational, social and cultural interests of the community. The Library also serves as a point of access (gateway) to materials and services beyond those it is able to offer locally. The trustees and staff strive to create a welcoming, stimulating and comfortable environment for people of all ages, interests and abilities.

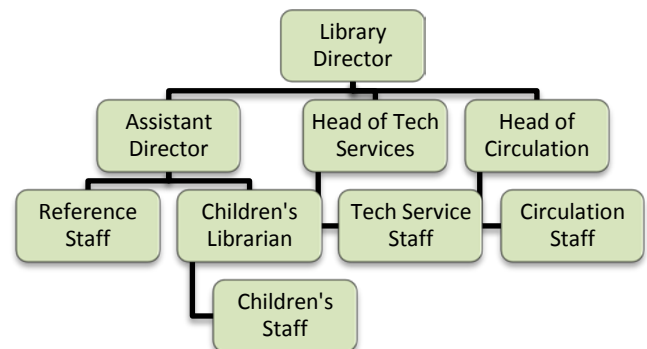
DESCRIPTION OF SERVICES

The Goodnow Library is an automated library, a member of the Minuteman Library Network. The Library's most prominent role is that of **Popular Materials Center**. From leisure reading and viewing to pursuing hobbies and cultural interests, use of library resources and activities is increasing for all ages. As a **Formal Education Center and an Independent Learning Center**, the Library supports the personal learning and formal educational pursuits of residents. From strengthening job skills, researching consumer, health and financial information, to completing school assignments, the information and education needs of residents are expanding and becoming more sophisticated and diverse.

In recent years, the Library has committed more resources towards being a **Pre-School Door to Learning** for younger children. It has introduced programs and resources to encourage and reinforce reading, listening and socializing skills to toddlers. Lastly, Goodnow is a thriving **Community Center**. The Library is used as a place for socializing, as a formal meeting center and for sharing experiences and ideas.

STAFFING (FTE's 12.72)

Staffing consists of 4 full-time positions (Director, Assistant Director, Head of Circulation, and Children's Librarian), 22 adult part-time positions, 5 page positions (shelvers), and 22 volunteers.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Circulation	Count	389,026	397,113	408,000
Children's Programs	Count	307	299	300
Children's Program Attendance	Count	5,083	4,788	4,900
Meeting Rooms Use	Count	349	354	350
Meetings				
Attendance				
Library Visitors (approx.)	Count	250,000	260,000	265,000
Library Web Site Hits	Count	166,815	221,599	245,000
Resource Sharing	Count	88,713	93,899	100,000
Reference/Advisory Questions (approx.)	Count	19,000	19,000	19,000

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
GOODNOW LIBRARY				
Library Director	87,135	92,409	94,223	97,055
Non-Clerical	527,452	541,351	553,988	573,795
Overtime	0	0	14,516	12,525
Sick Leave Buy Back	3,104	3,178	2,653	3,078
Sub Total: Personal Services	617,691	636,938	665,380	686,453
General Expense	8,689	8,429	3,760	8,500
Automation	41,200	43,919	43,600	42,000
Books and Materials	130,989	125,910	124,500	128,800
Maintenance	33,227	24,600	23,210	22,610
Utilities	72,151	77,110	80,600	79,370
Travel	110	226	600	400
Contracted Services	36,548	36,654	36,360	35,500
Sub Total: Expenses	322,914	316,849	312,630	317,180
Total: Goodnow Library	940,605	953,787	978,010	1,003,633

BUDGET ISSUES

Personal Services - The FY11 budget is increasing by \$21,073, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. One employee of this department is a member of the Supervisory Association. This union received a 2% wage adjustment midyear FY10, in exchange for increasing the employee share of health

insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Several employees in this department will receive a step increase in FY11.

Expenses – The FY11 budget is increasing by \$4,550, compared to the FY10 budget. This will allow the Goodnow more purchasing power to maintain operations in line with FY08-09, particularly concerning books and materials.

CULTURE & RECREATION: Park & Recreation

MISSION OF THE OFFICE

The Mission of The Sudbury Park & Recreation Department is to provide recreation activities, leisure services, facilities and general amenities to the public. To enhance the quality of life for the Town of Sudbury residents by providing clean, safe and attractive parks and recreation facilities that promote a strong sense of community. The mission of the Sudbury Youth Coordinator Department is to provide youth with activities that are appealing, safe, easily accessible and ultimately empowering. The goal is to offer support and education to the parents of the community. Communication with students, parents, youth boards, and established groups is vital to providing these activities.

DESCRIPTION OF SERVICES

The Park & Recreation Department offers a comprehensive and varied program of public recreation activities, services, and resources for Sudbury residents. Programs are self-sustaining and offer an opportunity for quality use of leisure time in a productive and healthy manner. Major activity areas include Davis Field, Featherland Park, Frank G. Feeley Field, Cutting Field (Turf Field), LSHS-Community Field and the Haskell Recreation area. This division of the Town provides programs and activities that are safe as well as educational during the so-called non-learning hours. Teen Center and Youth Programs are designed to provide safe and positive events for older teens and the teens use these activities to raise funds for charity.

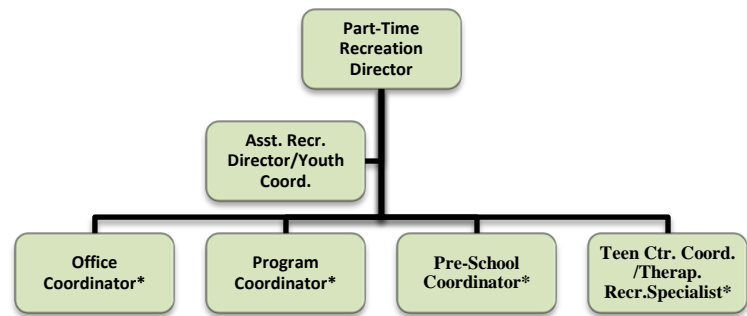
Program offerings include the following:

- Summer Camp
- Pre-school Pals continue
- After school programs
- Youth services and activities for teens
- Community service for all age groups
- *New* adapted recreation, and Paralympics development recreational programs for children and adults within the town

STAFFING (FTE's 3.40)

Staffing in this department consists of 3.40 FTE's supported by the General fund (tax levy): a halftime Recreation Director (shared with the Town of Wayland), an Assistant Recreation Director/Youth Coordinator, an office coordinator, and program coordinator. Other staffing wages and benefits are paid completely or partially through various revolving funds (outside the tax levy). These positions include the newly combined Teen Center

Coordinator/Therapeutic Recreation Specialist, a pre-school coordinator and other staff members, many of which are part-time positions that are paid by revolving funds. Note: Currently, approximately half of the office coordinator and program coordinator's salary is also paid for by revolving funds thereby reducing expenses on the general tax levy. *denotes part or all of the position paid for by fee based revolving funds rather than general tax levy dollars.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Park & Recreation Programs Offered	Count	660	660	680
Activity Participants	Count	7,500	7300	7600
6 th Grade Pool Party	Attendees	120	120	120
Get on the Bus Summer Program	Participants	30	NA	NA
Vacation Programs	Participants	23	60	60
	Weeks	1	3	3
Middle School Community Service	Programs	4	NA	NA
	Participants	35		
Sudbury Adventure Program	Participants	148	137	140
	Weeks	6	6	6
Wild Wednesdays Program	Participants	113	130	200
	Programs	8	11	15

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
RECREATION				
Recreation Director	76,887	28,133	0	0
Assistant Director/Youth Serv	0	0	42,576	49,814
Youth/Teen Coordinator	37,636	40,085	0	0
Non-Clerical	7,933	7,149	11,728	0
Program Coordinator	21,059	21,135	22,485	23,734
Clerical	17,189	17,419	17,736	18,517
Sub Total: Personal Services	160,704	113,921	94,524	92,065
General Expense	5,074	0	9,495	0
Recr. Director Contract Serv	0	3,580	45,000	46,125
Youth Services Expense	5,033	967	0	0
Travel	111	0	0	0
Uniforms	104	0	250	0
Sub Total: Expenses	10,322	4,547	54,745	46,125
Total: Recreation	171,026	118,468	149,269	138,190

BUDGET ISSUES

Personal Services - The FY11 budget is decreasing by \$2,459, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget except for the removal of Teen Center from the tax levy. A newly created position, which combines Teen Center Coordinator with a new Therapeutic Recreational Specialist, will be paid for by special revenue sources rather than tax levy. All non-union employees of the Town received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Some employees within this department will receive a step increase in FY11.

Expenses - The FY11 budget is decreasing by \$8,620, compared to the FY10 budget. This budget provides for the costs for the Department's contracted services (for the part-time Director). General expense from year to year fluctuates based on availability of funding for periodic replacement of recreational equipment, etc. All general expenses have been eliminated or shifted to revolving funds.

CULTURE & RECREATION: Historical Commission

MISSION OF THE PROGRAM

The Historical Commission is responsible for oversight of all Town-owned historic properties including the Hosmer House, Loring Parsonage, Haynes-Garrison site, Revolutionary Training Field and the Revolutionary Cemetery in the Center of Town. The SHC works with the Town Manager, Planning Board, Building Department and DPW to

implement efforts to maintain and protect these properties. The demolition by-law reviews and scenic road hearings also come under the domain of the Commission and Planning Board. In addition, the Commission maintains records for the Massachusetts Historical Commission and attends their presentations and educational programs.

DESCRIPTION OF SERVICES

The Historical Commission plans and carries out a variety of activities to preserve our historic culture and help the community of Sudbury enjoy the Hosmer House and other historic properties owned by the Town.

STAFFING

The Commission receives no staffing from the Town. The volunteer Commission members do all budgets, goals, town report, financial recordings, etc. Manual labor is accomplished by the members or by hiring professional services. Hundreds of volunteer hours are put into the documentation, rentals, upkeep both inside and out of the properties. Boy Scout troops have attained their Eagle Badges by installing patios, walkways, fences and repairing foundations, which has saved the Town money and labor for such projects.

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Contributions Received	Dollars	2,502	2,000	2,000
CPA projects approved	Dollars	56,800	247,000	50,000
Properties under SHC jurisdiction	Count	7	7	7
Protected Landmarks	Count	6	6	6
Public meetings held	Count	12	14	14
Town-owned Historic Sites	Count	5	6	6
Hosmer House open to public	Days	19	19	19
Hosmer House visitors	Count	1,800	2,000	2,000
Private Use of Hosmer House (rental)	Days	3	6	8

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
HISTORICAL COMMISSION				
General Expenses	5,007	5,356	5,390	5,309
Sub Total: Expenses	5,007	5,356	5,390	5,309
Total: Historical Commission	5,007	5,356	5,390	5,309

BUDGET ISSUES

This budget is level funded for FY11.

CULTURE & RECREATION: Historic Districts Commission

MISSION OF THE OFFICE

The Historic Districts Commission is responsible for assuring the appropriateness of building improvement in the Town's Historic Districts.

DESCRIPTION OF SERVICES

Upon request from homeowners in three historic districts, the Commission approves Certificates of Appropriateness for construction, paint colors, and demolition.

STAFFING: Staffing is provided by a part-time clerical position within the Selectmen's Office.

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Districts under HDC jurisdiction	Count	5	5	5
Streets* under HDC jurisdiction	Count	30	30	30
Applications or cases reviewed	Count	22	23	18
Application or case resolved	Count	22	23	18
Public hearings held	Count	22	26	21
Certificates of Appropriateness Issued	Count	14	23	18
Website hits	Count	9,792	15,686	15,700

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
HISTORIC DISTRICTS COMMISSION				
Clerical	2,340	2,563	2,222	2,537
Sub Total: Personal Services	2,340	2,563	2,222	2,537
General Expenses	102	155	450	155
Sub Total: Expenses	102	155	450	155
Total: Hist Dist Commission	2,442	2,718	2,672	2,692

BUDGET ISSUES

The FY11 budget is increasing in total by \$20, as compared to the FY10 Budget. This budget provides for the same level of personnel and general expense levels.

Section Six

Budget Detail – Education

Budget requests for all education cost centers



	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
Schools				
SPS Operating Expenses	33,411,001	33,039,130	34,272,837	34,654,472
LSRH Operating Assessments	16,514,863	16,334,542	16,837,045	17,577,379
Minuteman	222,239	237,788	299,768	228,794
Other Vocational	66,308	43,212	20,700	0
Total Schools	50,214,411	49,654,672	51,430,350	52,460,645

Sudbury Public Schools

MISSION OF THE DISTRICT

The Sudbury Public Schools strive to enable all students to reach their intellectual and personal potential. The school system, in partnership with families and the community, will work with integrity and respect to realize the shared vision of enabling students to become life-long learners and effective contributors to society.

Core Values

- Enhance the learning and teaching processes to enable and inspire students to achieve their potential
- Actively promote personal responsibility and integrity
- Seek and promote opportunities to advance equity
- Cultivate a life-long commitment to community

DESCRIPTION OF SERVICES

Sudbury Public Schools District (K-8) encompasses the Ephraim Curtis Middle School and four elementary learning facilities – Josiah Haynes, Israel Loring, General John Nixon and Peter Noyes Elementary Schools. Each school represents a dynamic community of teachers and learners, which invites and needs student involvement. In addition to a core curriculum of Mathematics, English and Science, a student's quest for knowledge is enriched by music, art, drama, world languages, physical education, technology, family-consumer arts and research skills development. All schools offer excellent library and technology resources. Students can take part in after-school athletics as well as activities like computer club, Science Olympiad, yearbook, Theatre Troupe, and others. These are only a few ways for students to learn and practice sportsmanship, cooperative task accomplishment, and learn new lifelong skills.

STAFFING: (FTE's 386.81)

Staffing consists of the following:

	FY09	FY10	FY11
	Actual	Budget	No Override
Headcount (FTEs)			
Administrators	16.00	16.00	15.00
Administrative Support	18.60	18.40	18.40
Teachers (excl SPED)	191.28	193.83	189.33
Classroom & Teaching Support (excl SPED)	14.95	21.37	21.37
SPED Teachers	48.40	52.90	52.90
SPED Support	54.10	46.90	46.90
Metco	2.71	3.60	3.60
Custodial/Grounds/Maintenance	16.00	16.00	15.00
All Other	27.85	24.31	24.31
Total FTEs	389.89	393.31	386.81

Staffing includes all grant positions, which may vary considerably year-to-year depending on funding.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
SUDBURY PUBLIC SCHOOLS				
Sudbury Public Schools	27,005,076	28,641,329	30,309,520	30,685,207
Offsets (incl. METCO)	-	(2,302,767)	(2,255,533)	(2,480,863)
ARRA Stimulus Funds			(163,484)	-
Sudbury Public Schools	27,005,076	26,338,562	27,890,503	28,204,344
Add: Benefits Costs	6,405,925	6,700,568	6,382,334	6,450,128
Total: Sudbury Public Schools	33,411,001	33,039,130	34,272,837	34,654,472
	FY08	FY09	FY10	FY11
Salaries	Actual	Actual	Budget	Appropriated
System Administration	737,326	757,512	843,525	893,059
Elementary Instruction	8,736,322	8,735,024	9,070,398	9,382,476
Middle School Instruction	4,659,074	4,831,072	5,085,833	4,980,436
Curriculum, Library, Media	642,471	548,011	564,879	529,672
PS/Special Education Instruction	3,928,589	4,267,181	4,894,654	4,994,629
Health & Transportation	454,286	487,769	748,050	643,965
Plant Maintenance	844,212	777,882	825,382	801,251
Other	548,697	432,944	614,263	614,263
Total Salaries:	20,550,977	20,837,395	22,646,984	22,839,751
Expenses				
System Administration	428,629	460,788	409,912	394,915
Elementary Instruction	411,418	322,849	348,703	323,778
Middle School Instruction	189,534	181,894	168,690	167,609
Curriculum, Library, Media	423,354	219,847	370,214	300,743
PS/Special Education Instruction	2,399,134	2,486,820	3,621,176	3,964,845
Health & Transportation	784,961	368,946	1,060,289	1,060,289
Utilities	969,745	945,413	1,218,926	1,191,882
Plant Maintenance	847,324	514,610	464,626	441,395
Total Expenses:	6,454,099	5,501,167	7,662,536	7,845,456
Total Expense & Salary:	27,005,076	26,338,562	30,309,520	30,685,207
Benefits & Insurances	6,405,925	6,700,568	6,382,334	6,450,128
Offsets (to be allocated)	-	-	(2,419,017)	(2,480,863)
Total Net School Spending:	33,411,001	33,039,130	34,272,837	34,654,472

BUDGET ISSUES

Salaries & Wages - The FY11 budget is increasing by \$192,767, compared to the FY10 budget. This budget level requires a reduction of 6.5 FTE's. All union employees of SPS have settled for FY11. The increase in personal services relates to all steps, lane and other wage components for the reduced level of staffing. For further details regarding this budget grouping, see [SPS budget information located on their website](#).

Benefits and Insurances- The FY11 budget is increasing by \$67,794, compared to the FY10 budget. Town and SPS share all benefits and insurance programs. For further details regarding this budget grouping, see [Section 9](#).

Expenses- The FY11 budget is increasing by \$182,920, compared to the FY10 budget. The majority of this increase is within PS/Special Education Instruction. For further details regarding this budget grouping, see [SPS budget information located on their website](#).

Offsets- The FY11 budget is increasing by \$61,846, compared to the FY10 budget. Offsets are made up of grants, fees and other special revenues that may be directly applied to expenses without appropriation. Throughout the year, these offsets will be used and consequently allocated to the various salaries and other expense line items shown above. Actual results for prior years reflect these allocations. Whereas for budgetary purposes, offsets are shown separately in aggregate. For further details regarding this budget grouping, see [SPS budget information located on their website](#).

Lincoln-Sudbury Regional High School Assessment

MISSION OF THE DISTRICT

The Lincoln-Sudbury Regional High School mission is as follows: Promotion of cooperative and caring relationships between adults and students; respect for human differences; and satisfaction with excellence only, particularly in academics.

Core Values

In addition, the following core values are adhered to:

- Fostering of cooperative and caring relationships
- Respect for human differences
- Development and maintenance of a purposeful and rigorous academic program that constitute the foundation of the operation of Lincoln-Sudbury Regional High School.
- Provide opportunities for students to develop a strong knowledge base in the various disciplines and program areas; reflected in our graduation requirements.

DESCRIPTION OF SERVICES

Lincoln-Sudbury Regional High School views itself as "a different kind of place" -- a place that not only tolerates but truly values diversity in style and substance. This quality manifests itself in the academic program and in the general atmosphere of the school, and may best be seen in the respectful and warm relationships between students and adults, the high degree of autonomy for and participation by the faculty in decisions, and a school culture marked by commitment to innovation and experimentation. Through a challenging academic program and a wide variety of school activities, students are expected to make choices and to have a degree of power over their own education. The ability to make good choices requires the development of a sense of responsibility and an understanding of the ethical implications of their actions. Formality and standardization are less important than creativity, originality, and critical thinking skills. The school culture also seeks to join academic skills to an active civic concern for the Lincoln-Sudbury community, American society, and the world beyond.

STAFFING: (FTE's 381.31)

Staffing consists of the following:

	FY09	FY10	FY11
	Actual	Budget	Appropriated
Headcount (FTEs)			
Administration	26.57	24.63	24.02
Teaching Staff	129.03	123.89	123.04
SPED Teaching Staff	18.30	19.25	18.25
Educational Support Staff	13.70	14.45	14.35
SPED Support Staff	17.50	15.65	16.50
Metco program	3.75	3.00	2.60
Custodial/Grounds/Maintenance	11.30	10.80	10.80
Total FTEs	220.15	211.67	209.57

Staffing includes all grant positions, which may vary considerably year-to-year depending on funding.

DESCRIPTION OF REGIONAL ASSESSMENTS

All operating expenses for the District are offset (reduced) by regional State Aid, fees, other district receipts and reapportionment (which is similar to Free Cash for municipalities as an available source for future budgets). The net amount is then allocated to District members based on a three-year student enrollment ratio. Debt service is separately allocated to District members based on a similar ratio.

BUDGET ASSESSMENT (SUDBURY SHARE)

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
LINCOLN-SUDBURY REGIONAL HS				
Sudbury Apportionment	85.33%	84.81%	84.51%	84.36%
LSRHS Benefits Assessment	2,942,868	3,117,966	3,142,491	3,218,181
LSRHS Oper. Assessment	16,806,624	16,471,854	16,886,852	16,999,542
LSRHS Oper. Offsets	(3,234,629)	(3,255,278)	(3,031,946)	(2,640,344)
ARRA Stimulus Funds	-	-	(160,352)	-
LS E&D Assessment	-	-	-	-
	16,514,863	16,334,542	16,837,045	17,577,379
LSRHS Debt Assessment	2,647,937	2,394,071	2,298,949	2,237,147
otal LSRHS (Sudbury Portion)	19,162,800	18,728,612	19,135,994	19,814,526

Benefits Assessment - The FY11 budget is increasing by \$75,690, compared to the FY10 budget. This represents Sudbury's share of benefits costs for the District.

Operating Assessment - The FY11 budget is increasing by \$112,690, compared to the FY10 budget. This represents Sudbury's share of all other operating expenses for the District.

Assessment Offsets - The FY11 budget is decreasing by \$551,954, compared to the FY10 budget. Assessment Offsets are made up of State Aid, fees and reappropriation (which is similar to Free Cash for municipalities that can be allocated back to District members). This represents Sudbury's share of all Offsets available for allocation to District members.

Debt Assessment - The FY11 budget is decreasing by \$61,802, compared to the FY10 budget. This represents Sudbury's share of all debt service for the District.

TOTAL LSRHS DISTRICT BUDGET DETAIL

This detail represents all operating expenses for the District prior to assessment allocation to members (Sudbury and Lincoln).

	FY08	FY09	FY10	FY11
LINCOLN-SUDBURY REGIONAL HS	Actual	Actual	Budget	Appropriated
Salaries & Other Cash Compensation				
Administration	1,100,831	1,143,907	1,022,083	1,018,918
Instruction (excl Spec Ed)	9,618,893	10,067,521	9,947,789	10,058,707
Special Ed Instruction	1,204,445	1,277,338	1,315,313	1,332,756
Educational Support	443,688	453,190	485,394	517,816
Educational Support - Special Education	390,838	391,313	370,469	378,232
Clerical/Admin Support	856,571	848,586	868,147	859,285
Grounds/Maintenance	554,225	572,846	609,190	624,508
Coaching	376,471	392,510	380,223	381,586
All Other	269,634	140,105	209,416	209,544
Total Salaries & Other Cash Compensation	14,815,596	15,287,316	15,208,024	15,381,352
Expenses				
Instruction (excl Spec Ed)	612,790	528,067	479,916	487,589
Special Education	2,758,940	2,751,126	3,091,759	3,365,340
Educational Support	999,093	977,245	925,913	940,688
Operations excl Utilities	459,559	440,741	436,156	429,560
Utilities	820,549	784,161	858,435	779,166
All Other Expenses & Contingency	159,450	178,980	375,262	364,233
Total Expenses	5,810,381	5,660,320	6,167,441	6,366,576
Subtotal before Benefits	20,625,977	20,947,636	21,375,465	21,747,928
Total Benefits	3,229,230	3,438,777	3,424,237	3,597,769
Total LSRHS Gross Operating Expenses	23,855,207	24,386,413	24,799,702	25,345,697
Offsets	(1,055,583)	(1,476,632)	(1,099,142)	(1,379,691)
Net LSRHS Operating Expenses	22,799,624	22,909,781	23,700,560	23,966,006

BUDGET ISSUES

Salaries & Wages - The FY11 budget is increasing by \$173,328, compared to the FY10 budget. This budget level requires a reduction of 2.10 FTE's. All union employees of LSRHSD have settled for FY11. The increase in personal services relates to all steps, lane and other wage components for the reduced level of staffing. For further details regarding this budget grouping, see [LSRHSD budget information located on their website](#).

Benefits and Insurances- The FY11 budget is increasing by \$173,532, compared to the FY10 budget. For further details regarding this budget grouping, see [LSRHSD budget information located on their website](#).

Expenses- The FY11 budget is increasing by \$199,135, compared to the FY10 budget. The majority of this increase is within Special Education and other classroom support. For further details regarding this budget grouping, see [LSRHSD budget information located on their website](#).

Offsets- The FY11 budget is increasing by \$280,549, compared to the FY10 budget. Offsets are made up of grants, fees and other special revenues that may be directly applied to expenses without appropriation. Throughout the year, these offsets will be used and consequently allocated to the various salaries and other expense line items shown above. For this document, Actual and Budget results for LSRHSD separately show offsets in aggregate. For further details regarding this budget grouping, see [LSRHSD budget information located on their website](#).

Minuteman Regional Vocational Technical High School Assessment

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
MINUTEMAN VOCATIONAL				
Operating Assessment	222,239	237,788	299,768	228,794
Total: Minuteman Vocational	222,239	237,788	299,768	228,794

BUDGET ISSUES

The FY11 budget is decreasing in total by \$70,974, as compared to the FY10 budget. The overall FY11 operating budget for Minuteman decreased by \$1,257,322 or 7.2% under the FY10 budget. After adjusting for all offsets, the decrease in assessment to all towns in the regional district was \$1,107,799 or 10.6% under the prior year. The decrease in assessment to Sudbury is partly due to the decline in the ratio of Sudbury students attending Minuteman. For further details regarding this budget grouping, see [MRVTHS budget information located on their website](#).

Other Regional High School Assessment

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
OTHER EDUCATIONAL ASSESSMENTS				
Operating Assessment	66,308	43,212	20,700	0
Total: Minuteman Vocational	66,308	43,212	20,700	0

BUDGET ISSUES

In previous years, the Town has paid for tuition and transportation costs for as many as two students attending the Norfolk County Agricultural High School. In FY10, the Town paid tuition for one student only. The Town does not have any students that will attend other regional vocational schools in FY11.

Section Seven

Capital Investment Budget



FY11 CAPITAL BUDGET

MISSION OF THE PROGRAM

For the Town of Sudbury to accomplish its mission of ***Protecting Public Safety, Public Assets and a Special Quality of Life***, the Town and School departments need to acquire, maintain and replace large items such as infrastructure, buildings, equipment and technology. The Annual Capital Budget is designed to be sure there is an orderly process for evaluating the Town's assets and their expected useful lives, projecting replacement costs, and assigning priorities among such projects when resources cannot fund all requested projects. Further, the Five-Year Capital Plan is designed to insure that the Town develops annual operating and capital plans in awareness of and the long-range needs and plans of the Town.

DESCRIPTION OF SERVICES

The Town's Capital Improvement Planning Committee facilitates the capital budgeting process. A **capital expenditure** is defined as major, non-recurring costs involving land acquisition, construction or major rehabilitation of a facility, or purchase of equipment costing \$10,000 or more with a useful life of five years or more. In 2005, the Board of Selectmen approved a capital budgeting and planning policy that is meant to complement the capital bylaw. The Selectmen's budgeting and financial management policies are found in another section of this budget document.

STAFFING

The Town's Finance Director is an ex-officio member of the **Capital Improvement Planning Committee** and provides technical advice and support to the committee. The committee consists of seven voting members. Once projects have been approved, Town staff works with Counsel to initiate the public bidding process, secure contracts and oversee purchase or implementation to completion. Sudbury's nine-member **Permanent Building Committee** has general supervision over the design and construction of all public buildings, including the authority to employ professional assistance and, subject to specific authorization by the Town, to enter into contracts on behalf of the Town for the preparation of construction plans and specifications and for the construction of buildings and other structures. All such plans and specifications are developed in conjunction with and subject to the approval of the appropriate committee, board, or department head concerned.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
Capital				
Town Buildings	84,992	109,500	70,000	116,771
General Government	38,548	12,200	22,622	11,955
Public Safety	450,000	21,400	25,000	10,000
Public Works	332,263	354,942	325,761	298,328
Culture & Recreation	14,500	15,000	80,000	42,000
Town Center	70,000	0	0	0
Sudbury Public Schools		0	0	50,000
Total: Operating Expenses	990,303	513,042	523,383	529,054

FY11 PROJECT DETAIL

Projects	FY11 Appropriated
Ongoing Project Leases:	
Unit #8: 2009 John Deere loader	27,315
Unit #14 2009 Chevy pick-up	6,735
Unit #20 2009 6-Wheel Dump Truck	26,500
Landscape Tractor w/ Bucket	9,500
Unit #22 2009 John Deer Backhoe	25,183
Unit #27 2007 Mack 10-Wheel	27,390
Unit #33 2009 Tractor	25,230
Unit #5 2008 10-wheel dump truck	23,977
Unit #24 2008 6-wheel dump truck	28,053
Unit #23 6-wheel dump chip	18,535
Unit #3 2007 6-wheel dump truck	25,410
MUNIS Tax Software	11,955
Ongoing leases	255,783
DPW:	
Tractor with mower (#35)	23,500
Sweeper (#36)	31,000
	54,500
Park & Rec:	
Building renovation with asbestos removal	42,000
Town Buildings:	
Various building improvements	58,771
Senior center roof & skylight	58,000
	116,771
School Buildings:	
Nixon rooftop library HVAC and renovation	50,000
Public Safety:	
Live scan fingerprint system (Police)	10,000
Total FY11 Projects	529,054

BUDGET ISSUES

The FY11 Budget is increasing by \$5,671, compared to the FY10. Individual project costs range from starting annual lease payments of approximately \$6,735 to building improvement items of \$58,000. Combined, all FY11 capital expenditures represent 1% of total General fund operating costs.

General Government: This funding covers the final lease payment for tax Collection software.

Public Works: The Department of Public Works has to replace vehicles on a schedule that maximizes the useful life of all of its fleet. Every time there is a delay in replacing aging rolling stock, a domino effect can be costlier in the end. The automobiles and small pickup trucks are often recycled to other departments in need of vehicles to conduct their business such as the building department or recreation. In the past several years, the Town has been forced to acquire vehicles through lease purchases, which cost the town interest. This year, the recommendation for the DPW covers existing equipment leases and the cost of two new leases.

Culture & Recreation: This funding covers Fairbank building renovations specifically located within Park & Recreation's activity rooms. In addition to general improvements to the area, this project will remove potentially hazardous asbestos materials.

Town Building Improvements: Most of the buildings that house our town offices, such as the Flynn Building, the Town Hall and the Loring Parsonage are historic buildings ranging in age from many decades to centuries old. They are in constant need of renovations and improvements in order to halt further deterioration and to provide safe and adequate space in which taxpayers can conduct business and in which town employees work. Some of the projects for which the Building Inspector has requested funds in the past include but are not limited to roofing, siding, structural repairs, window replacement and HVAC upgrades. The CIPC has determined that attention to these aging buildings should be considered a high priority in order to protect the town's assets with an eye to safety and efficiency. The Committee feels it is important to make an ongoing annual commitment to completing these long-delayed projects. This category also includes money to specifically replace a section of roof and skylights in the Fairbanks building.

Sudbury Public Schools: This funding will pay for the replacement of a failing rooftop HVAC unit at Nixon Elementary School.

Public Safety: This funding will pay for the replacement of a Live Scan fingerprint system used to submit real-time data to Federal law enforcement identification systems.

Other project details may be found in Community Preservation Act fund [Section 12](#).

ALL CAPITAL MATRIX FOR FY11

The matrix on the following page lists all the capital-related FY11 budget items and identifies their incremental operational costs, if any. Capital projects to be paid for by CPA funds have also been included. All items for FY11 are to be paid for with cash. The town has not bonded for capital expenditures since FY08. Interest costs related to equipment leases is included in the **FY11 Cost** column. Anticipated savings generation for capital projects are included in the budget issues sections of sponsoring departments. None of the

capital projects approved in FY11 will generate any material cost savings or new revenues for the Town.

All Capital Matrix for FY11

CLUSTER	DESCRIPTION	FY2011 COST	FUNDING SOURCE	FUNDING HORIZON	TAX LEVY	OPERATIONAL COSTS (INCREMENTAL) *
Buildings	Various Bldg Improvements	\$ 58,771	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Buildings	Senior center roof & skylight	\$ 58,000	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Schools	Nixon rooftop library HVAC and renovation	\$ 30,000	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Public Safety	Live scan fingerprint system (Police)	\$ 10,000	GF-Cash	1 yr	Yes	None, replacement of existing item. No add'l maintenance.
Public Works	Existing equipment leases	\$ 243,829	GF-Cash	1-4 yrs	Yes	Replaced existing units. No new rolling stock ²
General	MUNIS Tax Software Modules-Lease Payment	\$ 11,955	GF-Cash	1 yrs	Yes	\$3,000 per year maintenance. Replaces existing contract.
Public Works	Tractor with mower (replaces #35)	\$ 23,500	GF-Cash	5 yrs	Yes	Replaces existing units. No new rolling stock ²
Public Works	Street Sweeper (replaces #36)	\$ 31,000	GF-Cash	5 yrs	Yes	Replaces existing units. No new rolling stock ²
Culture & Rec.	Fairbanks Building renovation	\$ 42,000	GF-Cash	1 yrs	Yes	None, improves structure and removes asbestos.
	Capital Program Budget Sub-total	\$ 529,055				
Public Safety	Police Cruisers ¹	\$ 94,300	GF-Cash	1 yr	Yes	None, replacement of existing cruisers.
	Operating Budget Sub-total	\$ 94,300				
CPA	Tomb Doors Restoration	\$ 30,000	CPA-Cash	1 yr	No	None. Some cost may be reimbursed by outside source.
CPA	Upgrade Town Hall Vaults (Historic Items)	\$ 67,795	CPA-Cash	1 yr	No	None.
CPA	New Walkway Constructions (Recreation)	\$ 200,000	CPA-Cash	1 yr	No	None. Additional plowing negligible cost given location.
CPA	CPA Budget Sub-total	\$ 297,795	CPA-Cash	1 yr	No	None, units purchased and sold.
	Total Capital Related Budget Items FY10	\$ 921,150				

*Operational costs (ongoing) are to be absorbed and budgeted for annually by department/division users. Capital cluster is only responsible for project costs submitted and approved via the capital program budgeting process (e.g., Equipment purchases, leases and improvement costs).

¹ Operating budget line item because cruisers have 1-yr useful life only due to constant use.

² DPW operating budget includes maintenance costs for entire fleet at \$175,500. DPW responsible for all maintenance costs incl. capital leases.

5-YEAR CAPITAL PLAN

The table on the following pages shows all capital projects that have been requested and scheduled for municipal departments over the next five years. Information related to projects for renovating or constructing the Town's buildings is taken from the Town-wide Comprehensive Facility Study. As always, Town Meeting has the final appropriating authority for all capital projects. However, barring extraordinary circumstances, all significant capital projects make their way to the Town's long-range capital plan. The ranking process is similar in nature to the annual capital process in terms of priorities and specific needs. In addition, the Town must consider placement on the long-term grid based on 5-year projections of revenues, debt service and other expenditures. Consequently, some items may be shifted backwards or forwards, as new financial and economic information becomes known.

The Town of Sudbury maintains over \$60 million dollars worth of depreciable Capital Assets. The useful life of all these items, range anywhere from four to forty years in duration. At any given time, the Town may have in upwards of \$20 to \$30 million dollars identified for purchase or construction over the next five-year period. Planning in this way helps stagger overall costs to the Town, gauge availability of public funding, seek grants or alternate sources of capital, coordinate resources and obtain all required approvals.

In the last five years, the majority of approved capital requests involved the replacement of older public safety and public works equipment, ranging from multi-purpose trucks to one fire engine. The remaining capital appropriations were on a variety of building improvements primarily focused on some of the Town's older building stock where community preservation funds did not apply.

In the next five years, the Town faces significant building renovations and improvements within Public Safety, Sudbury Public Schools and General government. Large building projects require significant planning and long-term financing. Spreading building projects apart has always helped the Town to minimize large spikes in the tax levy related to debt service. However, doing so now also requires the forward escalation of total project costs due to a continued rise in building inflation. General economic conditions and a lack of appetite by taxpayers for Town-related building projects since FY2008 have indefinitely postponed the construction of a new police headquarters. Plans for renovating the Town Hall have stalled as well.

Items submitted but not approved for FY11 are currently under review to determine where they might fall within the 5-year plan for reconsideration. Most items are considered vital replacements or improvements and therefore find their way back into our long-range capital plans. Typically, any items with a project cost greater than \$100,000 (and certainly all building renovations going forward) are candidates for either 1-year capital exclusions or long-term debt exclusions simply because the Town does not have sufficient operating resources to fund large asset/infrastructure development.

**Town of Sudbury
Capital Improvement Program Summary
Form B**

CIP No	Project Description	R/NR	Just. Code	Dept Request FY11	Approved FY11	FY12	FY13	FY14	FY15
Building Department									
11-13	Roof Analysis - Town Buildings	NR	D	14,000					
07-01	Various Building Improvements	R	B	35,000	58,771	35,000	40,000	40,000	40,000
11-11	Street light replacement	NR	C	35,000					
10-02	Solar Panel Installation	NR	D	50,000					
03-024	Senior Center Roof & Skylights	NR	B	58,000	58,000				
11-12	Fairbank Center - HVAC upgrade	NR	C	151,000					125,000
07-03	Town Hall Fire Alarm/Sprinkler	NR	B						36,000
07-05	Town Hall Painting	R	B					48,000	
07-07	Town Hall Windows (1st floor)	NR	B			6,000			
08-01	Keypad for Flynn Entrance	NR	D			18,000			
08-02	Town Hall - Clerk's Bathroom	NR	D				18,000		
08-03	Interior Painting of DPW	NR	B						
08-05	Fairbank Center - Flat Roof	R	B					30,000	
09-01	Paint Exterior Fairbanks Center	R	B				20,000		
09-02	Flynn Bldg - 2nd floor bathroom	NR	D			20,000			
09-03	Fairbank Rooftop HVAC (gym)	NR	B			35,000			
09-04	Flynn Building Exterior Paint	R	B					36,000	
09-06	Police Station Window Replace	NR	B				15,000		
10-03	Sr Ctr Carpet/Tile Replacement	O	B			10,000			
11-01	Loring Parsonage Painting	R	B						11,000
11-02	Police State Painting	R	B			11,000			
11-03	Fire Station Painting	R	B						28,000
11-04	Town Hall Insulation	NR	B			18,000			
11-05	Senior Center Painting	R	B						10,000
11-06	Carding Mill House Painting	R	B				15,000		
11-07	Town Hall Generator	NR	B					10,000	
11-08	Flynn Building HVAC	NR	B						50,000

**Town of Sudbury
Capital Improvement Program Summary
Form B**

CIP No	Project Description	R/NR	Just. Code	Dept Request FY11	Approved FY11	FY12	FY13	FY14	FY15
11-09	Fairbanks - School Dept. HVAC	NR	B					30,000	
11-10	Haynes Meadow House - boiler	NR	B			10,000			
03-021	Police Station Roof	NR	B			20,000			
03-025	Town Hall Boiler Replacement	NR	B			40,000			
03-108	Town Hall Bathrooms	NR	B				30,000		
05-015	Atkinson Pool Roof & gutters	NR	B					40,000	
05-016	Town Hall Roof Replacement	NR	B				200,000		
06-019	Fairbank Window Replacement	NR	D			30,000			
Building Department Subtotals				343,000	116,771	253,000	338,000	234,000	300,000
Fire Department									
	Female dormitories at St 2 and 3	NR	A	300,000					
	HQ Well and Landscape Plan	NR	D	20,000					
	Replace HQ Alarm Room floor	NR	B	10,000					
	Station 3 wash recycling system	NR	D	40,000					
	Goodman Hill radio site generator	NR	A	20,000					
	HQ Emergency Operations Center	NR	A			1,500,000			
	Headquarters roof	NR	B				60,000		
	Ambulance Replacement	R	A					215,000	
	not from tax revenues								
	Ladder Truck Replacement	R	A						850,000
Fire Department Subtotals				390,000		1,500,000	60,000	215,000	850,000
Highway Department									
	Sander Body for Unit #34	NR	B	40,000					
	Tagalong Trailer - 25 Ton	R	B	25,000					
	2006 Chevy Silverado Pick-Up	R	B			35,000			
	2001 Chevy Silverado 1 Ton	R	B			46,000			
	2001 Chevy 1 Ton P/U	R	B			46,000			
	2006 Chevy Silverado Pick-Up	R	B				36,500		

**Town of Sudbury
Capital Improvement Program Summary
Form B**

CIP No	Project Description	R/WR	Just. Code	Dept Request FY11	Approved FY11	FY12	FY13	FY14	FY15
	2005 Chevy Silverado 1 Ton	R	B				48,000		
	2005 Chevy Pick Up	R	B				41,000		
	2001 Chevy Silverado 1 Ton	R	B				48,000		
	2002 Chevy 1 Ton P/U	R	B				48,000		
	2000 Chevy 1 Ton Dump	R	B				48,000		
	2002 Chevy Silverado - 1 Ton	R	B						50,000
	2003 Bobcat or Equivalent	R	B						50,000
	1985 Mack 10-Wheel Dump/Sander	R	B	30,000		30,000	30,000	30,000	30,000
	1988 Bombardier Tractor (Unit #33)	R	B	24,400		24,400	24,400	24,400	24,400
	1999 John Deere Tractor (Unit #35)	R	B	23,500	23,500	23,500	23,500	23,500	23,500
	2000 GMC G-Quip Sweeper (Unit #3)	R	B	31,000	31,000	31,000	31,000	31,000	31,000
	1988 Mack Sander 6-Wheel	R	B			28,000	28,000	28,000	28,000
	1991 Mack Dump 6-Wheel	R	B			27,000	27,000	27,000	27,000
	1999 John Deere Backhoe	R	B			30,000	30,000	30,000	30,000
	1991 GMC Top Kick	R	B				20,000	20,000	20,000
	2000 Volvo Loader	R	B					28,500	28,500
	2000 Ford Explorer Utility	R	B					8,500	8,500
	2004 GM 2400 Utility Truck	R	B					8,500	8,500
	1997 Bandit Chipper	R	B						7,500
	Sidewalk Sweeper	R	B						10,000
	1999 John Deere Backhoe	R	B						
	2009 John Deere 544K Loader (Unit	R	B	27,319	27,315	27,319	27,319	27,319	
	2009 Chevy Pick-Up (Not Yet Recvd)	R	B	6,600	6,735	6,600	6,600	6,600	
	2009 6-Wheel Dump Truck (Not Yet	R	B	30,000	26,500	30,000	30,000	30,000	
	2009 John Deere Backhoe (Unit #22)	R	B	25,183	25,183	25,183	25,183		
	2007 Mack 10-Wheel (Unit #27)	R	B	27,390	27,390	27,390	27,390		
	2009 MB Multi-Purpose Tractor (Unit	R	B	25,231	25,230	25,231	25,231		
	2008 Volvo 10-Wheel Dump Truck (U	R	B	23,977	23,977	23,977			

**Town of Sudbury
Capital Improvement Program Summary
Form B**

CIP No	Project Description	R/NR	Just. Code	Dept Request	Approved	FY12	FY13	FY14	FY15
	2008 International 7500 6-Wheel Dump	R	B	28,053	28,053	28,053			
	2008 International 7300 6-Wheel Dump	R	B	18,535	18,535	18,535			
	2007 Mack 6-Wheel Dump Truck (Unit PR-1)	R	B	25,410	25,410				
Highway Department Subtotals				411,599	288,828	533,188	625,123	323,319	376,900
Information Systems									
	VolP SRST at DPW and Library	R	C	35,000		17,000			
Information Systems Subtotals				35,000	-	17,000	-	-	-
Goodnow Library									
	Recarpeting	R	B				80,000		
	Interior Painting	R	B				29,000		
Goodnow Library Subtotals				-	-	-	109,000	-	-
Parks & Grounds									
	Two Bay Storage Building	NR	D	80,000					
	6-Wheel Dump Truck (Unit PR-1)	R	B			46,000			
	3/4 Ton Pick-Up (Unit PR-3)	R	B				38,000		
	3/4 Ton Pick-Up (Unit PR-4)	R	B					39,000	
	Landscape Tractor w/ Bucket	R	B	9,800	9,500	9,800	9,800	9,800	
Parks & Grounds Subtotals				89,800	9,500	55,800	47,800	48,800	-
Planning & Community Development									
	Town Center	NR	A/D	1,500,000					
	Walkway Construction	NR	D	200,000			200,000		200,000
Planning & Community Development Subtotals				1,700,000	-	-	200,000	-	200,000
Police Department									
	Radio Repeater	NR				30,000			
	Live Scan Fingerprint System	NR		10,000	10,000				
	Police Station	NR		6,120,000					
Police Department Subtotals				6,130,000	10,000	30,000	-	-	-
Recreation Department									

**Town of Sudbury
Capital Improvement Program Summary
Form B**

CIP No	Project Description	R/NR	Just. Code	Dept Request FY11	Approved FY11	FY12	FY13	FY14	FY15
	Women's Showers- Atkinson Pool	NR	B	25,000					
	Building Renovations- Asbestos Rem	NR	A	42,500	42,000				
	Building Renovations	NR	D			20,000			
	Building Renovations	NR	B				150,000		
	Pool Rehabilitation Project	NR	A,B				38,700	200,000	
	Building Expansion-Feasibility Study	NR	D					25,000	
	Building Expansion	NR	A,C						450,000
Recreation Department Subtotals				67,500	42,000	20,000	188,700	225,000	450,000
Sudbury Public Schools									
	Nixon-Addressable Fire Alarm Panel	NR	A	40,000					
	Nixon HVAC Rooftop Units Replacem	NR	B	50,000	50,000				
	Haynes, Nixon, & Noyes Heating System Control Upgrade	NR	C	60,000					
	Noyes Switch Gear Replacement	NR	B	50,000					
	Noyes Roof Replacement	R	B			X			
	Nixon Roof Repair	R	B			X			
	Noyes Boiler Replacement	R	B			80,000			
	Noyes Septic System	R	A, B				X		
Sudbury Public Schools Subtotals*				200,000	50,000	80,000	-	-	-
Treasurer-Collector									
	MUNIS tax software (lease)	NR	C	11,955	11,955				
Treasurer-Collector Subtotals				11,955	11,955	-	-	-	-
GRAND TOTAL*				9,378,883	529,054	2,488,988	1,568,623	1,046,119	2,176,900
	*Excludes SPS Unknown Costs								

Section Eight

Unclassified & Transfer Expenses



UNCLASSIFIED – Town Wide Operating Expenses

MISSION OF THE PROGRAM

This budget provides a place to accommodate those costs that do not fit precisely into other cost centers and are generally shared by many departments.

DESCRIPTION OF SERVICES

Town-wide expenses include supplies and services for shared copier systems, postage, telephone system repairs and charges, Town Meetings, Memorial Day and the July 4th parade.

STAFFING

These items are overseen by the Selectmen's Office. All spending from this budget requires the approval of the Town Manager.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
TOWN-WIDE OPERATING EXPENSES				
Copier Supplies & Service	8,000	7,277	7,600	7,500
Postage	38,895	30,485	38,000	38,900
Telephone	17,863	17,754	25,000	25,000
Town Report Printing	8,133	750	0	0
Town Meetings and Elections	8,322	8,677	16,000	16,500
Memorial Day	1,543	1,700	1,700	1,700
July 4th Celebration	4,000	4,000	4,000	4,000
Total: Operating Expenses	86,756	70,643	92,300	93,600

BUDGET ISSUES

The FY11 budget is increasing in total by \$1,300, as compared to the FY10 budget. This represents slight increases for postage and Town Meeting & Elections line items. Wide distribution of a professionally printed Town Report has become increasingly expensive in recent years. The Town now prints a much smaller version of the report in-house and distributes copies upon request, thereby saving \$8,000-\$9,000 in annual expense.

UNCLASSIFIED – Transfer Accounts

MISSION OF THE PROGRAM

Town Meeting is the appropriating body for the Town budget, and yet it usually only meets only in April or May of each year. The School Departments have the ability at any time to move funds around within their appropriation, by a vote of the School Committee, as needed. The two transfer accounts shown here provide the Town side of government with

reserves, should the need arise during the year without having to call a Special Town Meeting.

DESCRIPTION OF SERVICES

This budget category is comprised of two types of extraordinary or unpredictable costs facing the Town Departments: a) Reserve fund expenditures and b) Salary Contingency fund expenditure. Transfers from either reserve require prior approval by the Finance Committee.

Reserve Fund

Despite careful planning, there is always a risk of unforeseen events or issues that can arise during the year that warrants immediate attention. The Reserve fund sets aside a moderate sum (1.7% of general operating costs excluding benefits & insurances) to cover as many of these unforeseen items as possible. Any surplus (unexpended) from this line item closes out to Free Cash. Some potential areas of additional funding required during the year are as follows:

1. **Legal expenses:** Funding for the law budget is set at a minimum level, but it is likely the Town either will be sued or will initiate legal proceedings to protect its rights and to defend the decisions of its Boards and Commissions.
2. **Equipment failure:** the Town relies on aging equipment. Items such as boilers in buildings, and some trucks and heavy equipment are currently beyond their useful life, but we have not been able to budget to replace them. If a failure occurs during the fiscal year, we look to this fund for replacement.
3. **Snow and Ice Removal costs:** It is impossible to budget accurately for the costs of snow and ice removal. Per state law, we budget the minimum and if that amount is exceeded, we look to the reserve fund to cover any overages.
4. **Veterans' benefits:** The Town is required to pay for such benefits, but at budget preparation time, we do not know with certainty how many veterans might need assistance. Thus, we keep funds against that possibility in the Reserve Fund.
5. **Fire and Police department staff injuries:** In these two critical departments, lengthy health related absences create the demand for shifts to be filled through overtime. We do not budget for this possibility in these departments, but instead assume that all employees will be healthy and able to work all scheduled shifts. Often, a long-term injury or illness does occur, and reserve fund transfers are needed to cover these overtime costs.
6. **The unexpected:** With every department's budget so tightly managed to sustain operations, there simply is nowhere else to look to cover costs for any unexpected event or issue that may arise. Maintaining a reserve allows the Town to cover most of these unforeseen costs with exceptional oversight rather than having to build up individual budgets based on uncertainties rather than need.

Salary Contingency Fund

The Salary Contingency Fund holds aside funds for salary increases whenever contracts with collective bargaining groups are still in negotiation, or for any increases, which non-unionized employees might receive but is still to be determined while the budget cycle is underway. This amount may be adjusted during the budget cycle, as certain information becomes known. The Contingency fund budget will fluctuate year to year depending on the level of contracts still pending.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
Transfer Accounts				
Reserve Fund	0	0	2,658	240,420
Salary Contingency	0	0	126,319	51,985
Total Transfer Accounts	0	0	128,977	292,405

BUDGET ISSUES

Reserve Fund - The FY11 budget is increasing in total by \$80,420, as compared what was originally appropriated for FY10. (As reserves are used during the year, budget transfers are posted from the reserve account to the expense line items requiring additional funding. As you can see above, in FY10, the Town required all but \$2,658 in Reserve fund transfers for seasonal snow & ice expenses, flood emergency services and for legal costs over and above what had been originally budgeted in the Law department). The increase of \$80,420 requested for FY11, will provide additional flexibility in case of emergency or unforeseen financial exposure. Reserve appropriations that are not expended during the fiscal year are closed out to Free Cash.

Salary Contingency - FY11 is the first year for the next set of three-year contracts for Public Works and Engineering collective bargaining groups. The amount of funding requested in the FY11 budget corresponds to the level of cost of living adjustment available should the Town be successful in implementing all health insurance design and contribution changes with these groups between now and the end of FY11. Salary contingency like all other payroll items (except for teachers' salaries) may not be carried-forward from one year to the next. Therefore, if contract negotiations go beyond one fiscal year, any wage settlements must be funded by other means, which usually involves a Special Town Meeting to appropriate available funding for/to the fiscal year any retro and increases in pay are to be made. It should also be noted that the balance in the contingency account for FY10 will close out at the end of the year as unused. *(All FY10 financial impacts from the latest cycle of contracts were absorbed by the temporary health insurance reserve).*

Section Nine

Shared Programs & Costs



	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
SHARED PROGRAMS & COSTS				
Debt Service	7,120,291	6,741,131	6,568,172	6,417,501
Town/SPS Benefits & Insurance	10,313,605	10,854,235	10,473,081	10,660,033
Stabilization Fund	50,000	0	0	0
Cherry Sheet Charges & Offsets	207,619	205,076	248,469	244,548
Snow/Ice Deficits	0	69,499	0	100,000
Abatements/Exemptions	490,898	708,949	533,388	400,000
Total Shared Programs & Costs	18,182,413	18,578,890	17,823,110	17,822,082

DEBT SERVICE

MISSION OF THE PROGRAM

Debt financing is the primary means of financing large capital projects in Sudbury. The use of debt allows the Town to afford the construction of large-scale capital assets in a systematic and planned manner.

The mission of the Town as regards to debt management has five components:

1. To achieve the best possible true interest cost associated with the debt.
2. To maintain an amount of debt to be issued and retired each year that results in the impact on the tax rate that is consistent year to year.
3. To maintain the AAA credit rating that was first issued to the Town in 2000 by Standard & Poor's of New York.
4. To keep the average weighted maturities of outstanding debt as low as possible, to hold down the amount of debt service that is allocated to interest costs, and to allow for the issuance of new debt as newly recognized capital needs emerge.
5. To integrate any borrowing authorized under the Community Preservation Act into the overall debt financing plans of the Town.

[See Appendix G for](#) Debt as well as all other financial and planning policies.

DESCRIPTION OF SERVICES

This budget provides for the repayment of principal and interest on the Town's long-term General Fund debt. (Debt service funded through the Community Preservation Act (CPA) is not considered part of the Town's annual budget, but is shown within the Community Preservation Committee submitted articles at Town Meeting). The Town does not issue any enterprise debt. All of Sudbury's non-CPA debt is exempt from the limits of Proposition 2 ½. This designation allows for the value of such debt service payments (net of any premiums or State reimbursements) to be added to the levy limit for the life of the borrowings/bond issues.

The Town issues debt pursuant to votes of Town Meeting to provide funding for major projects, in accordance with Massachusetts General Laws, Chapter 44, section 7 and 8. The maximum amount of debt for each project is authorized by Town Meeting, and then the Town Treasurer issues the bond after working with the Town Manager and the Town's Financial Advisor to design and structure the bond, and with the approval of the Board of Selectmen.

The General Debt Limit of a city or town consists of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 5 percent of the valuation of taxable property as last equalized by the State Department of Revenue. According to the most recent statistics, the Town of Sudbury's EQV for 2010 is \$4,256,033,800. The normal debt limit (of 5% EQV) is therefore, \$212,801,690. As of June 30, 2010, the Town's permanent debt outstanding was \$36,205,000 (including CPA debt, which is also guaranteed by the Town) or 17% of the allowable normal debt limit.

A city or town can authorize debt up to this amount without State approval. It can authorize debt up to twice this amount (the Double Debt Limit) with the approval of the state Municipal Finance Oversight Board composed of the State Treasurer, the State Auditor, the Attorney General and the Director of Accounts.

There are many categories of general obligation debt which are exempt from and do not count against the General Debt Limit. Among others, these exempt categories include revenue anticipation notes and grant anticipation notes, emergency loans, loans exempted by special laws, certain school bonds, sewer bonds, and solid waste disposal facility bonds and economic development bonds supported by tax increment financing. As of June 30, 2010, the Town has \$20,596,000 in long-term debt "*outside*" the debt limit all of which pertains to various school building projects for K-8.

The Town reached a high in terms of debt service payments in FY03 due to the combination of outstanding bond issues for school construction, land acquisition, and various other projects. Since then however, debt has leveled off and is now declining as several Town-related bond issues have been paid in full. Additionally, the Town has taken advantage of lower interest rates to refinance outstanding bonds at lower interest costs. Refunding conducted in FY05 produced approximately \$639,000 in net interest costs, most of which occurred from FY05 to FY09. Another refunding may take place in FY11.

The Town also pays a prorated share of the debt service for bonds issued in connection with the Lincoln-Sudbury Regional School High School. The Regional School District issues and manages its own debt. Sudbury taxpayers will be expected to pay approximately 85% of that new debt, after grant reimbursements. The School District recently issued the remaining long-term debt for the new building complex. The total debt service for this project has leveled off and is expected to decline starting in FY09. In turn, the Town may expect decreases in their LS assessment for LS debt with the largest reductions starting in FY09 and dropping off significantly in FY2015 through completion in FY2021. It should be noted that the Town's portion of LS debt service is also considered exempt debt for purposes of tax levy calculation.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
DEBT SERVICE				
Short-term Loan Interest	0	-	7,619	-
Long Term Bond Int.	1,402,354	1,277,060	1,151,604	1,025,354
Long Term Bond Principal	3,070,000	3,070,000	3,110,000	3,155,000
New issues for capital items	0	-	-	-
LSRHS Debt Service, Sudbury Portion	2,647,937	2,394,071	2,298,949	2,237,147
Total: Debt Service	7,120,291	6,741,131	6,568,172	6,417,501
NON-EXEMPT DEBT/ADJUSTMENTS				
Non-Exempt Debt Service	-	-	(7,619)	-
Premium on Bonds	(9,576)	(8,408)	(7,007)	(5,605)
SBAB Debt Reimbursement	(2,816,206)	(1,702,596)	(1,702,596)	(1,702,596)
DE-1 Tax Recap Adjustments	(148,214)	-	-	-
Sub-Total: Non-exempt debt adjustments	(2,973,996)	(1,711,004)	(1,717,222)	(1,708,201)
Total Exempt Debt to be raised	4,146,295	5,030,127	4,850,950	4,709,300

BUDGET ISSUES

Total debt service including Sudbury's share of LSRHS debt continues to decline. The FY11 budget is decreasing in total by \$150,671, as compared to the FY10. This represents the amount of debt service (principal and interest) that Sudbury has to pay in FY11. The FY11 exempt debt calculation represents the net taxes to be raised (in addition to proposition 2 ½). The *tax levy* for debt service for FY11 is also declining by nearly 3%, as compared to FY10. Since reductions in exempt debt causes that portion of the tax levy to decline, taxpayers can expect reductions in that portion of the tax bill. Tax levy for exempt debt only lasts as long as the debt service to be paid. Therefore, the increase in taxes due to exempt debt is temporary unlike an override for the operating budget.

BENEFITS AND INSURANCE

MISSION OF THE PROGRAM

To provide to the employees of the Town of Sudbury (including those who work for the Sudbury Public Schools) both the required and contractually agreed upon benefits to protect their health, provide for their income security if they are injured on the job, and provide for their eventual separation from the Town, either through retirement or leaving before retirement is reached.

DESCRIPTION OF SERVICES

Employee benefits represents the cost of providing health and life insurance for Town and Sudbury Public School employees as well as for Worker's Compensation, unemployment, Medicare Tax, and the Town's assessment from the Middlesex Retirement System. This

budget category also includes property and liability coverage for all Town owned property as well as all Town officials, elected and appointed.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
BENEFITS & INSURANCE				
Workers' Compensation	24,256	27,009	27,900	30,690
Unemployment Compensation	25,046	52,610	41,730	46,738
Medicare Tax	398,712	413,942	434,970	487,166
Life Insurance	4,344	3,700	5,600	5,600
Medical Claims/ Insurance	7,330,457	7,519,349	6,954,909	6,962,893
Health Insurance Reserve	-	-	20,668	-
Retirement Program	2,321,646	2,621,713	2,741,034	2,851,124
Property/Liab. Insurance	209,144	215,912	246,270	275,822
Benefits Offsets	-	-	-	(14,280)
Total: Employee Benefits	10,313,605	10,854,235	10,473,081	10,660,033
	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
BENEFITS & INSURANCE				
Town	3,907,680	4,153,667	4,090,747	4,209,905
Schools	6,405,925	6,700,568	6,382,334	6,450,128
	10,313,605	10,854,235	10,473,081	10,660,033

BUDGET ISSUES

Workers' Compensation – The FY11 budget is increasing slightly in total by \$2,790, as compared to FY10 budget. Sudbury runs this type of insurance program on a self-insurance basis, similar regular health benefits. A Workers' Compensation Trust is used to payout wages based on actual claims and settlements. The General fund expenditure above represents the cost of third party administration of the program. Sudbury continues to save money being self-insured for workers' compensation rather than paying into a premium-based policy.

Life Insurance – The FY11 budget is level funded to FY10.

Unemployment – The FY11 budget is increasing by a total of \$5,008, as compared to FY10 budget. Actual unemployment costs have exceeded budget over the past two years due to reductions in force, particularly in the Sudbury Public Schools. If further personnel cuts can be avoided in FY11 this budget should be adequate for all costs of unemployment benefits. Any shortfalls in this category must be covered by other areas of the budget.

Medicare Tax – The FY11 budget is increasing in total by \$52,196 or 12%, as compared to FY10 budget. This line item represents the employer share of payroll tax mandated by the federal government. Annual increases in this tax liability have been reflective of a rise in total Town payroll subject to this tax, as more senior employees whose wages were not subject to the tax depart and are replaced by newly hired employees whose wages are now fully subject to this tax liability.

Medical Claims/Insurance – The FY11 budget is increasing slightly in total by \$7,984, as compared to FY10 budget. Actual medical claims/insurance costs have been rising steadily (in the double-digits) over the last several years. Prior to 2010, medical insurance cost for active employees (Town and SPS) grew an astounding 58% since 2001. In spite of that trend, Sudbury has been able to reset medical insurance cost back to a level we have not seen since 2006. This major cost reduction (starting in FY10) was achieved by the following changes in Sudbury's group health insurance program: 1) Plan Contribution Rates - increase share of monthly premiums paid by all employees and 2) Plan Design - increase in the *cost share* paid by all employees for medical services under the health insurance plans. The dramatic cost avoidance can be seen in both FY10 and FY11. While the rising cost of actual healthcare remains an issue for all providers and users across the country, Sudbury has repositioned itself in such a way to be able to enjoy a short respite from tremendous increases in benefits at a time when we can surely use the funding in other parts of the budget. Furthermore, we have successfully lowered Sudbury's *cost share* for current and future retiree healthcare along with what is determined to be our OPEB unfunded liability.

Health Insurance Reserves - The FY11 budget for this temporary reserve is decreasing to zero, as compared to FY10. In FY10, the Town and SPS were able to set aside a significant amount in reserve, which represented estimated savings in health insurance program costs (anticipated by the changes mentioned above). Having succeeded in implementing the desired health plan changes during FY10, both cost centers were able to redirect nearly all the funds voted into the health insurance reserve into other areas of the budget, namely to save jobs and fund wage increases in exchange for making commensurate concessions in healthcare. SPS was able to use all of \$1,028,704 in health reserve to offset other expense line items having achieved the expected savings in benefits through collective bargaining. The Town was able to use most of their \$485,668 health insurance reserve balance for the same reasons having to hold back only a small portion while collective bargaining was still ongoing with the civilian dispatchers union. This balance in the health insurance reserve will either go towards paying higher *cost share* for Sudbury associated with providing health benefit to the civilian dispatchers, or close out (as unexpended) to the General fund.

Retirement Program – The FY11 budget is increasing in total by \$110,090, as compared to FY10. This line item of the budget pays for Sudbury's annual assessment from the Middlesex Retirement System (MRS). As mentioned in a previous section of this document, all pension eligible employees that work for Sudbury (with the exception of teachers) will receive benefits from the MRS. Sudbury's assessment is the funding mechanism for our proportionate share of the retirement systems costs over time. The assessment is determined on a biannual basis (by actuarial valuation) as the required contribution for – actual pension benefits to be paid to Sudbury retirees during the year, -pension benefits being earned by active employees and, - a portion of the previous unfunded pension liability (primarily caused by insufficient contributions by member units over a number of years ago). Since new actuarial studies are conducted every two years, we can expect any

significant changes in our assessment to happen at the beginning of each cycle. For example, poor MRS asset performance since the last study (due to terrible economic conditions) could cause our FY12 assessment to increase by double-digits. Since we cannot control or set our assessment, we must look to the MRS to provide best estimates during our budget cycle and plan accordingly. MRS currently offers discount (2% savings or \$55,828 for Sudbury in FY11) for paying the annual assessment as a lump sum at the very beginning of the fiscal year rather than as two equal installments. Provided we have proper cash flow at the beginning of the fiscal year, we will continue to take advantage of any such discounts offered in the future.

Property/Liability Insurance – The FY11 budget is increased by a total of \$29,552, as compared to FY10. The increase is predicated on the general property and liability insurance market, adjustments to the value of Town and SPS properties and facilities, and higher claims trends in fire and police accident coverage. Fire and police personnel are not eligible under Massachusetts law for regular workers’ compensation coverage, however municipalities are required to pay regular salary and medical bills for public safety employees injured in the line of duty (IOD) *under M.G.L. C. 41 § 111F*. Sudbury maintains an insurance policy for public safety employees. The premiums are based largely on claims experience, which have been higher recently.

STABILIZATION FUND

DESCRIPTION OF SERVICES

This is a fund maintained by the Town for several purposes. First, it is the Town's primary reserves for emergencies that occur after the year's annual budget has been approved by Town Meeting. There are really only two state approved mechanisms for building reserves for a source of funds if some large disaster hit the Town. One is to build up Free Cash, and the other is the Stabilization Fund. While Sudbury continues to build up Free Cash each year, the Stabilization fund is considered our only available resource for the Town for one-time, unexpected occurrences that need immediate financial resources.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
STABILIZATION FUND				
Additions to Fund	50,000	0	0	0
Total Stabilization Fund	50,000	0	0	0

BUDGET ISSUES

The FY11 budget (to add to the Stabilization fund in FY11) is zero. For further information regarding the Stabilization fund, [see Section 12](#).

Section Ten

Unappropriated Accounts

– All other charges to be raised



OTHER CHARGES TO BE RAISED (OR UNAPPROPRIATED ACCOUNTS)

DESCRIPTION OF SERVICES

As we have seen throughout this document, almost everything Sudbury does is paid for by the General fund (which becomes part of the tax levy and part of your tax bill). Everything that Sudbury spends from General fund (and most funds, in fact) must be budgeted for. Going one-step further, almost everything Sudbury budgets for must be appropriated (authorized for expenditure) by Town Meeting. There are however, a few exceptions to the rules that govern the General fund and by extension the tax levy. This handful of items must be raised as part of the tax levy, but do not require appropriation. Instead, municipalities will make their best estimates during the budgeting cycle, adjust as needed during tax rate certification process and accept any positive or negative outcomes during the year.

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
Other amounts to be raised				
Cherry Sheet Assessments	169,420	167,313	216,056	211,556
Cherry Sheet Offsets	38,199	37,763	32,413	32,992
Abatements & Exemptions	490,898	708,949	533,388	400,000
Overlay deficits of prior years	0	0	0	0
Recap. Snow & Ice Deficits	0	69,499	0	100,000
Total Other Charges	698,517	983,524	781,857	744,548

BUDGET ISSUES

Cherry Sheet Charges

FY11 Estimate: \$211,556

Each municipality must pay certain charges to the State. These charges must in turn be raised on the tax levy but are *not* subject to Town Meeting appropriation. Instead of us paying the State for these charges (which are assessments or cost sharing mechanisms formulated by the State on behalf of quasi-state organizations (e.g. the MBTA, Metropolitan Area Planning Council, or RMV), or for education mandates for things like Special Education and School Choice, the State simply nets these items against our Local Aid receipts. In some cases, the charge amounts listed on the Cherry Sheet are only estimates, such as with line items for School Choice. Any increases in actual charges after budgeting or tax rate certification must be accommodated for by either taking in additional revenues or reducing expenditures elsewhere. Cherry Sheet charges typically do not fluctuate much from year to year and we are able to cover differences in estimates with little difficulty. However, should the State decide to alter the means of calculation, or increase the total amount of charges required to subsidize its budget structure, we may have greater difficulty accommodating this line item in our budget in the future.

Cherry Sheet Offsets

FY11 Estimate: \$32,992

Sudbury currently receives two small Cherry Sheet Offsets. Offsets represent revenue streams that are to be spent directly against expenditures (without appropriation) within specific areas of the government – in our case, for public libraries and SPS' school lunch program. The mechanics of municipal budgeting and accounting require us to show the

offsets coming in as revenue (due to their inclusion on the Cherry Sheet) therefore we must also show these special offsets as expenditures to the General budget (as other charges to be raised). This essentially negates the impact of special revenue coming into the General fund during the tax rate setting process thereby allowing us to raise the proper amount of taxes specifically for the General fund – absent of revenues coming in from the State that for all intents and purpose would be better left off the Cherry Sheet to begin with.

Snow & Ice Deficit

FY11 Estimate: \$100,000

Snow removal expense is unpredictable from year to year, and subject to wide variations. The budget strategy is to recognize long-term trends without assuming a "worst-case" situation. As long as the amount appropriated is at least equal to the prior year's appropriation, state law permits deficit spending for this purpose. The amount of deficit is then be added onto the following year's tax levy before any *new* appropriations can be voted. The larger the unexpected deficit, the less room on the levy you have for the new budget (before reaching the "levy limit" or the maximum amount a community can levy in a given year). Snow & ice deficit for FY11 is level funded from the FY10 original appropriation.

Other Deficits

FY11 Estimate: \$0

Revenue or Overlay deficits must also be provided for in the next fiscal year. We did not experience any such deficits in FY10 and do not expect any for FY11.

Abatements & Exemptions

FY11 Estimate: \$400,000

This is an amount, also known as **Overlay, which** is added to the property tax levy in excess of the sum required to meet appropriations, state assessments and deficits. It cannot exceed 5% of the levy and is used to cover abatements and exemptions granted by the Board of Assessors or because of appeals to the State Appellate Tax Board or to the courts. This budget item is counted (raised) in the total tax levy and subject to the regular limitations of "Proposition 2 ½". Budgeting for Overlay is akin to estimates made by other organizations for uncollectible receivables. Actual abatements and exemptions granted for a particular tax levy year count against (reduce) the amount of taxes revenues we will receive. However, since this reserve for tax receivables is recognized in total against the tax levy each year, we may benefit in future years if and when it is determined that any remaining reserve can be closed out. This surplus (or unspent budget for abatements & exemptions) increases the General fund balance, which means it can be used as an available resource to fund future budgets (see previous section of this document for more information on Overlay Surplus).

Section Eleven

Enterprise Funds



	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
ENTERPRISE FUND EXPENDITURES				
Transfer Station	227,305	263,368	301,842	271,437
Pool	429,617	438,924	476,592	489,868
Recreation Field Maintenance	0	0	160,000	221,497
Total Enterprises (Direct)	656,922	702,292	938,434	982,802
	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
ENTERPRISE FUND REVENUES				
Transfer Station	289,284	316,432	332,795	301,032
Pool	442,403	457,927	476,592	489,868
Recreation Field Maintenance	0	0	160,000	221,497
Total Enterprises Revenues	731,687	774,359	969,387	1,012,397

ENTERPRISE FUNDS: Transfer Station/Recycling Center

MISSION OF THE ENTERPRISE

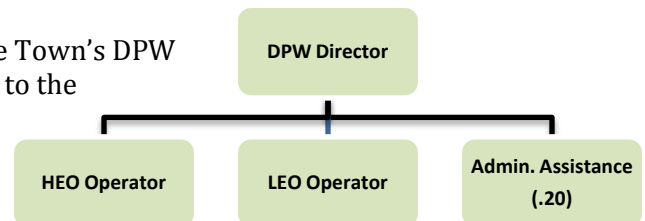
The Enterprise mission is to operate a secure, safe and environmentally friendly Transfer Facility for the residents of Sudbury to properly dispose of and/or recycle common household items and non-hazardous waste. The station provides excellent recycling opportunities in which residents can exercise environmental stewardship of resources and help reduce the bulk amount of trash.

DESCRIPTION OF SERVICES

The Town of Sudbury does not offer curbside solid waste pickup, but rather operates a Transfer Station/Recycling Center at the site of the former Sand Hill Sanitary Landfill located at 20 Boston Post Road. The Transfer Station is the receiving point for approximately one fourth of the town's residential waste, which is then hauled by the Town to a transfer station in Hudson, Mass. Private contractors hired by residents pick up and haul the remaining residential waste. The Transfer Station also operates an extensive recycling center for glass, plastic, paper, CRT's, tires and oil. To cover the costs of operations, residents who wish to use the Transfer Station are charged an annual fee for a sticker; plus through a "pay as you throw" system, residents pay for each bag of waste they bring to the facility. The bags are purchased at a number of retail locations in Sudbury. This "pay as you throw" encourages recycling and allocates the true cost of waste handling to the users with the greater volume of waste produced.

STAFFING (2.20 FTE's)

Transfer Station/Recycling Center staff report to the Town's DPW Director. There are 2 employees regularly assigned to the Transfer Station operations. Part-time administrative duties are also provided by a DPW employee.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Open to Residents	Days	156	156	156
Stickers Sold	Count	1,568	1,569	1,569
Sticker Receipts	Dollars	138,749	145,000	145,000
Permit Receipts	Dollars	29,382	27,000	27,000
Pay-Per-Throw Bags Sold	Count	65,000	55,000	55,000
Pay-Per-Throw Bag Receipts	Dollars	84,800	75,750	75,750
Recycled Materials	Tons	1,052	1,000	1,000
Amount Recovered from Recyclables	Dollars	38,878	3,500	3,500
Trash Disposed	Tons	908	900	900

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
TRANSFER STATION ENTERPRISE FUND				
Non-Clerical	88,722	92,183	92,080	93,776
Overtime	6,048	5,282	7,000	7,000
Stipends		0	4,095	4,095
Clerical	7,231	7,562	8,067	8,466
Sub Total: Personal Services	102,001	105,027	111,242	113,337
General Expense	13,237	28,356	24,100	19,000
Maintenance	24,281	37,292	50,000	27,600
Hauling & Disposal	73,970	76,839	98,500	90,000
Resource Recovery	13,816	15,854	18,000	21,500
Carryforward Expense			0	0
Sub Total: Expenses	125,304	158,341	190,600	158,100
Direct Costs (appropriated)	227,305	263,368	301,842	271,437
INDIRECT COSTS: (Not Appropriated)				
Benefits/Insurance	30,912	30,912	30,953	29,595
Indirect Costs*	30,912	30,912	30,953	29,595
TOTAL: TRANSFER STATION ENTERPRISE	258,217	294,280	332,795	301,032

BUDGET ISSUES

Personal Services - The FY11 budget is increasing in total by \$2,095, as compared to FY10. This budget provides for the same level of staffing as FY10 and is predicated on certain assumptions about collective bargaining for DPW union employees. Currently, funds for any wage adjustment in this department are carried in the salary contingency line.

Expenses - The FY11 budget for direct expenses is decreasing in total by \$30,405, as compared to FY10. The decrease is based on a projected decline in enterprise revenues in FY11. The enterprise is also anticipating having to use \$51,032 in unrestricted reserves to help maintain operations during the coming year. The budget for indirect costs of \$29,595 represents benefits for enterprise employees, which are to be paid for on behalf of the Transfer Station out of Sudbury's unclassified benefits.

ENTERPRISE FUNDS: Atkinson Pool

MISSION OF THE ENTERPRISE

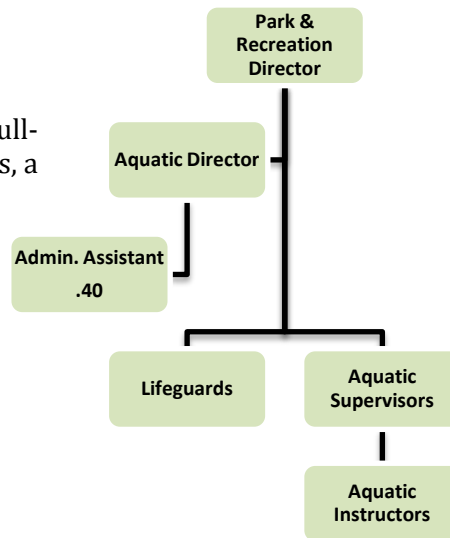
The mission of the Atkinson Pool is to provide aquatic activities, fitness swimming, and leisure services to the public. To enhance the quality of life for the Town of Sudbury residents by providing clean, safe and attractive aquatic facility that promotes a strong sense of community.

DESCRIPTION OF SERVICES

The Atkinson Pool is a Town owned year round indoor aquatic facility, which opened in January 1988. There is an eight-lane 25-yard pool and a separate dive well with two one-meter boards. The pool offers a variety of aquatic programs and events throughout the year. Programs include swim lessons (ages 3 through adult), parent and child classes, spring board diving lessons, aquatic exercise, deep water workout, therapeutic use, masters swimming, family swimming, lap swimming, adult and youth SCUBA lessons, first aid and CPR, Lifeguard Training and Water Safety Instructor classes. The pool also hosts a number of swim teams, including the Sudbury Youth Swim Team, The Lincoln Sudbury Regional High School Swim Team, and other community teams such as Wayland, Framingham, Chelmsford, Westford, and the Bromfield school swimming and diving teams.

STAFFING (10.18 FTE's)

Atkinson Pool staff report to the Town's Park and Recreation Director. The department consists of a full-time aquatic director, 2 full-time aquatic supervisors, a head lifeguard and many aquatic staff, mostly part-time, who are paid out of the Enterprise Fund. Part-time administrative duties are also provided by a Park & Recreation employee.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Pool Attendance	Count	79,291	84,618	80,000
Atkinson Pool Memberships	Count	810	1,445	1,400
Atkinson Pool Members	Count	1,738	2,945	2,800
Resident Active Members	Count	n/a	1,215	1,215
Non-Resident Active Members	Count	n/a	1,730	1,585
Resident Active Memberships	Count	n/a	527	527
Non-Resident Active Memberships	Count	n/a	918	873
Number of individuals serviced by swim lessons/exercise programs	Count	1,070	1,041	1,050

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
POOL ENTERPRISE FUND				
Non-Clerical	134,023	144,856	148,684	159,762
Head Lifeguards	33,371	34,695	35,481	36,792
Overtime	1,054	254	1,260	1,293
Clerical	16,929	17,565	17,398	18,317
Part Time Supervisors	6,057	6,296	8,092	8,092
Receptionists	20,983	22,112	24,208	24,143
WSI Lifeguards	51,809	54,041	65,644	65,644
Instructors	11,981	11,090	12,825	12,825
Sub Total: Personal Services	276,207	290,909	313,592	326,868
General Expense	14,518	14,602	10,000	10,000
Utilities	94,008	87,762	97,000	97,000
Maintenance	39,868	40,002	46,000	46,000
Programs	5,016	5,649	6,000	6,000
Equipment	0	0	4,000	4,000
Carryforward Expense			0	0
Sub Total: Expenses	153,410	148,015	163,000	163,000
Direct Costs (appropriated)	429,617	438,924	476,592	489,868
INDIRECT COSTS: (Not Appropriated)				
Insurance & Benefits	62,198	65,530	61,905	55,841
Indirect Costs*	62,198	65,530	61,905	55,841
TOTAL: POOL ENTERPRISE	491,815	504,454	538,497	545,709

BUDGET ISSUES

Personal Services – The FY11 budget is increasing by \$13,276, compared to the FY10 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees of the Town received a 3% wage adjustment effective October 1, 2009, in exchange for increasing the employee share of health insurance premium costs, but they will not be receiving a cost of living adjustment increase in FY11. Some employees in this department will receive a step increase in FY11.

Expenses – The FY11 budget for direct expenses is increasing in total by zero, as compared to FY10. The budget for indirect costs of \$55,841 represents benefits for enterprise employees, which are to be paid for on behalf of the Atkinson Pool out of Sudbury's unclassified benefits.

ENTERPRISE FUNDS: Recreation Field Maintenance

MISSION OF THE ENTERPRISE

The mission is to insure the availability of adequate staffing and resources to preserve the Town's investment in its recreational and playing fields. To maintain quality facilities, programs and services for our citizens.

DESCRIPTION OF SERVICES

The enterprise provides repair and maintenance services for all public recreation fields. This includes mowing, seeding, turf repair, field lining, and other care required to make the fields safe and presentable for use. This enterprise fund replaced a previously existing revolving fund, which is also a mechanism for running a fee for service town program.

STAFFING (.58 FTE's)

Currently, the Enterprise does not have any permanent employees. Wages are allocated from the Town's Parks & Grounds department, on a seasonal basis. In the future, one part time employee may be hired to manage the scheduling of field usage. In the meantime, all scheduling continues to be done by personnel in the Recreation Department.

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Unit of Measure	FY09	FY10	Projected FY11
Hours of use per field	Hours	n/a*	1664	1664
Min. and Max. of field events per field	Range	n/a*	1-8	1-8
Hours spent scheduling field use	Hours	n/a*	128	130
Days open for play per field	Days	n/a*	210	210

	FY08	FY09	FY10	FY11
	Actual	Actual	Budget	Appropriated
RECREATION FIELD MAINTENANCE ENTERPRISE FUND				
Non-Clerical	0	0	5,500	52,967
Overtime	0	0	0	0
Clerical	0	0	6,000	5,130
Sub Total: Personal Services	0	0	11,500	58,097
Field Maintenance	0	0	80,000	90,000
Park Maintenance	0	0	14,000	19,000
Utilities	0	0	41,000	41,000
Office Expense	0	0	1,500	1,500
General Expense	0	0	7,000	7,000
Sub Total: Expenses	0	0	143,500	158,500
Capital Expense	0	0	5,000	4,900
Sub Total: Capital Expenses	0	0	5,000	4,900
TOTAL: RECR FIELD MAINT ENTRP	0	0	160,000	221,497

BUDGET ISSUES

Personal Services – The FY11 budget is increasing by \$46,597, compared to the FY10 budget. This budget provides seasonal work provided by DPW staff specifically for public field maintenance.

Expenses – The FY11 budget for direct expenses is increasing in total by \$14,900, as compared to FY10. The budget represents an increase in supplies and general expenses associated with field maintenance that was previously paid for by the DPW and revolving funds prior to establishing the Enterprise in FY10.

Section Twelve

Budget Detail – Other Major Funds



OTHER MAJOR FUNDS: SUDBURY'S COMMUNITY PRESERVATION FUND

MISSION OF THE PROGRAM

The Community Preservation Fund (CPF) also referred to as CPA was created to further the Town's community preservation efforts. Under the direction of the Community Preservation Committee (CPC), the Town may consider using CPA funds for acquisition, creation or preservation of recreational space, community housing, and historic resources.

DESCRIPTION OF CPA

Below is an excerpt from the Massachusetts Department of Revenue that explains the Community Preservation Act of 2000:

The CPA allows communities to create a local Community Preservation Fund to raise money through a surcharge of up to 3% of the real estate tax levy on real property for open space protection, historic preservation and the provision of affordable housing. The act also creates a significant state matching fund, which serves as an incentive to communities to pass the CPA. Municipalities must adopt the Act by ballot referendum.

The Community Preservation Act (CPA) is an innovative tool for communities to address important community needs and finance specific community preservation acquisitions and initiatives. Once adopted locally, the Act requires the legislative body to annually appropriate, or reserve for future appropriation, at least 10% of the estimated annual fund revenues for acquisitions or initiatives in each of the following three categories of allowable community preservation purposes: open space (excluding recreational uses), historic resources, and community housing. This allows the community flexibility in distributing the majority of the money for any of the three categories as determined by the community.

STAFFING (FTE's .79)

The CPC, appointed by the Board of Selectmen, includes nine standing members, with representatives from the Town's Conservation Commission, Finance Committee, Historical Commission, Housing Authority, Planning Board, Park and Recreation Commission, Board of Selectmen, and two at-large citizen members. CPC operations are supported by employees in Planning & Community Development, including .50 Housing Specialist, .29 FTE allocation for the Assistant Planner, and the Director of Planning and Community Development, as needed.

	FY08	FY09	FY10	FY11
CPA Operating	Actual	Actual	Budget	Appropriated
Salaries & Wages	48,729	32,138	50,000	50,000
Administrative Expenses	27,793	47,295	45,000	30,000
Debt Service	793,098	809,455	1,124,454	1,052,034
Total: CPA Operating Expense ¹	869,620	888,888	1,219,454	1,132,034
	FY08	FY09	FY10	FY11
CPA Capital Projects	Actual	Actual	Budget	Appropriated
Capital Project Expense	516,680	6,291,251	770,000	600,000
Total: CPA Capital Projects ²	516,680	6,291,251	770,000	600,000
Total CPA Expenses Only ¹	1,386,300	7,180,139	1,989,454	1,732,034
1. Excludes monies given to Sudbury's AHT. Treated as interfund transfer not expense. 2. Capital articles may stay open for several years. Budget for expenditures may vary greatly from actual capital expenditures depending on project progress.				

BUDGET ISSUES

Personal Services – The FY11 budget is increasing in total by zero, compared to the FY10 budget. This budget provides approximately the same level of staffing hours as FY10.

Expenses – The FY11 budget for other expenses is decreasing in total by \$87,420, as compared to FY10. Less will be spent on both administrative expenses and debt service.

Capital Expenditures – The FY11 budget for capital expense is decreasing in total by \$170,000, as compared to FY10. It is important to note that capital is appropriated as individual articles at Town Meeting. Capital expenditures from year to year represent the progress made (funds expended) for capital projects. Therefore, the budget for capital expenditures is an estimate only for purposes of forecasting total fund balances, as needed. Actual capital expenditures may vary greatly from budget.

Capital Article Appropriations–The CPC receives dozens of project requests each year. Of those submitted, the Committee votes to recommend several new projects for approval at Town Meeting. Below is a 4-year summary of CPA capital projects by category. For further details on CPA capital projects and strategic planning see the CPC's extensive website catalogue of reports.

	FY08	FY09	FY10	FY11
CPA Capital Projects	Actual	Actual	Budget	Appropriated
Open/Recreational Space	175,000	6,175,000	25,000	200,000
Historic Resources	25,000	79,681	18,000	167,795
Community Housing	250,000	1,350,000	378,000	180,000
Total: CPA Capital Projects	450,000	7,604,681	421,000	547,795

OTHER MAJOR FUNDS: SUDBURY'S HOUSING TRUST

MISSION OF THE PROGRAM

The purpose of the Sudbury Housing Trust (SHT) is to provide for the creation and preservation of affordable housing in the Town of Sudbury for the benefit of low and moderate income households.

DESCRIPTION OF SHT

The Trust implements the recommendations set forth in the Sudbury Community Housing Plan for the purpose of aiding the Town of Sudbury, private enterprises and non-profit organizations, and other public agencies in the speedy and orderly acquisition, rehabilitation, renovation, construction, financing or refinancing of property within the Town of Sudbury so that, such property will be substantially available as residential property for low and moderate income persons and to further provide mechanisms to ensure such use.

STAFFING (FTE's .50)

The SHT, appointed by the Board of Selectmen, includes nine standing members, with representatives from various Town Boards and Committees as well as at-large citizen members. The SHT operations are supported by .50 Housing Specialists along with assistance from the Director of Planning & Community Development, as needed.

	FY08	FY09	FY10	FY11
SUDBURY HOUSING TRS	Actual	Actual	Budget	Appropriated
Salaries & Wages	5,784	30,789	37,246	37,246
General Expenses	56,030	374,016	52,754	312,754
Total: SHT Operating Expense ¹	61,814	404,805	90,000	350,000
1. Represents expenditures made year-to-year not capital appropriations made at Town Meeting. Capital articles may stay open for several years. Budget for expenditures may vary greatly from actual capital expenditures depending on project progress.				

BUDGET ISSUES

Personal Services – The FY11 budget is increasing in total by zero, compared to the FY10 budget. This budget provides approximately the same level of staffing hours as FY10.

Expenses – The FY11 budget for expenses is increasing in total by \$260,000, as compared to FY10. Approximately \$52,754 of expenses for FY11 is budgeted for general expenses such as small home repair grants for Sudbury citizens. The remaining balance of \$260,000 may be spent to purchase developable land or existing housing stock, although nothing certain has been identified. Unspent budget for this Trust reverts to available reserves.

Capital Article Appropriations–The SHT may receive monies each year from the CPA specifically for potential affordable housing projects known at time of Town Meeting, or else a general amount representing a percentage of reserves for community housing. This funding is handled as inter-fund transfers ([see Section 1 for further details](#)). Transfers given

to AHT do not need to be spent in the year received and remain available for use, for as long as necessary. Unspent transfers of funds do not revert to the source of transfer (i.e. the CPA fund).

OTHER MAJOR FUNDS: SUDBURY'S STABILIZATION FUND

MISSION OF THE PROGRAM

The purpose of the Sudbury Stabilization fund is to provide a special financial resource for general or capital expenditure on an emergency basis. Often called a "rainy day" fund, the Stabilization reserve may be used under extraordinary circumstances.

DESCRIPTION OF STABILIZATION

Both additions to and expenditures from the Stabilization fund are subject to Town Meeting approval.

STAFFING

The Stabilization fund falls under the direct appropriation control of Town Meeting.

BUDGET ISSUES

Expenses– The FY11 budget is zero. Should an extraordinary need arise in FY11, an article would be submitted for Annual or Special Town Meeting. The Town has not had to use any funds from Stabilization since its inception several years ago. Over the years, the Town has added small amounts to Stabilization from the General fund. This last occurred during the FY08 budget cycle.

Section Thirteen

Appendices



A. Budget Terms and Definitions

Abatements and Exemptions (previously called Overlay): An amount set by the Assessors to create a fund to cover abatements of (and exemptions from) real and personal tax assessments for the current year, and raised on the tax levy. An abatement is a reduction provided by the Assessors in the assessed tax because of bona fide specific conditions or situations not considered when the tax was levied. An exemption is provided for a variety of purposes, which include, but are not limited to: buildings/property used for religious, government, charity, or pollution control. In addition, exemptions may also be provided to the elderly, handicapped, and veterans under certain conditions.

Abatement Surplus: Accumulation of the surplus amounts of Abatements and Exemptions set aside by the Assessors each year to cover abatements of (and exemptions from) real estate and personal property tax assessments. The accumulated amount for previous years no longer committed for abatements may be used by vote of the Town Meeting.

Accounting System: A system of financial recordkeeping which records classifies and reports information on the financial status and operation of an organization.

Accrual Basis for Accounting: A method of accounting that recognizes revenue when earned, rather than when collected, and recognizes expenses when incurred, rather than when paid.

Sudbury Housing Trust Fund: A special revenue fund used to provide for the creation and preservation of affordable housing within the Town.

Allocation: The distribution of available monies, personnel, buildings and equipment among various Town departments, divisions or cost centers.

Appropriation: An authorization granted by the Town Meeting to make expenditures and

to incur obligations for specific purposes. Appropriations for any expenditure specify dollar amounts,

funding sources, and a period of time within which the funds must be spent. Any funds not expended within the specified time (usually one fiscal year) revert to the Unreserved Fund Balance.

Article: An article or item on the Warrant of the Annual Town Meeting. There are seven standard budget related articles that appear in the Warrant every year as follows:

- Operating Budget (for the upcoming fiscal year),
- Budget Adjustment (for adjustments to the current fiscal year's budget that was appropriated at the previous year's Town Meeting)
- Prior Year Unpaid Bills
- Enterprise Fund Budgets (one for each enterprise fund)
- Capital Budget (an omnibus article for capital items funded within the levy)
- Capital Projects (for any capital item funded through a request for an override of Proposition 2 ½ limits. This can be an omnibus article for multiple projects or a separate article for a significant project).
- Stabilization Fund (for adding to the Town's Stabilization Reserve Account)

Assessed Valuation: The valuation of real estate or other property determined by the Town Assessor for tax levying purposes. The Commonwealth certifies the values and methodology in determining those values every three years.

Assets: Property, plant and equipment owned by the Town.

Audit: A comprehensive examination as to the manner in which the government's resources were actually utilized concluding in a written report of its findings. An accounting audit is intended to ascertain whether financial statements fairly present the financial position and results of operations of the

Town. The Town is required to conduct an audit annually.

Available Funds (Free Cash): Free cash is the available, undesignated fund balance of the General Fund and is generated when actual revenue collections are in excess of estimates, when expenditures are less than appropriated, or both. A free cash balance is certified as of July 1 each year by the Department of Revenue and once certified, any or the entire certified amount may be used to defray Town expenses by a vote of the Town Meeting (see Available Fund).

Balanced Budget: A plan of financial operation embodying an estimate of proposed expenditures for a given period that does not exceed a proposed means of financing; where operating revenues are used to fund operating expenditures/expenses. Sudbury's budget is a financial plan that is established for a single fiscal year that begins on July 1 and ends on June 30.

Budget Message: A general discussion of the submitted budget presented in writing by the Town Manager as part of the budget document.

Capital Budget: A plan of major, non-recurring expenditures involving land acquisition, construction or major rehabilitation of a facility, or purchase of equipment costing \$10,000 or more with a useful life of five years or more.

Capital Expenditure/Improvement: Items generally found in the capital budget such as construction or major repairs to municipal buildings. The fees for architects, engineers, lawyers, and other professional services, plus the cost of financing advance planning, may be included in addition to the cost of materials and installation/construction.

Capital Improvement Plan: A financial planning and management tool which identifies new public facility and equipment requirements, or improvements; places these requirements in order of priority; and schedules them for funding and implementation.

Carry-Forward Expenditures: Amounts corresponding to unpaid bills that remain at the close of the fiscal year.

Charter: A founding document bestowing certain rights on an incorporated Town or City.

Cherry Sheet: An annual statement received from the Department of Revenue detailing estimated receipts for the next fiscal year from the various state aid accounts as well as estimated state and county government charges payable to the state. The name "Cherry Sheet" derives from the color of the paper used.

COLA: Cost of Living Adjustment. General referred to as a component of salaries & wages.

Collective Bargaining: A collective bargaining agreement is a labor contract between an employer and one or more labor unions. Collective bargaining consists of the process of negotiation between representatives of the union and the employer having to do with terms and conditions of employment.

Community Preservation Fund: 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.

County: A legal or geographical grouping of Towns and Cities. Sudbury resides in Middlesex County.

Cost Center: The three major governmental entities funded by the operating budget – the Town of Sudbury Operating Departments, the Sudbury Public Schools, and the Lincoln-Sudbury Regional High School – which together account for over 92% of the annual operating budget.

CPC: Under the provisions of the Community Preservation Act (CPA), Sudbury established a Community Preservation Committee.

Debt Exemption: An override to Proposition 2 ½ for the purpose of raising funds for debt service costs.

Debt Service: Payment of interest and principal on an obligation resulting from the issuance of bonds.

Department: A principal, functional, and administrative entity created by statute and the Town Manager to carry out specified public services.

Economic Indicator: A statistic about the economy. Economic indicators allow analysis of economic performance and predictions of future performance.

Enterprise Fund: A separate fund, set up to provide a specific Town service, whereby all direct and indirect/overhead costs of providing the service are funded in total from user charges. An appropriation for an enterprise fund is funded in total from enterprise fund revenue unless otherwise noted. Enterprise fund revenue used to fund services provided by other Town departments will be shown in the warrant after the appropriation total for the department. An enterprise fund is required to fully disclose all costs and all revenue sources needed to provide a service.

Expenditure: Decrease in net financial resources for the purpose of acquiring or providing goods and services.

Expenses: The cost of delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations. Expenses consist of the following objects of expenditure: Utilities, Supplies and Materials, Contractual Services, and Equipment.

Excess Taxing Capacity: The difference between actual real and personal property taxes levied in any given year and the amount authorized to be assessed under Proposition 2-½.

FinCom: Finance Committee. A group of duly appointed citizens whose purpose is to make recommendation at Town Meeting on all of Sudbury's financial matters.

Financing Plan: The estimate of revenues and their sources that will pay for the service programs outlined in the annual budget.

Fiscal Year: A 12-month period over which an organization conducts business and budgets its spending. Sudbury's fiscal year runs from July 1 through June 30th. The fiscal year is commonly referred to by the date (year) in which it ends.

Free Cash: Free cash is the available, undesignated fund balance of the General Fund and is generated when actual revenue collections are in excess of estimates, when expenditures are less than appropriated, or both. A free cash balance is certified as of July 1 each year by the Department of Revenue and once certified, any or the entire certified amount may be used to defray Town expenses by a vote of the Town Meeting (see Available Fund).

FTE: Full-time Equivalent. Reference commonly used to quantify the number of Full-time employees; calculated by converting part-time hours into what is considered the full-time hours per annum for a particular department or function.

Fund Accounting: Governmental accounting systems should be organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitation.

Fund Balance: The specifically identified funds allocated to meet budget requirements/expenses.

Funding Source: The excess of assets over liabilities also known as surplus funds. A negative fund balance is a deficit.

Funding Sources for Expenditures: Authorizations for the Town to expend monies are made in the form of a motion at Town Meeting. The wording of the motions will specify the funding source; that is, the place from where money is going to come or

will be raised. When a motion reads, “to appropriate a sum of money” without a source being identified, that amount will be included in the tax calculation, whereby the total of all sums to be appropriated will be reduced by an estimate of local and state revenue. The balance needed will be provided by property taxes. When items in the warrant are offset or raised from available funds, those items will also appear as offsets in the determination of the tax rate.

General Fund: Revenues derived from the tax levy, state aid, local receipts and available funds are considered General Fund revenues. The General Fund is distinguished from Enterprise Funds and Special Revenue Funds.

Generally Accepted Accounting Principles (GAAP): A set of uniform accounting and financial reporting rules and procedures that define accepted accounting practice.

GIS: Geographical Information Systems.

Goal: A proposed course of action in which departmental effort is directed.

Grant: A contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal government. Grants are usually made for specific purposes.

Inter-fund Transactions: Payments from one administrative budget fund to another, which results in the recording of a receipt.

Lease Purchase Agreement: A financial contract that transfers ownership of an asset to the lessee at the end of the leasing period.

Levy Limit: The maximum amount a community can levy in any given year.

Local Receipts: This is the third largest source of revenue for the Town after property taxes and Cherry Sheet receipts. While it is comprised of a number of different items, the largest source is the auto excise tax.

Modified Accrual Basis for Accounting: A method of accounting that recognizes revenue

when it is actually received and recognizes expenditures when a commitment is made.

New Growth: Proposition 2 ½ allows a community to increase its levy limit annually by an amount based upon the valuation of certain new construction and other growth in the tax base that is not the result of property revaluation. New growth becomes part of the levy limit and thus increases at the rate of 2.5% each year as the levy limit increases.

Operating Budget: The portion of the budget that pertains to daily operations, or providing basic services throughout the fiscal year. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel, and fuel and the proposed means of financing them.

Operating Expenditure: An ongoing or recurring cost of performing a function or providing a service. Operating expenditures include personal services, supplies and materials, utilities, contractual services, minor equipment, and debt service.

Overlay: The amount raised in the tax levy for funding abatements granted by the Board of Assessors due to overvaluation or uncollectible tax bills.

Override: An override is passed by a majority vote at Town Meeting and at the ballot. There are three types of overrides: An Operating Override, which permanently increases the levy limit; a Debt Exclusion, which increases the levy limit only for the life of the debt; and a Capital Project Override, which increases the levy only for the year in which the project is undertaken.

Performance/Workload Indicators: Specific quantitative and qualitative measures of work performed as an objective of the department. Sudbury departments typically use of the following types of indicators: workload measures, efficiency measures and outcome measures.

PILOT: Payments In Lieu of Taxes. Compensation paid by the State to local governments for tax-exempt properties within.

Policy: A plan of action to guide decisions and actions of a particular function or group.

Procedure: A method used in carrying out a policy or plan of action.

Program: Collections of work-related activities initiated to accomplish a desired end.

Proposition 2½: A Massachusetts General Law enacted in 1980 to limit property taxes.

Public Meeting/Hearing: A forum in which citizens may attend and participate in a particular purpose or concern of the Town. By law, public meetings must follow certain rules of public notice and conduct.

Rating Agencies: This term usually refers to Moody's Investors Service, Standard and Poor's Corporation, and Fitch IBCA, Inc. These are the three major agencies which issue credit ratings on municipal bonds.

Reserve Fund: An amount appropriated by the Annual Town Meeting for emergency or unforeseen purposes. The Finance Committee, by state law, is the sole custodian of the Reserve Fund and approves transfers from the Fund into the operating budgets throughout the year if: (1) the need for funds is of an emergency and/or unforeseen nature, and (2) if, in the judgment of the Finance Committee, the Town Meeting would approve such an expenditure if such a meeting was held. The Reserve Fund is, therefore, a mechanism for avoiding the necessity of frequent Special Town Meetings.

Retained Earnings: The equity account reflecting the accumulated earnings of the enterprise funds.

Revenue: Budgetary resources. The various revenues the Town receives are listed in the Revenue Summary in the Budget Overview section.

Revolving Fund: Funds that may be used without appropriation and that are established for special uses. Recreation fees, for example, may be paid into a revolving fund. Revolving funds are established by state law or Town bylaw.

Risk Management: Recognition of a risk, development of strategies to manage it, and mitigation, as needed.

Special Revenue Funds: Particular revenues that are earmarked for and restricted expenditure for specified purposes. Special revenues must be established by statute.

Stabilization Fund: Similar to a savings account, this account has been used to fund large capital projects such as fire trucks and school roofs. A recent amendment to state law allows the Stabilization Fund to be used for the operating budget, as well as capital purchases; however, the Finance Committee would generally be reluctant to recommend doing so. Placing money into this fund requires a majority vote of Town Meeting while withdrawing from the Stabilization Fund requires a 2/3 vote of Town Meeting.

Tax Levy: The property tax levy is the revenue a community can raise through real and personal property taxes. In Massachusetts, municipal revenues to support local spending for schools, public safety, general government and other public services are raised through the property tax levy, state aid, local receipts and other sources. The property tax levy is the largest source of revenue for most cities and towns.

Tax Levy Limit: The maximum amount that can be raised within Proposition 2 ½.

Tax Rate: The amount of tax levied for each \$1,000 of assessed valuation.

Town Counsel: Legal representative for the Town. Town Counsel is appointed by the Board of Selectmen, but supervised by the Town Manager.

Town Meeting: The Town's legislative body that has appropriation authority. It enacts bylaws and other measures to provide for the operation of municipal government and the administration of Town affairs.

Unclassified Operating Expenses: This account in the general government section of the budget is comprised primarily of operating expenses such as postage, telephone and property liability insurance, that support town-wide operations and are

not assigned to any one department or cost center.

User Fees: Fees paid for direct receipt of a public service by the user or beneficiary of the service.

Valuation (100%): Requirement that the assessed valuation must be the same as the market value for all properties.

B. Acronyms

AAL	Actuarial Accrued Liability
AHT	Affordable Housing Trust
ALS	Advanced Life Support (Paramedic)
ARC	Annual Required Contribution
ATM	Assistant Town Manager
BLS	Basic Life Support (Emergency Medical Technician)
BOA	Bureau of Accounts (a subdivision of the DOR)
CAFR	Comprehensive Annual Financial Report
C.A.R.E.	Cost Avoidance and Revenue Enhancement
CDMA	Code Division Multiple Access
CERT	Community Emergency Response Team
CIB	Capital Improvement Budget
CIP	Capital Improvement Plan
CIPC	Capital Improvement Planning Committee
CMR	Code of Massachusetts Regulations
COA	Council on Aging
COBRA	Consolidated Omnibus Budget Reconciliation Act
COLA	Cost of Living Adjustment
C.O.R.E	Consolidation/Cooperation, Outsourcing, Regionalization, Evaluation
CPA	Community Preservation Act
CPC	Community Preservation Committee
CPR	Cardiopulmonary resuscitation
CRT	Cathode Ray Tube
D.A.R.E.	Drug Abuse Resistance Education
DEP	Department of Environmental Protection
DNS	Domain Name Server
DOE	Department of Education
DOR	Department of Revenue for Massachusetts. Various subdivisions thereto regulate the financial operations and reporting of all MA municipalities
DLS	Department of Local Services (as subdivision of the DOR)
DPW	Department of Public Works
EBT	Employee Benefits Trust

eCEMP	Electronic Comprehensive Emergency Management Plan
EMD	Emergency Management Director
EMS	Emergency Medical Services
EMT	Emergency Medical Technician
EOC	Emergency Operations Center
EOEA	Executive Office of Elder Affairs
EPA	Environmental Protection Agency
EQV	Equalized Valuation
FCC	Federal Communications Commission
FEMA	Federal Emergency Management Agency
FinCom	Finance Committee
FTE	Full Time Equivalents
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
GIC	Group Insurance Commission
GIS	Geographic Information System
HAVA	Help America Vote Act
HMO	Health Maintenance Organization
HVAC	Heating, Ventilation, Air Conditioning
ICMA	International City/County Management Association
IP	Internet Protocol
IPM	Integrated Pest Management
ISD	Incentive Senior Development
IT	Information Technology
K-8	Kindergarten through Grade Eight
LAN	Local Area Network
LED	Light Emitting Diode
LEPC	Local Emergency Planning Committee
L-S	Lincoln-Sudbury
LSRHSD	Lincoln-Sudbury Regional High School District
L.S.R.H.S	Lincoln-Sudbury Regional High School (also abbreviated LSRHS)
MBTA	Metropolitan Boston Transit Authority

MEMA	Massachusetts Emergency Management Agency
METCO	Metropolitan Council for Educational Opportunity
MEWTP	Marlboro Easterly Wastewater Treatment Plant
M.G.L.	Massachusetts General Laws
MLN	Minuteman Library Network
MRC	Medical Reserve Corps
MRS	Middlesex Retirement System
MRVTHS	Minuteman Regional Vocational Technical High School
MRVTSD	Minuteman Regional Vocational Technical School District
MSBA	Massachusetts School Building Authority
MTRS	Massachusetts Teachers Retirement System
MUNIS	Municipal Information System
MVE	Motor Vehicle Excise
NIMS	National Incident Management System
NYSE	New York Stock Exchange
OPEB	Other Post Employment Benefits
PC	Personal Computer
PERAC	Public Employee Retirement Administration Commission
PILOT	Payment in Lieu of Taxes
PPO	Preferred Provider Organization
PRIM	Pension Reserve Investment Management
PRIT	Pension Reserve Investment Trust
P-T	Part-Time
R & D	Research and Development
RBL	Real-time Black hole List
REPC	Regional Emergency Planning Committee
RFB	Restricted Fund Balance
RFID	Radio Frequency Identification
RFP	Request for Proposal
RMV	Registry of Motor Vehicles
RRA	Receipts Reserved for Appropriation
S & P	Standard and Poors
SBA	School Building Authority
SBAB	School Building Authority Board

SHC	Sudbury Historical Commission
SHDSL	Symmetric High-speed Digital Subscriber Line
SHT	Sudbury Housing Trust
SPED	Special Education
SPS	Sudbury Public Schools
SQL	Structured Query Language
SRC	Senior Residential Community
SUV	Sports Utility Vehicle
TAC	Technical Advisory Committee
UAAL	Unfunded Actuarial Accrued Liability
UFB	Unreserved Fund Balance
UMAS	Uniform Municipal Accounting System
URL	Uniform Resource Locator
US	United States
VLAN	Virtual Local Area Network
VOIP	Voice-Over-Internet-Protocol
VPN	Virtual Private Network
WAN	Wide Area Network
ZBA	Zoning Board of Appeals

C. Budget Process

PHASES OF BUDGET PREPARATION AND DEVELOPMENT

ID	Phase	Q3 09			Q4 09			Q1 10			Q2 10			Q3 10
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
1	Policy/Strategy													
2	Financial Capacity													
3	Needs Assessment													
4	Town Budget Development/Review													
5	Consolidated Budget and Financing Plan Development													
6	FinCom Review													
7	Appropriation													
8	Enactment													

The chart above illustrates the overall timeframes associated with eight phases of Sudbury's budget preparation and development cycle, and the paragraphs below list some of the major activities and participants in each phase. Page 199 lists key milestone dates for the FY11 budget development.

DESCRIPTION OF PHASES

Policy/Strategy Phase

- Based on long range planning efforts of the Town, such as the Master Plan, as well as current needs, the Board of Selectmen sets goals for next fiscal year. Planning includes joint meetings with the Town Manager and Town's Senior Management

Financial Capacity Phase

- Review of progress vis-à-vis policies and projects from prior years
 - Town Manager
 - Follows established format
- Short range forecast/sensitivity analysis conducted by FinCom
 - Used in FinCom Instructions
 - Follows established format
- Long range forecast/sensitivity analysis updated (3 year forecast)
 - Finance Director and Town Manager
 - Used in Financial Summit and Financial Condition Analysis
 - Follows established format
- Financial condition analysis updated
 - Finance Director and Town Manager
 - Format evolving based on key indicators
 - Presentation to Board of Selectmen
 - Shapes next phase of Budget Cycle
- Budget document template updated
 - Finance Director

- Format established for new fiscal year

Needs Assessment Phase

- Budget request forms prepared and distributed to departments & committees
 - Finance Director
- Town Manager's budget memo finalized
- Departments review their current condition, goals, programs and needs
- Departments prepare workload indicators, performance indicators, other statistics
 - Finance Director and Town Manager work with selected department heads
- Departments submit operating budget requests to Town Manager
 - Departments submit budget request to Finance Director
- Schools submit budget requests to School Committees
- Town Manager Seeks CIP requests from all department and committees
- Finance Director provides debt information
- Determine CIP priorities, and recommend funded projects to Town Manager
- Update CIP based on staff committee and capital improvement planning committee

Review/Development Phase for Town Budget

- Town Manager and Finance Director review requests
- Town Manager holds Departmental hearings
 - Departmental budget hearings with Finance Director and Town Manager
- Preliminary Town operating budget developed, presented to Selectmen
- Final Town operating budget assembled and published
- Schools hold budget hearings
- School Committees vote final school budgets

Development of Consolidated Fiscal Year Annual Budget and Financing Plan

- Town Manager and Finance Director receive School budget requests
 - Sudbury Public Schools
 - Lincoln-Sudbury Regional High School
 - Minuteman Regional Vocational- Technical High School
- Town Manager and Finance Director finalize revenue projections, state aid projections
- Town Manager and Finance Director finalize charges from state, Assessors overlay etc.
- Proposed Fiscal Year Annual Budget and Financing Plan delivered to FinCom, published on web

FinCom Review Phase

- FinCom holds hearings on Town, School, capital budget requests
- FinCom holds hearing on all money articles
- FinCom votes on budget
- FinCom votes on all money articles

Appropriation Phase

- Prepare Warrant and FinCom Report for the Annual Town Meeting
- Town Meeting begins, votes appropriations, approves all bonding and capital articles
- Town Meeting approves any budget amendments for current fiscal year, if any

Enactment Phase

- As Appropriated Budgets prepared, distributed to all cost centers, department heads
- Final Fiscal Year Budget and Financing Plan published

D. Budget Schedule

FY11 BUDGET CALENDAR -

This calendar describes the key milestone dates leading to adoption of the budget for those accounts overseen by the Town Manager and requiring appropriation by the Town Meeting. The School Superintendents and School Committees carry out similar steps leading to their budget submissions and preparation for Town Meeting.

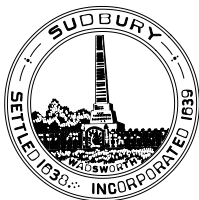
<u>2009</u>	
July 7	Board of Selectmen voted to accept the FY10 goals
September 8	Town Manager issues capital budget instructions
September 24	Finance Committee Budget memorandum distributed to all cost centers (Town, SPS, LSRHS and CIP)
October 8	Town Manager issues budget instructions to department heads, committee chairs
October 9	Capital requests due to Town Manager
October 12	CIP draft compilation due to Department Heads
October 19	CIP staff committee meets
October 26	Town Manager submits CIP staff committee report sent to CIPC for consideration
October 29	Department & Committee Operating budget requests due at Finance Director's Office
November 9-10	Budget hearings with Town Manager and Finance Director
November 18-19	CIP Citizens Committee holds hearing
December 2	CIP Citizens Committee votes projects list for submission to Board of Selectmen
December 4	CIP Committee draft report finalized to Town Manager
December 11	Town Manager, Lincoln-Sudbury Regional High School, Sudbury Public Schools and CIP Committee budgets due to FinCom, Board of Selectmen CIPC report forwarded to Board of Selectmen for review
December 31	<i>FY2011 Proposed Budget and Financing Plan</i> delivered to Finance Committee and Board of Selectmen
<u>2010</u>	
Jan 5	CIP Committee presents report to Board of Selectmen for review
Jan 11 – Feb 8	Public hearings on budget requests held by Finance Committee
Feb 9	Final vote of Finance Committee
Feb 11	FinCom Reports due to Town Manager
March 22	Town Meeting Warrant and Report of the Finance Committee mailed to residents
April 5	Town Meeting - consideration of FY11 operating and capital budget; enactment of appropriations, budget amendments to FY10 budget, if any.
June	Board of Selectmen to vote to accept <i>final</i> FY11 Goals
July 1	FY2011 Budget takes effect

SUDBURY FINANCE COMMITTEE
FY11 Budget Hearing Schedule

Monday	January 11, 2010	**Opening Remarks by FinCom Chair & Town Manager, Minuteman & CPA Hearing	Town Hall
Thursday	January 14, 2010	CIPC and Other Articles Hearing	Grange Hall
Thursday	January 21, 2010	Presentation of 4.5% budgets by cost centers (Begins @ 7 pm)	Town Hall
Thursday	January 28, 2010	Joint meeting with Lincoln FinCom	**Lincoln**
Tuesday	February 2, 2010	Presentation of no override budgets by 3 Cost Centers (Begins @ 7 pm)	Town Hall
Thursday	February 4, 2010	Finance Committee deliberations	Flynn
Monday	February 8, 2010	Joint Board of Selectmen/Finance Committee Meeting	Town Hall
Tuesday	February 9, 2010	Finance Committee final votes	Flynn
**FinCom Chairman and Town Manager record opening remarks at 7:00 pm for future broadcasts			
Lincoln FinCom meeting will be held in the Donaldson Room, Lincoln Town Hall			

E. Budget Instructions

SUDBURY FINANCE COMMITTEE INSTRUCTION LETTER FOR FY11



Town of Sudbury

Finance Committee

278 Old Sudbury Rd
Sudbury, MA 01776
(978)639-3376

September 22, 2009

Board of Selectmen, Town of Sudbury
Ms. Maureen Valente, Town Manager, Town of Sudbury
Ms. Susan Iuliano, Sudbury Public Schools Committee, Chairman
Dr. John R. Brackett, Sudbury Public Schools, Superintendent
Mr. Radha Gargeya, Lincoln Sudbury Regional School District Committee, Chairman
Mr. Scott Carpenter, Lincoln-Sudbury Regional High School, Superintendent
David R. Manjarrez, Minuteman Regional High School Representative

Dear Town and School Officials and Administrators:

The Finance Committee (the "Committee") looks forward to working with you on the FY11 budget. The municipal budgeting process follows up an extremely difficult FY10 with a budget year currently projected to be equally, if not more, challenging. We thank all of you and your various committees for past efforts that put the best interests of the Town first. It is the Committee's desire to continue in this vein as we begin this year's budget process.

The deadline for submitting a budget to Andrea Terkelsen is **December 11th**, to be provided on 3-hole punched paper. We request that this initial submission be prepared assuming a 4.5% increase in expenses (excluding debt service but including pension and insurance costs) net of direct offsets over the FY10 budget for same as approved at Town Meeting (the "Fixed Growth Rate Budget").

We will address the budget hearings schedule and the timing for the submission of a revenue constrained budget and any other budget you may wish to submit in a follow up letter.

As with last year, we expect the budget liaison meetings to play a continuing role in the budget review process. Rather than wait until budget submissions, the Committee has compiled a standard list of questions and information requests to be reviewed at these budget liaison meetings. And as with last year, we are also asking for budget data to be summarized in a spreadsheet format that will better enable us to understand the underlying trends in the cost of various Town services. It is our intention to have the FinCom liaisons present the answers and information requested in this letter to the Committee at its meeting on **November 16th**. We also request that the cost centers have their own representatives at this meeting to elaborate or clarify, as necessary, and insure a thorough understanding by the entire Committee of the information requested.

The questions and information we would like to discuss prior to the budget submission are as follows:

- An update on the impact of the FY10 appropriated budget, including specifics on the cuts in staff and services and the resulting budgeted average FTE count for the fiscal year.
- Based upon the FY10 budget: a) the status and projected full year cost, including benefits, of all new hiring made within the budget, with specifics as to positions, b) new hiring not included in the budget, and c) the total number of actual and budgeted FTE's by position.
- Highlights and FY10 budgetary impacts of each collective bargaining agreement approved since the June, 2009 Town Meeting, as well as the projected ramifications to the FY11 budget. If this information was previously provided in a public FinCom meeting it need not be repeated.
- Details on grants in excess of \$5,000 received for FY10, including grantor, amount, use of these funds, and likelihood of continuation.
- Details of costs and events, which were not anticipated and are impacting the FY10 budget and their potential to impact the FY11 budget.
- An update of any cost savings/revenue enhancement programs or initiatives presented during the FY09 and FY10 budget cycles.
- Any cost savings/revenue enhancement programs or initiatives being contemplated for the FY11 budget and their projected monetary impacts.
- Upcoming or recently completed insurance and benefits program renewals.
- Actual student enrollment statistics vs. budgeted.
- An update to the "FinCom Spreadsheet" that you prepared last year, as follows:
 - 1) Addition of the final FY 10 budget numbers as approved at Town Meeting with the final allocation of healthcare reserves.
 - 2) Additional statistics on the second page for FY10 and forward only:
 1. Headcount (FTE) per 100 students (in the case of the Town Departments, per 1000 population).
 2. Number of sick days taken by employees in that last fiscal year.
 3. Number of personal days taken by employees in the last fiscal year.
 4. OPEB liability based upon current funding plan (which is "pay as you go").
- Compensation information for all managers in your department with an annual salary of \$80,000 or more. This information should be provided for both FY 09 and FY 10 and list separately for each individual: gross salary (including any deferrals or annuities) and any benefits or compensation not paid to all employees.

We would like to proceed with the following schedule:

By **November 9th**: FinCom budget liaisons to meet with their respective Cost Centers to review the answers and information requested above. **If the meeting cannot be scheduled prior to November 9th, please plan to provide the information to your Liaison in electronic form by that date so that they can make it available to the full Finance Committee so that everyone may begin reviewing it in advance of the next FinCom meeting.** From this information, the Committee will look to review cost trends and determine if costs are tracking in line with budgeted expectations, what unexpected costs or events have occurred, and what impacts these may have on FY11 budget requests.

November 16th: Regularly scheduled FinCom meeting will include a review and discussion of the results of the liaison meetings.

We also suggest that a follow up liaison meeting be scheduled **subsequent to November 16th and prior to any budget presentations that may need to be made to others** so that all parties have the opportunity to discuss issues that may have been raised at the November 16th FinCom meeting.

By **December 11th**, submission of the Fixed Growth Rate budget.

By **January 4th**, the addition of FY 11 Fixed Growth Rate budget numbers to the FinCom spreadsheet, to be delivered in electronic form.

We hope that this process will again allow for greater input and information flow prior to formal hearings in 2010.

Your cooperation is very much appreciated.

Members of the Finance Committee

Cc: Judith Belliveau, Director of Finance & Operations, LSRHS
Myron Fox, Town Moderator
John Koenig, Town of Lincoln Finance Committee, Chairman
Andrea Terkelsen, Finance Director/Treasurer, Town of Sudbury
Mary Will, Director of Finance, Sudbury Public Schools

F. Community Profile

SUDBURY AT A GLANCE

SETTLED:	1638 - Incorporated 1639; 371 years old in 2010	
POPULATION 2010:	18,015	VOTERS: 11,893
AREA:	24.7 Square Miles	DENSITY: 726 per Sq. Mile
ELEVATION:	190 Feet	
FY2010 BUDGET:	Operating Budget:	\$76,016,776
	Capital Budget:	523,383
	Other items to be raised	<u>1,732,982</u>
	TOTAL BUDGET:	\$78,273,141
TAX RATES:	FY2010:	\$16.08 Residential: \$20.13 Commercial/Ind./Personal Property
	FY2009:	\$15.29 Residential: \$19.30 Commercial/Ind./Personal Property
	FY2008:	\$14.27 Residential; \$18.47 Commercial/Ind./Personal Property
GOVERNMENT:	Selectmen/Town Manager with open Town Meeting	
LIBRARIES/:	Goodnow Library, member of Minuteman Library Network Longfellow's Wayside Inn (American Assoc. of Museums)	
MUSEUMS		
SCHOOLS:	Four elementary schools, one middle school, Lincoln-Sudbury Regional High School and Minuteman Regional Vocational Technical High School	
PUBLIC SAFETY:	Full-time Fire Department with three stations, also provides emergency ambulance service to hospitals Full-time Police Department	
RECREATION:	Programs offered year round; informational brochures mailed to all Sudbury residents four times a year. Recreation buildings include the Atkinson Town Pool, the Fairbank Community Center, which houses the Teen Center, Park and Recreation Office and the Fairbank Senior Center. Major recreation areas include Davis Field, Featherland Park, Feeley Field, and Haskell Recreation Area. Facilities include a toddler playground, tennis courts, basketball courts, golf putting green, sand volleyball court, outdoor ice skating area, and fields for: baseball, field hockey, lacrosse, softball, and soccer.	
PARKS:	Frank G. Feeley Park, Sudbury Center Historic District, Knox Boyscout Reservation.	
PONDS/WATERWAYS:	Sudbury River, Blanford Pond, Bottomless Pond, Stearns Millpond, Carding Millpond, Grist Millpond, Willis Pond, Bridgework Swamp, Iron Ore Bog, Pantry Brook, Run Brook, Hazel Brook, Cold Brook, Landham Brook, Hop Brook, Dudley Brook and Bridge Brook.	
CEMETERIES:	Bell Rock, Three Cornered, North Sudbury and Mount Pleasant Cemetery	
HOTELS/MOTELS:	Longfellow's Carriage House Inn, Longfellow's Wayside Inn	
HOSPITALS WITHIN 10 MILES:	Emerson Hospital, Concord Metrowest Medical Center/Framingham Union Campus, Framingham UMASS Health System-Marlborough Hospital, Marlborough.	

Sudbury at a Glance CONT'D

HEALTH FACILITIES/ SERVICES:	Parmenter Health Services, Inc. Sudbury Pines Extended Care and Wingate Healthcare Facility
HOUSES OF WORSHIP:	Baptist, Catholic, Congregational, Episcopal, Jewish (2), Lutheran, Methodist, Presbyterian, Swedenborg Chapel, Unitarian, and non-denominational.
COLLEGES/UNIVERSITIES:	<p>MIDDLESEX COMMUNITY COLLEGE (about 5 miles; BEDFORD, MA; Full-time enrollment: 4,501)</p> <p>BRANDEIS UNIVERSITY (about 5 miles; WALTHAM, MA; FT enrollment: 4,444)</p> <p>FRAMINGHAM STATE UNIVERSITY (about 5 miles; FRAMINGHAM, MA; FT enrollment: 4,185)</p> <p>WELLESLEY COLLEGE (about 10 miles; WELLESLEY, MA; FT enrollment: 2,241)</p> <p>MASSACHUSETTS BAY COMMUNITY COLLEGE (about 10 miles; WELLESLEY HILLS, MA; FT enrollment: 2,938)</p> <p>BENTLEY UNIVERSITY (about 11 miles; WALTHAM, MA; FT enrollment: 4,651)</p> <p>BOSTON COLLEGE (about 14 miles; CHESTNUT HILL, MA; FT enrollment: 13,341)</p>
UTILITIES:	<p>Electrical service: NSTAR</p> <p>Natural Gas service: Keyspan</p> <p>Water: Sudbury Water District</p> <p>Telephone service: Verizon</p> <p>Cable Service: Comcast of Massachusetts, Inc. and Verizon</p>
PUBLIC TRANSPORTATION	*NEW* MetroWest Regional Transit Authority 1-888-996-9782. Cavalier Coach Corporation provides commuter service to 4 Boston locations. Big W Transportation, Inc. also offers service to Boston.
FINANCIAL INSTITUTIONS:	Bank of America, CitiBank, Citizens, Lakeland, Marlborough Savings, Middlesex, Salem Five, Sovereign and TD Banknorth.
POST OFFICE/SHIPPING:	US Post Office located at 517 Boston Post Road and UPS Store at Mill Village.
ZIP CODE:	01776

SUDBURY GOVERNMENT STRUCTURE



The Town of Sudbury, Massachusetts (the “Town”) was incorporated in 1639. It is located in Middlesex County, about 20 miles west of Boston. 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. The Town provides general governmental services for the territory within its boundaries, including police and fire protection, streets, library, parks and recreation. 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. These areas are as follows: General Government; Public Safety; Public Works; Human Services; Culture and Recreation; and Unclassified.

The Sudbury Water District of Sudbury, which is entirely separate from the Town, provides water services to 87% of the territory located within the Town. The Town has an inter-municipal septage disposal facility agreement with the Town of Wayland. The facility is operated as an enterprise fund; however, the Town remains liable for its portion of any debt (50 percent) in the event of a revenue shortfall. The facility was decommissioned in December 2009.

The Town provides education in grades K-8 through the Sudbury Public Schools; the Lincoln-Sudbury Regional School District provides education in grades 9 through 12. The Minuteman Regional Vocational Technical High School provides vocational technical education in grades 9 through 12. Capacity of the Town’s schools has been significantly increased in recent years. Elementary school capacity increased from 1,804 to 2,486; capacity of the middle school increased from 769 to 1,135. The regional high school has built a new, larger facility to replace the existing building and the capacity of the new high school is 1,850. The older facility had 1,420 students enrolled in its final year.

ELECTED TOWN OFFICIALS

Assessors, Board of

Joshua M. Fox, Esq
Trevor A. Haydon
Liam J. Vesely

Goodnow Library Trustees

Jill W. Browne
Phyllis A. Cullinane
Lily A. Gordon
Carol Hull
Robert W. Iuliano
Barbara F. Pryor

Health, Board of

Carol J. Bradford
Linda Marie Huet-Clayton
Brian J. McNamara

Lincoln-Sudbury Reg. Sch. Dist. Comm.

Mark T. Collins
Radha R. Gargeya
Nancy F. Marshall
Kevin J. Matthews
Patricia M. Mostue
Berne B. Webb

Moderator

Myron J. Fox, Esq.

Park and Recreation Commission

Robert C. Beagan
Paul Griffin
Georgette Heerwagen
James J. Marotta
Richard C. Williamson

Planning Board

Michael C. Fee
Michael J. Hunter
Christopher Morely
Eric E. Poch

Selectmen, Board of

John C. Drobinski
Robert C. Haarde
Lawrence W. O'Brien

Sudbury Housing Authority

Sherrill P. Cline
Kaffee Kang
Lydia M. Pastuszek
Steven J. Swanger

Sudbury School Committee

Jeffrey S. Beeler
Lisa A. Gutch
Susan N. Iuliano
Michele MacDonald
Richard J. Robison

Sudbury Water District Commission

William J. Cossart
Lee H. Goodstone

PERMANENT TOWN BOARDS AND COMMITTEES

<u>Title</u>	<u>Appointed By</u>
Agricultural Commission	Selectmen
Board of Appeals	Selectmen
Board of Assessors	Elected
Board of Health	Elected
Board of Registrars	Selectmen
Board of Selectmen	Elected
Capital Improvement Planning Committee	Selectmen & Town Manager
Commission on Disability	Town Manager
Committee for the Preservation and Management of Town Documents	Selectmen
Community Preservation Committee	Selectmen
Conservation Commission	Town Manager
Constables	Selectmen
Council on Aging	Selectmen
Earth Removal Board	Selectmen
Energy & Sustainability Green Ribbon Committee	Selectmen
Finance Committee	Moderator
Goodnow Library Trustees	Elected
Historic Districts Commission	Selectmen
Historical Commission	Town Manager
Land Acquisition Review Committee	Selectmen
Lincoln-Sudbury Regional School District Committee	Elected
Local Emergency Planning Committee	Selectmen
Memorial Day Committee	Selectmen
Park and Recreation Commission	Elected
Permanent Building Committee	Selectmen
Permanent Landscape Committee	Selectmen
Ponds and Waterways Committee	Selectmen
Rail Trail Conversion Advisory Committee	Selectmen
September 11 th Memorial Garden Oversight Committee	Town Manager
Sewer Assessment Study Citizens Advisory	Selectmen
Sewer Assessment Technical Committee	Selectmen
Stormwater Compliance Committee	Town Manager
Sudbury Center Improvement Advisory Committee	Selectmen
Sudbury Cultural Council	Selectmen
Sudbury Day Committee	Selectmen
Sudbury Employees Group Insurance Advisory Committee	Selectmen
Sudbury Housing Authority	Elected
Sudbury Housing Trust	Selectmen
Sudbury School Committee	Elected
Sudbury Water District Commission	Elected
Town Report Committee	Selectmen
Traffic Safety Coordinating Committee	Selectmen
Trench Permitting Authority	Town Manager
Veterans' Advisory Committee	Selectmen
Youth Commission	Selectmen

FEDERAL, STATE AND COUNTY OFFICIALS

<u>Title/Position</u>		<u>Residence</u>	<u>Office Tel. No.</u>
<u>United States of America</u>			
President	Barack H. Obama	Washington, DC	(202) 456-1414
Vice President	Joseph R. Biden, Jr.	Washington, DC	(202) 456-2326
Senators	Scott P. Brown	Boston	(617) 565-3170
	John F. Kerry	Boston	(617) 565-8519
Representative			
5 th Congressional District	Nicola S. Tsongas	Lowell	(978) 459-0101
<u>Commonwealth of Massachusetts</u>			
Governor	Deval Patrick	Milton	(617) 725-4000
Lt. Governor	Timothy Murray	Worcester	(617) 725-4005
Secretary of State	William F. Galvin	Boston	(617) 727-9180
Registrar of Deeds			
Middlesex Southern District	Eugene C. Brune	Somerville	(617) 679-6310
Treasurer and Receiver General	Timothy P. Cahill	Quincy	(617) 367-6900
County Treasurer/Chairman, Retirement Bd.			
Middlesex Retirement Board	Thomas F. Gibson	Watertown	(978) 439-3006
Chairman			
Attorney General	Martha Coakley	Medford	(617) 727-2200
Auditor	A. Joseph DeNucci	Newton	(617) 727-2075
Clerk of Courts	Michael A. Sullivan	Cambridge	(617) 494-4047
Councillor			
3 rd District	Marilyn Petitto Devaney	Watertown	(617) 727-2756
District Attorney			
Northern District	Gerard T. Leone, Jr.	Hopkinton	(617) 494-4050
Registry of Probate/Insolvency	Tara E. DeCristofaro	Medford	(617) 768-5800
Senators in General Court:			
3 rd Middlesex District	Susan C. Fargo (Pct. 1 & 4)	Lincoln	(617) 722-1572
Middlesex & Worcester	James G. Eldridge (Pct. 2, 3 & 5)	Acton	(617) 722-1120
Representative in General Court:			
13 th Middlesex District	Thomas P. Conroy	Wayland	(617) 722-2000
Sheriff (of Middlesex County)	James V. DiPaola	Malden	(617) 494-4400

ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

Property Valuation

Classification of Property	FY08 Assessed Valuation	% of Total Assessed Valuation	FY09 Assessed Valuation	% of Total Assessed Valuation	FY10 Assessed Valuation	% of Total Assessed Valuation
Residential	\$ 3,892,876,521	93.5%	\$ 3,785,653,765	93.1%	\$ 3,719,642,603	92.9%
Commercial	\$ 159,918,858	3.8%	\$ 156,972,044	3.9%	\$ 156,881,214	3.9%
Industrial	\$ 62,039,300	1.5%	\$ 62,036,600	1.5%	\$ 64,300,000	1.6%
Personal	\$ 48,125,120	1.2%	\$ 59,772,570	1.5%	\$ 62,837,650	1.6%
Total	\$ 4,162,959,799	100.0%	\$ 4,064,434,979	100.0%	\$ 4,003,661,467	100.0%

Largest Taxpayers

Largest Taxpayers, FY10	Nature of Business	Total Assessed Valuation, FY10	Amount of Tax	Percent of Levy
Raytheon	Research & Development	31,631,500	636,742	0.97%
Boston Edison	Utility	27,634,490	556,282	0.85%
Verizon	Utility	18,897,600	380,409	0.58%
Paris Trust LLC	Manufacturer	14,511,300	292,112	0.45%
Sudbury Crossing Ltd	Shopping Center	11,933,000	240,211	0.37%
Longfellow Glenn	Apartments	12,686,500	203,999	0.31%
Richardson Christine L TRS	Shopping Center	9,561,400	192,471	0.29%
Richard Bosse Holdings LLC	Health Club	7,117,400	143,273	0.22%
1776 Plaza LP	Shopping Center	7,060,900	142,136	0.22%
E B Realty Trust	Real Estate Holdings	6,729,400	135,463	0.21%
		\$147,763,490	\$2,923,098	4.46%

Largest Private Sector Employers

Largest Employers*	Nature of Business	Approximate Current Employees
Raytheon Corporation	R&D	1500
Sudbury Farms	Supermarket	250
Chiswick Trading Co.	Packaging	175
Jones & Bartlet	Publishing	150
Shaw's	Supermarket	130
Sudbury Pines Extended Care	Nursing Home	120
Wayside Inn	Restaurant/Inn	120
Bosse Sports	Fitness Center	110
Methods Machine Tools	Industrial	110
Metro Van Lines	Freight Trucking	100
Wingate at Sudbury	Nursing Home	100

*Private Sector, CY2008

Industries, per US Census Bureau 2002

Industry	Count
Manufacturing	10
Wholesale trade	48
Retail trade	70
Information	16
Real estate, rental & leasing	18
Professional, scientific, & technical services	117
Administrative, support, waste management & remediation service	25
Educational services	3
Health care & social assistance	39
Arts, entertainment, & recreation	12
Accommodation & food services	26
Other services (except public administration)	31

Unemployment, State and Town

Year-End Unemployment	Number	Percent
Massachusetts, June 2009	3,467,800	8.7%
Massachusetts, May 2009	3,413,200	8.0%
Massachusetts, June 2008	3,473,400	5.2%
Sudbury, June 2009	8,567	6.6%
Sudbury, May 2009	8,447	6.0%
Sudbury, June 2008	8,447	4.2%

Household Income Distribution 1999, per US Department of Commerce

Income for Households	Households	Percent
Less than \$10,000	164	3.0%
\$10,000 - \$24,999	299	5.4%
\$25,000 - \$49,999	509	9.2%
\$50,000 - \$74,999	584	10.6%
\$75,000 - \$99,999	645	11.7%
\$100,000 - \$149,999	1,256	22.7%
\$150,000 or more	2,066	37.4%
Total	5,523	100.0%

Population Composition, per US Department of Commerce

Population Composition 2000	Number	Percent
Under 5 years	1489	8.8%
5 years to 19 years	4223	25.1%
19 years to 65 years	9476	56.3%
65 years and older	1653	9.8%
Total	16841	100.0%

Educational Attainment in 2000, persons 25 and older,
per US Department of Commerce

Years of School Completed	Number	Percent
Less than 9th grade	81	0.7%
9th to 12th grade, no diploma	317	2.9%
High School Graduate	970	9.0%
Some College - no degree	1,058	9.8%
Associate's degree	617	5.7%
Bachelor's degree	3,719	34.4%
Graduate or professional degree	4,062	37.5%
Total	10,824	100.0%

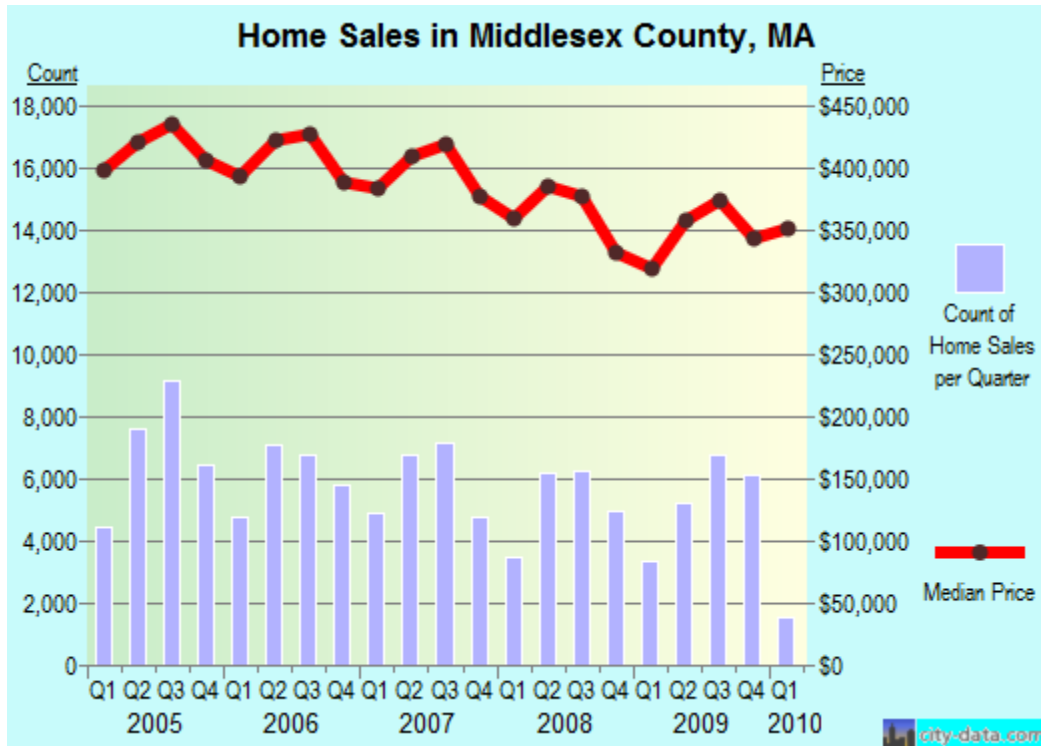
Population Characteristics, per US Census Bureau 2000

Population	Percent
One Race	
White	94.2%
Black or African American	0.8%
American Indian and Alaska Native	0.0%
Asian	3.7%
Native Hawaiian and Other Pacific Islander	0.0%
Other	0.2%
Two or More Races	1.1%
Hispanic or Latino Origin (of any race)	1.2%

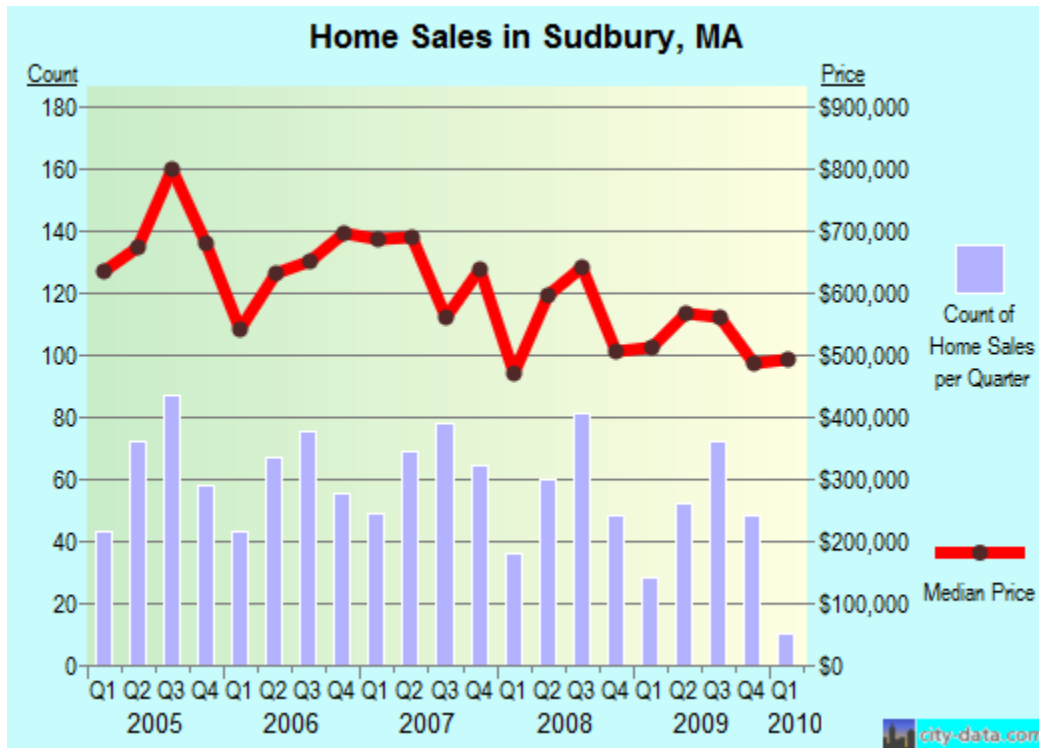
Voter Registration, per Secretary of State 2008

Registered Voters and Party Enrollment as of October 15, 2008	
Total No. of Registered Voters:	12,045
Party Enrollment:	
Democrats	3,403
Republicans	2,113
Unenrolled	6,485
Green Rainbow	11
Working Families	5
Political Contributions 2007/2008 *	
Count <\$500	169
\$ 500-\$ 999	82
\$1,000-\$4,999	167
\$5,001-\$10,000	6
>\$10,000	2
Total Individual Contributions	\$ 422,994
Lowest Single Contribution Reported	\$ 50
Highest Single Contribution Reported	\$ 15,000
*Per Federal Election Commission	

Home Sales, County



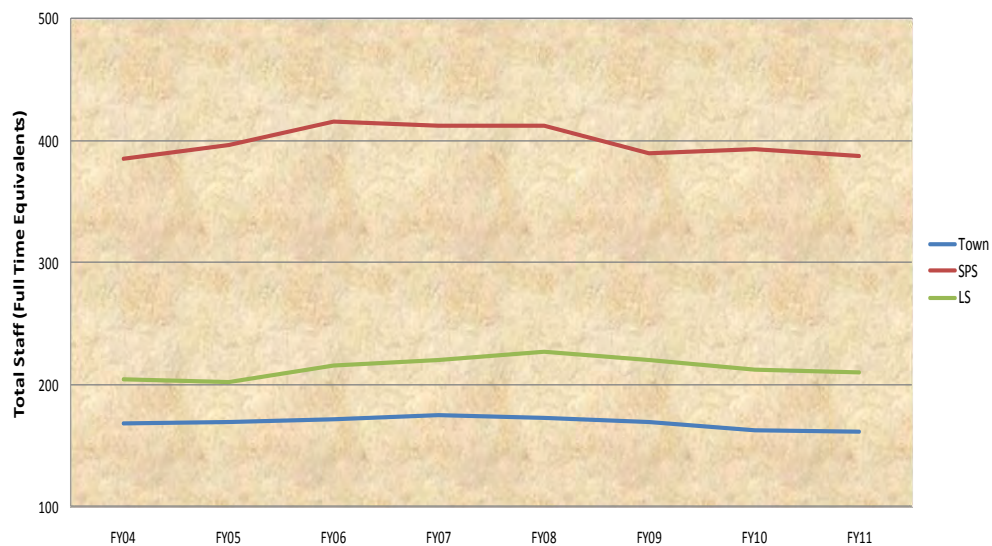
Home Sales, Town



HEADCOUNT HISTORY

□

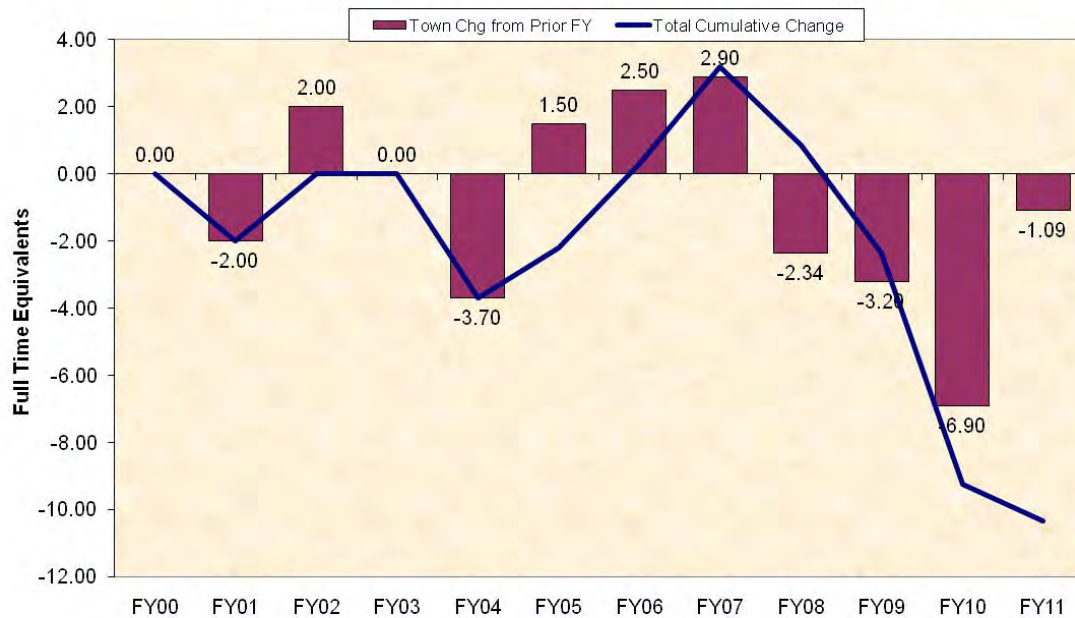
Historical Cost Center Staffing Trends, FY04-FY11



CHANGES IN TOWN DEPARTMENT STAFFING LEVELS

FISCAL	TOTAL	CHANGE	
YEAR	FTE'S	FROM PRIOR	
		YEAR	NOTES
FY11	161.07	-1.09	<i>Eliminate:</i> .58 DPW Foreman, .31 Library Page, .20 Teen Ctr. Coord.
FY10	162.16	-6.90	<i>Eliminated:</i> 1 Police Officer (vacancy), 1 Firefigther (vacancy), .5 Assistant Engineer (vacancy), 1 Engineering Assist (vacancy).5 Police Clerical, .3 Personnel (Trust), .3 Library, 1 Recreation (Revolving), 1.3 misc. hours
FY09	169.06	-3.20	<i>Eliminated:</i> .7 Asst. Planner, 1 HEO DPW, 1 COA van driver (funded by Reg.Trans.Auth.), .2 Zoning Enforcement Agent, .3 Library hours
FY08	172.26	-2.34	<i>Added:</i> .8 BOH-Cons. Assistant, .6 Financial Analyst; <i>Eliminate:</i> 1 Police Officer, .6 Tax Clerk .8 Dog Officer (contract), .3 Benefits Clerical (Trust), .5 Plumbing & Gas Insp (Revolving), .2 Town Clerk (Revolving), .2 Admin Secretarial, Teen Ctr. .1, Recr Admin Assist. (Revolving)
FY07	174.60	2.90	<i>Added:</i> 1 Police Officer, .5 Asst. Building Inspector, 1 Mechanic DPW, .4 Engineering Aide
FY06	171.70	2.50	<i>Added:</i> 1 Asst. Fire Chief, 1 LEO/Asst. Mechanic DPW, .5 police clerk
FY05	169.20	1.50	<i>Added:</i> 1 police officer (grant), .5 Asst. Library Director
FY04	167.70	-3.70	<i>Eliminated:</i> 1 LEO DPW, 1 Supt. Park and Grounds, 1 Sr. Outreach Worker, .7 Dpw crew
FY03	171.40	0.00	
FY02	171.40	2.00	<i>Added:</i> 1 Accounting Clerk DPW, 1 Sr. Outreach Worker
FY01	169.40	-2.00	<i>Eliminated:</i> 1 LEO DPW, 1 Benefits Administrator
FY00	171.40		NET LOS FY00 - FY11 = (10.33) POSITIONS
* Excludes Town Enterprises			

Changes in Town Department Staff Levels, FY01-FY11

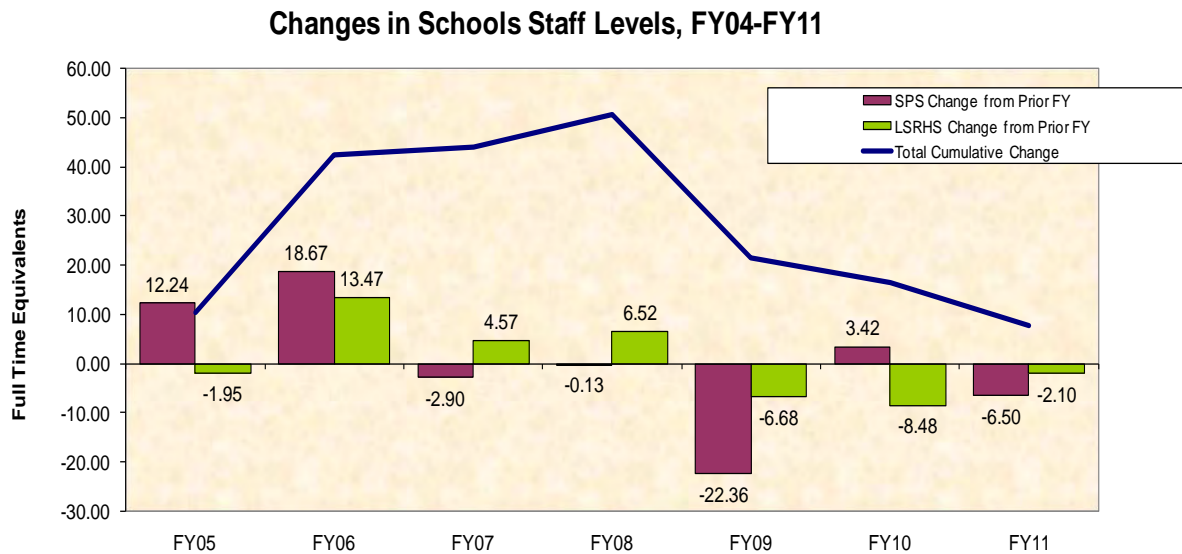


CHANGES IN SUDBURY PUBLIC SCHOOLS STAFFING LEVELS

FISCAL YEAR	TOTAL FTE'S	CHANGE FROM PRIOR YEAR	NOTES
FY11	386.81	-6.50	<i>Eliminated:</i> 4.5 K-8 other teachers, 1.0 Administrator, 1.0 Custodian
FY10	393.31	3.42	<i>Add:</i> 3 K-8 core classroom teachers, .42 admin/secretarial/maintenance
FY09	389.89	-22.36	<i>Eliminated:</i> 7.5 K-8 core classroom teachers, 4.0 K-8 other teachers, 7.55 K & 1st grade teaching assistants, 3.31 admin/secretarial/maintenance
FY08	412.25	-0.13	<i>Eliminated:</i> .42 Elementary Ed, 1.56 Special Ed; <i>Add:</i> 1.85 Middle School Ed
FY07	412.38	-2.90	<i>Eliminated:</i> .65 Elementary Ed, .3 Curriculum Specialist, 2.87 Special Ed; <i>Add:</i> .3 System Admin, .62 Middle School Ed
FY06	415.28	18.67	<i>Eliminated:</i> .89 METCO; <i>Add:</i> 5.82 Elementary Ed, 2.1 Middle School Ed, 10.18 Special Ed, .46 Health/Transportation/Food Service, 1.0 Maintenance
FY05	396.61	12.24	<i>Eliminated:</i> 1.64 Health/Transportation/Food Service, 1.0 Maintenance; <i>Add:</i> 1.0 System Admin, 6.19 Elementary Ed, .34 Middle School Ed, .28 Curriculum Specialist, 5.97 Special Ed, 1.1 METCO
FY04	384.37		NET GAIN FY04 - FY11 = 2.44 POSITIONS

CHANGES IN LINCOLN-SUDBURY HIGH SCHOOL STAFFING LEVELS

FISCAL YEAR	TOTAL FTE'S	CHANGE FROM PRIOR YEAR	NOTES
FY11	209.57	-2.10	<i>Eliminated: 2.58 Teachers, .61 Admin. Support, Added: 1.09 Ed Support</i>
FY10	211.67	-8.48	<i>Eliminated: 4.19 Teachers, 1 Headmaster, .69 Admin. Support, 1.85 Classroom Assist., .75 Metco</i>
FY09	220.15	-6.68	<i>Eliminated: 2.16 Teachers, 1.62 Teaching Assistants, 2.73 Clerical/Admin Support, 0.17 Nursing Services</i>
FY08	226.83	6.52	<i>Details contained in LSRHS budget documents.</i>
FY07	220.31	4.57	
FY06	215.74	13.47	
FY05	202.27	-1.95	
FY04	204.22		NET GAIN FY04 - FY11 = 5.35 POSITIONS



RESIDENTIAL TAX RATE HISTORY, 2000-2010

Residential Tax History Fiscal Year 2000 to 2010						
Fiscal Year	Number of Parcels	Average Single Family Value	RES Tax Rate	AVG SFD RES Tax Bill	AVG SFD RES % CHG	AVG SFD RES Dollar CHG
2000	5,141	359,388	\$16.66	5,987		
2001	5,192	426,486	\$15.56	6,636	10.8%	\$649
2002	5,235	432,961	\$17.09	7,399	11.5%	\$763
2003	5,251	479,865	\$16.78	8,052	8.8%	\$653
2004	5,292	596,200	\$13.46	8,025	-0.3%	(\$27)
2005	5,307	601,849	\$13.46	8,101	0.9%	\$76
2006	5,332	661,000	\$13.55	8,957	10.6%	\$856
2007	5,341	712,800	\$13.12	9,345	2.9%	\$264
2008	5,353	683,800	\$14.27	9,758	4.4%	\$414
2009	5,368	662,100	\$15.29	10,124	3.8%	\$366
2010	5,389	650,508	\$16.08	10,460	3.3%	\$336

G. Budget and Financial Policies

BOARD OF SELECTMEN BUDGET AND FINANCIAL MANAGEMENT POLICIES

Introduction

The Town of Sudbury has an important responsibility to carefully account for public funds, to manage municipal finances wisely, and to plan and provide for the adequate funding of services desired by the public and as required by laws, rules, or regulations, including the provision and maintenance of public facilities and improvements. The budget and financial goals and policies set forth by the Board of Selectmen in this document are intended to establish guidelines for the continued financial strength and stability of the Town of Sudbury.

Goals

Goals are broad, timeless statements of the financial position the Town seeks to attain. The financial goals for the Town of Sudbury are:

- To provide full value to the residents and business owners of Sudbury for each tax dollar by delivering quality services efficiently and on a cost-effective basis.
- To preserve our quality of life by providing and maintaining adequate financial resources necessary to sustain a sufficient level of municipal services, and to respond to changes in the economy, the priorities of governmental and non-governmental organizations, and other changes that may affect our financial well-being.
- To maintain our top level AAA credit rating
- To guide Town decision makers on management and policy decisions which have significant fiscal importance.
- To set forth operating principles that minimize the cost of government and financial risk.
- To employ balanced and fair revenue policies that provide adequate funding for desired programs.
- To maintain appropriate financial capacity for present and future needs.
- To promote sound financial management by providing accurate and timely information on the Town's financial condition.
- To ensure the legal use of financial resources through an effective system of internal controls.

To achieve these goals, the Board of Selectmen adopts the following policies.

Operating Budget Policy

Sound financial practice and the desire to maintain a strong credit rating dictate that our budgets be balanced, constantly monitored, and responsive to changes in service demands. With these concepts in mind, the Town of Sudbury has adopted the following budget policy statements:

- On or before January 20 of each year, the Town Manager will submit to the Board of Selectmen and Finance Committee a proposed budget plan for Town Operating Departments.
- On or before January 20 of each year, the Sudbury Public School Committee will submit to the Board of Selectmen and Finance Committee a proposed budget plan for the Sudbury Public Schools.
- On or before January 20 of each year, the Lincoln-Sudbury Regional High School Committee will submit to the Board of Selectmen and Finance Committee a proposed budget plan for the Lincoln-Sudbury Regional High School.
- On or before January 20 of each year, the Minuteman Regional Vocational-Technical High School Committee will submit to the Board of Selectmen and Finance Committee a proposed budget plan for the Minuteman Regional Vocational-Technical High School.
- On or before January 31 of each year, the Town Manager will prepare a comprehensive budget for the Town of Sudbury, covering all major cost centers, all spending plans and all anticipated revenues. This comprehensive budget will be submitted to the Finance Committee and to the Board of Selectmen.
- **Balanced Budget.** The annual operating budgets will be appropriated on a balanced basis, where operating revenues (estimated revenues) are used to fund operating expenditures/expenses (appropriations).
 - Operating revenues include property taxes, motor vehicle excises, charges for services, interest earnings, license and permit fees, fines and forfeitures, regularly recurring governmental aid, and transfers in from other funds established for operating purposes.
 - Operating expenditures/expenses include salaries and wages, employee benefits, equipment and improvements, depreciation (proprietary funds only), materials, supplies, and contractual costs. The Town of Sudbury traditionally votes to issue all debt exempt from the limits of Proposition of 2 ½, and thus debt service is not considered an operating expenditure.
- Nothing in this policy shall prohibit the use of operating revenues for capital expenditures/expenses
- The Town will avoid relying on Free Cash to fund on-going operating expenses.
- To the extent possible, one-time revenues that are not required by law or agreement to be expended for a particular purpose will only be used for capital purposes, augmenting of Town reserves or emergency expenditures/expense.
- The Town Manager will annually estimate the costs of the Town's obligations for providing benefits for Town and Sudbury Public School employees as part of the preparation of the annual operating budget.
- The operating budget will not be subsidized by the Stabilization Fund.

Revenue Policy

Revenues determine the capacity of the Town to provide services. To ensure that revenues for the Town are balanced and capable of supporting desired levels of services, the Town of Sudbury has adopted the following revenue policy statements:

- The Town Manager and Finance Director are responsible for estimating revenues for the upcoming fiscal year. They will consult with other officials of the town as well as state officials and others with knowledge of state and local finance.
- Revenue forecasts for local receipts and state aid shall be conservative, using generally accepted forecasting techniques and appropriate data. Revenue deficits will be avoided at all costs. To avoid any potential for such a deficit, estimates for local receipts will generally not exceed 100% of the prior year's actual collections.
- The Town Manager and Finance Director will project revenues for the next three years as part of the three-year financial forecast.
- Each year and whenever appropriate, existing revenues will be re-examined and possible new sources of revenues will be explored to ensure that we are maximizing our revenue potential. All fees are reviewed and periodically updated, as necessary
- Legally restricted revenues will be avoided when they adversely affect the short or long-term financial health of our government.
- The Town will strive to be informed and aware of all grants and other aid that may be available to us. All potential grants and other aid shall be carefully examined for matching requirements (both dollar and level-of-effort) and restrictive covenants, to ensure that our participation in such grants will be beneficial and cost-effective.
- Each year and whenever appropriate, intergovernmental revenues will be reviewed to determine their short and long-term stability, to minimize the impact of any adverse changes. Intergovernmental revenues shall be used as legally prescribed or otherwise set forth by policy.
- A balance will be sought in the revenue structure between elastic and inelastic revenues, to minimize any adverse effects caused by inflationary or economic changes.
- One-time revenues will be used for capital improvements, additions to reserves or as legally restricted to a specific purpose.
- The Town will carefully and routinely monitor all amounts due the Town. An aggressive policy of collection will be followed for all receivables, including property taxes. A target of 98% property tax collection rate by fiscal year end will be achieved.
- Recreational user charges and fees will be set to recover approximately 100% of total direct costs generated by revolving fund recreation programs.
- Enterprise fund (Transfer Station, Atkinson Pool and Recreation Field Maintenance) user charges and fees will be set to recover all direct and associated with the activities of these funds as well as the indirect costs for the Transfer Station Enterprise Fund.

Expenditure/Expense Policy

Expenditure/expenses are a rough measure of a local government's service output. While many expenditures/expenses can be easily controlled, emergencies, unfunded mandates, and unanticipated service demands may strain our ability to maintain a balanced budget. To ensure the proper control of expenditures/expenses and provide for a quick and effective response to adverse financial situations, the Town of Sudbury has adopted the following expenditure/expense policy statements:

- Expenditures/expenses and purchase commitments will be made in a form and process that is legal, appropriate, funded, authorized and sufficiently documented.
- Expenditures/expenses and purchase commitments will be recorded in an accurate and timely fashion.
- The review and approval process for all vouchers shall be followed at all times. Properly completed claims must be prepared and submitted to the accounting department by the department responsible for originating the claim. A “properly completed claim” must include, but is not limited to, the vendor’s name and address, date of claim, explanation, and accounts to be charged, department authorization signature and sufficient documentation. “Sufficient documentation” means that a person unfamiliar with the transaction could understand what was ordered, when, by whom, from what vendor, at what price, when the goods or services were delivered, who accepted delivery, and who authorized payment.
- The balances in appropriation accounts will be monitored regularly to ensure that the total of expenditures/expenses and purchase commitments in any account do not exceed the authorized budget for that account.
- Requests for competitive bids, proposals, formal and informal quotes, and other methods of seeking and encouraging vendor competition will be obtained as required by law and as otherwise established by the Town Manager or Town Counsel.
- Arrangements will be encouraged with other governments, private individuals, and firms, to contract out or cooperatively deliver services, in a manner that reduces cost and/or improves efficiency and effectiveness while maintaining service quality.
- The full direct and indirect costs will be calculated for any service provided for a fee or charge, or where there is a potential for the reimbursement of such costs.
- All appropriations shall lapse at the close of the fiscal year to the extent that they shall not have been expended or encumbered.

Reserves and Risk Management Policy

A municipality's fiscal policies should include a plan for maintaining reserves. Operating reserves (or fund balance) are a prudent fiscal management tool and an important credit factor in the analysis of financial flexibility. The Town of Sudbury will maintain a level of reserves that protect the Town from emergency conditions that require financial flexibility, contribute to sufficient liquidity to pay all Town expenses without short-term borrowing, and contribute to the high credit rating that the Town currently holds from Standard & Poor’s (AAA). To provide for adequate levels of reserves to protect the Town’s financial condition over the long-term, the Town of Sudbury has adopted the following financial reserves policy statements.

A. Risk Management

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

- As the Town is self-insured for several of the benefits programs it offers, the Town will maintain adequate reserves for its Workers Compensation, Unemployment Compensation, and Health Insurance Programs, as follows:
 - Workers Compensation Fund, at the beginning of each fiscal year, at least 110 % of the average annual claims for the prior three years
 - For the Unemployment Compensation Fund, at the beginning of each fiscal year, at least 110% of the average annual claims for the prior three years
 - For the Health Insurance Fund, at the beginning of each fiscal year, at least 150% of the estimated run-out claims for each insurance plan that is self-insured.

B. Stabilization Fund

- The Town of Sudbury shall maintain a Stabilization Fund to provide the reserves that are required to protect the financial condition of the Town.
- The Town will work toward the goal of maintaining in the Stabilization Fund an amount equal to five percent (5%) of the total projected General Fund operating revenues for the next previous fiscal year.
- Interest earned on Stabilization Fund balances will be retained in the Stabilization Fund.
- Withdrawals from the Stabilization Fund will only be used for sudden and unexpected events such as a loss of a revenue source after Annual Town Meeting has approved the operating budget for the next fiscal year. Withdrawals from the Stabilization Fund will only be made by a two-thirds vote of Town Meeting, only if the balances exceed the 5% target and will not draw the balance below that point.

Capital Budgeting and Planning Policy

Capital assets include land, improvements to land, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, construction in progress and all other tangible and intangible assets that are used in operations and have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets owned by the Town of Sudbury include roads, bridges, tunnels, dams and drainage systems. The Town of Sudbury has a capital planning and budget bylaw and process that require the following:

- On or before November 15 of each year, the Town Manager will submit a capital program to the Capital Improvement Planning Committee. The proposed program will detail each capital project, the estimated cost, description and funding source.
- The Town will update and readopt 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 first year of the five-year CIP will be the basis of formal fiscal year appropriation request during the annual budget process.

- Per the Town's capital bylaw, the Capital Improvement Budget and Plan will generally address capital purchases/projects/improvement with a value of more than \$10,000 and a useful life of over five (5) years.
- The Town will emphasize preventive maintenance as a cost-effective approach to infrastructure maintenance. Exhausted capital goods will be replaced as necessary.
- The capital improvements plan should be tied to the Town's master facilities study to ensure that the capital items requested meet the future growth needs for the Town.

Capital Investment Categories, Prioritization and Decision-making Process

All submissions are categorized by following:

"A": Essential. Required for the safety and protection of Town residents, or required to prevent disruption, or significant reduction in Town services.

"B": Asset Maintenance. Required to maintain an important asset of the Town, which will deteriorate substantially without this expenditure.

"C": Enhancement. Provides significant net revenue or cost reduction to the Town, or is self-funding. Estimates of cost reduction or revenue enhancement, together with the assumptions supporting these estimates, should be provided on Form A, under the *Benefits* section.

D": Needed. Item is needed, but can be postponed until a future year without major impact on Town services. Should be undertaken when funds are available.

Each department must rank or prioritize its own submissions based on specific needs for the coming year as well as long-term goals and new initiatives. Ranking and project specifications are then discussed as a group; the results of a staff committee's deliberations are submitted in detail to the CIPC.

Through a series of working group sessions, liaisons and public meetings the CIPC considers the merits of each project and makes its recommendation for capital outlay to both the Finance Committee and Board of Selectmen. The recommendation includes an overall ranking based on organizational priorities; it considers the financial impact on both the current budget cycle and long-term strategies. The CIPC also reports at Town Meeting.

Debt Management Policy

Debt is an effective way to finance capital improvements or to even out short-term revenue flows. Properly managed debt preserves our credit rating, provides flexibility in current and future operating budgets, and provides us with long-term assets that maintain or improve our quality of life. To provide for the appropriate issuance and responsible use of debt, the Board of Selectmen of the Town of Sudbury have adopted the following debt management policies.

- Long-term debt will be issued only for objects or purposes authorized by state law under Chapter 44, section 7 and 8.

- Short-term debt may be issued to finance current operating expenditures only in the event of extreme financial emergency.
- Debt maturity will not exceed the lesser of: the useful life (as established by the Town Treasurer-Collector), or the period of probable usefulness (as defined in Massachusetts State Local Finance Law), of the object or purpose so financed, whichever is shorter.
- Debt limits established by law and policy will be calculated by the Town's Finance Director and Treasurer-Collector at least once each year and whenever otherwise requested or appropriate (see Section 9 for further details).
- The Town will maintain good communications with bond rating agencies, bond counsel, banks, financial advisors and others involved in debt issuance and management.
- 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.
- 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.
- The Town will attempt to vote all significant debt questions (over \$500,000) exempt from the limits of Proposition 2 1/2.

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. Several 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 Board of Selectmen of the Town of Sudbury has adopted the following credit rating protection policies.

- 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.
- 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.
- The Town will analyze the full-life costs of multi-year decisions. For example, acquiring or construction of new buildings will be conducted with an assessment of the operating costs of the building. Lease agreements will be conducted with an assessment of future budgets and the ability to make annual payments. Labor agreements will be negotiated with an analysis of the full costs associated with the terms of the agreement.
- The Town will follow the policies as outlined in this policy statement.

H. Funds Structure and Descriptions

MUNICIPAL FUND STRUCTURE

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. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into the following categories and are described below:

1. Governmental funds
2. Proprietary funds
3. Fiduciary funds

Governmental Funds

Governmental funds reporting focuses on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal 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 function reporting, 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 effect of the government's near-term financing decisions. The Town currently maintains 494 individual governmental funds which are broadly categorized into 6 separate functions or operational concerns – *General, Special Revenue, Capital Projects, Trust Funds, Fixed Assets/Infrastructure and Debt Service*.

Proprietary funds

Proprietary funds account for business-type activities (e.g. activities or services are funded primarily by user fees rather than tax levy dollars). Fund types in this area may be broken down into two categories: *Enterprise* and *Internal Services*. Enterprise funds which are governed by [Ch. 44 §53F½](#) allow communities to recover costs associated with particular services. Internal Service funds serve as a vehicle for departmental cross charging or allocation of Town-wide expenses such as postage, data processing or fleet maintenance. *The Town does not use any Internal Service funds at this time*. The Town currently maintains 3 enterprise funds to account for its swimming pool facility, transfer station, and recreational fields' maintenance activities.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The accounting used for fiduciary funds is similar to that used for proprietary funds. The Town currently maintains 37 fiduciary funds for individuals and other governmental agencies. Fiduciary funds are not reflected in the government-wide financial or budgeting statements because the resources of those funds are not available to support the Town's programs.

MUNICIPAL FUND DESCRIPTIONS

Governmental Funds

General Fund: The General Fund is the major operating fund of the Town government, and it accounts for the vast majority of Town operations. The General Fund is supported by revenues from real estate and personal property taxes, state and federal aid, excise taxes, investment income, fines and forfeitures, and fees and charges. Most of the Town's departments, including the schools, are supported in whole or in part by the General Fund.

Special Revenue Funds: The Town maintains several Special Revenue Funds, which are used to account for those types of revenues that are legally restricted to being spent for a specific purpose (except expendable trusts, or major capital projects). These revenues must be accounted for separately from the General Fund for a variety of reasons, and do not necessarily follow the same fiscal year restrictions as the General Fund.

1. **Revolving Funds:** Revolving Funds allow the Town to raise revenues from a specific service, and use those revenues to support the service without appropriation. Revolving Funds are established by statute or bylaw, and may require re-authorization each year at Town Meeting. The Town maintains a number of Revolving Funds, such as the Recreation, Music Fees, All Day Kindergarten, and Fire Department Permit Fees.
2. **Receipts Reserved for Appropriation:** These receipts are special revenues that are restricted to a specific use, but also require appropriation by Town Meeting, such as sewer betterment fees, monies from the sale of cemetery lots and graves, conservation wetland protection fees, and the proceeds from the sale of Town property. At the present time, the Town's largest RRA fund is for Ambulance Service Fees.
1. **School Grants:** These grants account for several specially-financed education programs under grants received from the federal or state governments, including professional development, SPED early childhood development, drug-free school programs, and certain capital improvements.
2. **Other Intergovernmental Funds:** These funds account for several grants or monies received by the Town from the federal or state governments, including a variety of community policing grants, Chapter 90 highway monies, state election grants, state library aid, and various Council on Aging programs.
3. **Other Special Revenue Funds:** These funds account for miscellaneous special revenues often involving private donations and grants for a specific purpose, such as the Arts & Technology Education Fund, departmental gifts for police and fire, various Council on Aging programs, and Planning Board gifts from developers for infrastructure improvements related to proposed projects.

Capital Projects Fund: The Capital Projects Fund is used to account for monies used for the acquisition or construction of major capital facilities (buildings, roads, etc.) other than those financed by trust funds. The Town's Capital Projects Fund is funded primarily by the receipt of bond proceeds resulting from the Town's issuance of bonds for specific project grants, but may also be derived from private sources, grants, or transfers from other Town funds. The Community Preservation Act Fund has its own Capital Projects Fund to account for monies used for the acquisition or construction of major capital projects under the CPA program.

Proprietary Funds

Enterprise Funds: The Town maintains three Enterprise Funds: one for the Atkinson Pool, one for the Transfer Station, and one for Recreation Field Maintenance. An enterprise operation is a business-type activity supported primarily by charges for services received. Funds raised from charges are dedicated to the specific purpose of the enterprise operation, and cannot be diverted to other unrelated uses. The concept of an enterprise operation also includes the maintenance of capital assets and facilities of the business. That is, fees for services are charged to recover not only

the operating costs of the activity but also the “using up” (depreciation) of the capital investments supporting the service.

Budget and financial reports for enterprise operations utilize terms and concepts that differ significantly from those utilized for General Fund tax-supported reports that are the routine focus of public attention. The purpose of enterprise financial reporting is to measure with reasonable accuracy and consistency the net income derived from operations, and then to measure the availability and use of capital acquisition and construction financing. The presentation of the enterprise budgets utilizes budgetary terms and concepts, and the reporting structure found in the audited financial statements for the same enterprise funds. As such, the key measures are *Net Income* and *Capital Resource Availability*.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity, or as an agent for individuals, private organizations, other governmental units, or statutory trusts (e.g. health benefits, workers compensation, unemployment, etc.) Fiduciary Funds include expendable trusts, non-expendable trusts, and agency funds.

1. **Expendable Trusts:** Expendable Trusts are used to account for monies received by the Town in a trustee capacity where both the principal and the earnings of the fund may be expended. An example of an expendable trust fund is the Town’s Stabilization Fund.
2. **Non-expendable Trusts:** These trusts are used to account for trusts where the principal must remain intact (that is, cannot be expended). Generally, income earned on the non-expendable trust principal may be expended in accordance with the conditions of the trust. An example is the Cemetery Department’s Perpetual Care Trust or Goodnow Library Trust Funds.
3. **Agency Funds:** Agency Funds are used to account for funds that are custodial in nature, and do not involve the measurement of operations, such as the fund for the Town’s Performance Bond Escrow accounts.

Account Groups

Account Groups: The last category of funds maintained by the Town is the General Long-term Debt Account group, which accounts for the balances due on long-term debt that the Town has financed.

I. Basis of Accounting and Budgeting

BASIS OF ACCOUNTING AND BUDGETING

Generally Accepted Accounting Principles

The Town issues audited financial statements every year. This package commonly referred to as its comprehensive annual financial reports (CAFR's) is issued in accordance with generally accepted accounting principles (GAAP), as established by the Governmental Accounting Standards Board (GASB). In short, GAAP establishes the guidelines for the accounting of all municipal funds. There are several types of funds, all of which have certain rules regarding the recognition of revenues & expenses. It is essential that the Town maintain hundreds of separate funds to accurately record all activities in accordance with GAAP and to demonstrate compliance with all financial, regulatory and contractual obligations. However, for financial reporting and budgetary concerns, the town may group funds by function, location or purpose.

Budgetary Basis

Pursuant to Massachusetts General Laws (C44 S32), the Town adopts an annual budget for several governmental and proprietary funds. The budgetary process gives Town Meeting authority to appropriate funds and prohibits expenditures in excess of appropriations with few legal exceptions.

APPROPRIATION AND BUDGET AMENDMENT PROCEDURES

Town Meeting has the sole authority to appropriate funds for the operating budget and the capital budget, as well as for other money articles. The vote(s) of Town Meeting become the legal authorization to implement the budget. By Sudbury bylaw, the Annual Town Meeting begins on the first Monday in April. Prior to the first session of Annual Town Meeting, the Town Warrant, containing the proposed budget articles, is sent to every household in Town. The Finance Committee moves the Operating Budget Article. The Capital Improvement Planning Committee moves the Capital Budget Article. After appropriation by Town Meeting budgets can only be amended the following April at the next year's Annual Town Meeting under a Budget Adjustment Article or through a Special Town Meeting.

Budgetary Basis of Accounting for Tax Rate Setting Purposes and UMAS

It is important to note that all approved budget adjustments, funds transfers, or other inter- and intra-fund activities for the Town must be reported to Massachusetts' Department of Revenue (DOR) for property tax rate setting purposes and recorded internally in accordance with the Uniform Municipal Accounting System (UMAS). The budgetary basis of accounting differs from GAAP in some ways mostly having to do with the timing or recognition of certain revenues and expenses. Furthermore, there are certain differences in the classification of revenues, expenses and transfers. All adjustments to bring the financial information for budgetary reporting and statutory purposes, from the *budgetary basis* of accounting to *GAAP basis* accounting take place during the annual audit process and can be found in the Town's comprehensive annual financial (CAFR's)-in the supplemental information section.

NOTE: All financial information presented in the preceding sections of this document is reported in accordance with UMAS and Budgetary Basis of Accounting, except where noted.

J. Planning and Goal Setting

SUDBURY'S MASTER PLAN AND GOAL SETTING PROCESS

Fiscal Year 2011 marks ten years since the adoption of the Town's Master Plan, *Sustainable Sudbury*, which lays out the Town's overarching strategic objectives. The Board of Selectmen continues to use these strategic objectives as touchstones for development of their annual goals. During the process, the Board draws from the Master Plan, Comprehensive Facilities Study and Five-Year Capital Program to consider the long-term needs and objectives of the Town. It draws from the Financial Management Policies, Five-Year Revenue Forecast, C.O.R.E and C.A.R.E Programs to consider the long-term financial outlook.

1. Strive for comprehensive, integrated land use decisions, which attempt to achieve environmental, economic and aesthetic sustainability.
2. Promote economic development that sustains Sudbury's natural resources and traditional, semi-rural character and balances sources of revenue among residential, commercial and industrial sectors.
3. Create a centralized business district
4. Ensure the preservation of the town's natural resources.
5. Preserve the town's cultural and historic resources.
6. Support the existing recreational facilities, areas and programs, and create additional facilities, areas and programs to serve the needs of Sudbury residents while protecting our limited natural resources.
7. Encourage greater diversity of housing opportunities in Sudbury to meet the needs of a changing and diversified population with respect to age, household size and income.
8. Promote a transportation system that is safe, convenient, accessible and economical without affecting Sudbury's character.
9. Ensure that Sudbury's public facilities and services are adequate to meet the needs of the population as it grows toward full build-out.

Each year, the Board of Selectmen faces the task of tying resources allocation and strategy together, to further those incremental steps (annual goals) that lead to the achievement of the Town's strategic objectives. Indeed, we may never be able to say that any of the strategic objectives are "accomplished", but we can set targets, assign resources, and measure results, for the incremental steps that continue the Town making progress toward the ideal of each strategic objective.

Inevitably, some goals are too large, or complex to complete within one or even several fiscal years. As such, the Town routinely distinguishes between Long-Term and Short-Term goals. In some cases, it makes sense to breakdown long-term goals into shorter-term objectives or phases in order to plan and allocate resources on an annual basis. Regardless of a project's life cycle, each item is revisited during the annual goal setting process to ensure: progress is being made, resources allocated remain adequate, and whether or not any unforeseen financial or managerial concerns justify altering the goals themselves, or re-prioritizing the resources to be used towards them, in the coming year.

The human and financial resources needed to accomplish those incremental steps are the substance of the Board of Selectmen's annual goal setting. To do this, they ask other committees, boards, and staff to draw upon these *strategic objectives* and, based on current opportunities, past efforts (both successful and unsuccessful) to present the Selectmen with recommendations for specific goals and action steps that will continue the Town's program toward achievement of these strategic objectives. Additionally, each year the Board of Selectmen hosts a Financial Summit, to bring together the two school committees (Sudbury Public School Committee and Lincoln-Sudbury Regional High School Committee) as well as the Town's Finance Committee to hear and discuss the following:

1. Sudbury's ***Financial Trend Monitoring System***, a system of key financial indicators tracking the past five plus years; and
2. The annual revenue forecast for the upcoming fiscal year.
3. Advance and refine the Town's 5-year revenue forecast
4. Identify key opportunities or concerns developing within the 5-year revenue picture with respect to the Town's Long-Term Planning programs (Sudbury's Strategic Plan and Capital program)

These efforts are brought together to help the Board of Selectmen make the difficult short and long-term budgetary decisions as to what resources can be devoted to accomplish the goals that support these strategic objectives. Implementation of these goals also requires the assignment of each to the appropriate departments and programs. Implementation progress and resources are identified in following sections.

Beyond Sudbury's Borders

More than ever municipalities are reaching beyond their own borders to develop new ways to improve operational efficiencies, reduce costs and enhance services. Program sharing, joint ventures, outsourcing and regionalization opportunities are beginning to crop up everywhere. Combining efforts in this way may offer some relief from the growing operating budget pressures and financial duress individual communities are facing. Sudbury continues to look at innovative ways to achieve its budgetary, financial and strategic objectives. References are made elsewhere in this document about past and present collaborations with other communities such as the Town of Wayland. Sudbury also maintains association with countless regional groups, consortiums and committees that touch on all facets of municipal operations. Sudbury will continue to reach outside its borders to meet the needs of its citizens while preserving the Town's primary mission, goals and values.

Goals Exhibits-

1. **FY11 Board of Selectmen Goals.** The Board of Selectmen met with Town staff to develop new goals for FY11. In some cases, goals may take several years to complete. In which case the Board determines whether or not the Town should continue with existing goals or otherwise shift priorities in the coming year.
2. **FY11 Goal Assignments.** Goals may be assigned to several committees, departments and Town staff in order to accomplish all of the work involved. Responsible parties report to the Board periodically as to progress and may interact with them throughout the year to obtain their approval, guidance and feedback. Costs associated with completing goals may be recognized and appropriated all at once (i.e. bonding for open space or school construction) or may happen overtime requiring planning across multiple fiscal years and/or various budgets. Therefore, you may see discussion of each goal in various sections of the budget document, for one perhaps many years.
3. **FY10 Board of Selectmen Goals and Progress.** As part of the new goal setting process all existing goals are reviewed as to progress. A determination is then made as to whether or not to continue with, expand on, or cancel ongoing efforts.

1. FY11 GOALS AS VOTED BY THE BOARD OF SELECTMEN



TOWN OF SUDBURY FY11 Board of Selectmen Goals Adopted August 24, 2010

Mission and Values for Determining Goals of the Board of Selectmen

The mission of the Town of Sudbury is to ensure the safety and well-being of the community, to protect and enhance the financial health, education excellence, and environmental quality of our Town by relying on the professionalism of our staff and volunteers, and use of long-term, strategic planning and enhanced communications in our governance. The Board is dedicated to protecting and enhancing the unique sense of place found in Sudbury and protecting and encouraging tolerance and diversity. The Board of Selectmen, as the chief policy making and governance body of the Town of Sudbury, will provide leadership for staff, volunteers, residents and other stakeholders in the Town by advancing goals, programs and decisions that are based on these values.

(First adopted on May 10, 2000; amended and reaffirmed by the Board of Selectmen, 5/23/02, 6/1/04, and 6/10/05)

Value: Ensure the Safety and Well-being of the Community

- Near Term:**
- Implement fire based Advanced Life Support as part of a regional ALS system
 - Finalize Town Centre design decisions
 - Monitor and address problems with physical condition of police station
 - Finalize continuity of operations emergency (COOP) planning
 - Design traffic signal for the Landham Road/Boston Post Intersection
 - Begin feasibility study for regional public safety dispatch center, if state grant funding is received. Decide how to combine with need for new police station and Emergency Operations Center
- Continuing:**
- Construction of walkways
 - Preparation for emergencies: Regional Local Emergency Planning Committee (REPC) and LEPC work
 - Ask legislators to put bridge at Hop Brook/Boston Post Road on priority list for repair
- Longer Term:**
- Develop alternative long term plan to replace current Police Station
 - Develop plan to create/build an Emergency Operations Center (EOC) in Sudbury

Value: Protect and Enhance the Financial Health of the Town

- Near Term:**
- Convene a financial summit to develop a multi- year financial plan
 - Create a Town/SPS shared facilities department proposal within existing resources
 - Develop plan to address the Post Retirement Benefit (OPEB) unfunded liability
 - Develop plan for building up reserves and free cash
 - Evaluate opportunities to implement town operated alarm monitoring program
- Continuing:**
- Finalize policy for obtaining and using mitigation funds from developers
 - Develop plans for building up a capital fund for maintenance of Town assets
- Longer Term:**
- Maintain stabilization fund and general fund balance to protect AAA credit rating

Value: Protect and Enhance the Educational Excellence offered by the Town, without jeopardizing the financial health of the Town

- Near Term:**
- Convene a financial summit to develop a multi- year financial plan
 - Create a Town/SPS shared facilities department proposal within existing resources

Value: Protect and Enhance the Environmental Quality of the Town

- Near Term:**
- Finalize Wayland – Sudbury Septage plant closure
 - Finalize negotiations with CSX on the trail corridor
 - Validate Curtis Middle School Field as the most feasible Town disposal sites for wastewater treatment
 - Support the FY11 projects of the Energy & Sustainability Green Ribbon Committee, with a goal of reducing energy costs in town buildings by 10% over 5 years
- Longer Term:**
- Remediation of Hop Brook – monitor efforts of Marlborough to follow new permit requirements

Value: Protect and Enhance the Professionalism of the Town's Staff, Boards and Committees

- Near Term:**
- Continue grant writing to restore staffing positions in Police and Fire departments and develop a volunteer grant writer to assist Police and Fire Chief in grant writing
 - Continue rolling out full GIS system, without a dedicated staff person
- Continuing:**
- Finish Town records disaster recovery planning

Value: Enhance Relationships and Communications

- Near Term:**
- Work with Wayland to study and implement one shared transfer station concept
 - Work with Wayland, other towns/cities on other shared services opportunities
- Continuing:**
- Complete web based on-line permitting software application

Value: Emphasize Long-Term, Strategic Planning

- Near Term:**
- Validate Curtis Middle School Field as the most feasible Town disposal sites for wastewater treatment
 - Create a Citizen's Advisory Committee to work on economic development issues related to wastewater project
 - Develop a master field plan for all town owned recreation properties
 - Develop and seek approval from the Town for vision for Bruce Freeman Rail Trail
- Continuing:**
- Develop long term plans for older Town buildings: Town Hall, Flynn Building, Fairbank Community Center, Loring Parsonage, and Carding Mill House

Value: Protect and Enhance the Unique Sense of Place and Historical Heritage offered by the Town

- Near Term:**
- Develop Town Hall Feasibility RFP

Value: Protect and Enhance a Climate of Acceptance and Tolerance within the Community

- Continuing:**
- Expand Regional Transit Authority (MWRTA) routes within Sudbury
- Longer Term:**
- Improve handicapped accessibility of all Town Buildings
 - After shared facilities department created, develop plans for undertaking ADA compliance study

Value: Encourage Diversity of Housing Opportunities within the Community

- Continuing:**
- Support Sudbury Housing Trust negotiated proposal at Maynard/Marlboro Road
 - Work with the ZBA to negotiate with 40B developers to increase the number of affordable units in all developments above the 10% minimum.

2. GOAL ASSIGNMENTS

Sudbury Board of Selectmen			FY11 Goal Assignment Card	
Value: Ensure the safety and well-being of the community				
Goal Statement	Estimated Completion	Primary involvement by	FY11 Operating Budget Implications	
<u>Near Term</u> - Implement fire based advance life support (ALS) as part of a regional ALS system	⌚ 6-12 months	Fire Department, Town Manager, Town Counsel	None. Additional program costs to be covered by increase in RRA for Ambulance Receipts	
Finalize Town center design decisions	⌚ 1-3 months	Planning & Community Development Department, Engineering, Sudbury Centre Improvement Advisory Committee	None. Funds for this phase of project design were previously appropriated. Estimated construction costs \$1.85 million, no sooner than FY12. Funding from public bonding, Chapter 90 Highway receipts and CPA.	
Monitor and address problems with physical condition of police station	⌚ Ongoing	Police Department, Building Department, Capital Improvement Planning Committee	May require some amount of FY11 Capital budget appropriated for general building improvements or maintenance expense.	
Finalize continuity of operations emergency planning (COOP)	⌚ 1-2 months	Selectmen's Office, Fire Department. Will also involve feedback from all departments/areas.	None	
Design traffic signal for the Landham Road/Boston Post intersection	⌚ 12 months	Engineering, Fire Department	None. May require additional funds in FY12 depending on final design requirements by State. \$20K has already been appropriated to Capital for installation.	
Begin feasibility study for regional public safety dispatch center, if State grant funding is received. Decide how to combine with the need for a new police station and EOC.	⌚ 12 months	Fire Department, Police Department. Permanent Building Committee	None. Will commence if and when grant funds are approved.	
<u>Continuing</u> Construction of new walkways	⌚ Spring 2011	Engineering Department, Streets & Roads Department, Planning & Community Development Department	None. \$200,000 funds provided for by Community Preservation Fund.	
Preparation for emergencies: regional local emergency planning committee (REPC) and LEPC work	⌚ Ongoing	Fire Department, REPC, LEPC	None	
Ask legislators to put bridge at Hop Brook/Boston Post on a priority list for repair	⌚ Ongoing	Engineering Department, Planning & Community Development Department, State Representatives	None	
<u>Long-term</u> Develop alternative long-term plan to replace current Police Station	⌚ 12-36 months	Police Department, Engineering Department, Permanent Building Committee	None. Estimated construction costs not finalized. Would require long-term public bonding. \$5-\$8 million estimated cost.	

Value: Ensure the safety and well-being of the community			
Goal Statement	Estimated Completion	Primary involvement by	FY11 Operating Budget Implications
Develop plan to create/build EOC in Sudbury	Ⓢ 12-36 months	Fire Department, Police Department, Engineering Department, Permanent Building Committee	None. Estimated construction costs not finalized. Would require long-term public bonding and/or grant monies to complete.
Value: Protect and enhance the financial health of the Town			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
<u>Near Term-</u> Convene a financial summit to develop a multi-year financial plan	Ⓢ 1-2 months	Town Manager, Finance Director, FinCom, Board of Selectmen, SPS and LSRHS staff and committees	None
Create a Town/SPS shared facilities department proposal within existing resources	Ⓢ 6 months	Town Manager, SPS Superintendent, Building Departments for both Town and SPS	None. No funds were allocated in FY11. Next request for Town Meeting most likely May 2011.
Develop plan to address the post retirement benefit (OPEB) unfunded liability	Ⓢ 6 months	Town Manager, Finance Department, SPS Superintendent, Building Departments	None. Town hopes to obtain approval by PERAC regarding OPEB funding structure in FY11. Soonest budget implications for funding for FY12.
Develop plan for building up reserves and free cash	Ⓢ 1-2 months	Town Manager, Finance Director, FinCom, Board of Selectmen, SPS and LSRHS staff and committees	None. The Town has not allocated reserves or free cash for FY11 budget.
Evaluate opportunities to implement Town operated monitoring program	Ⓢ 12-36 months	Fire Department, Town Manager, Finance Director, Town Counsel	None. The goal is to generate new revenue to sustain Dispatch services. Funding mechanism, program costs and allocation options are yet to be determined.
<u>Continuing-</u> Finalize a policy for obtaining and using mitigation funds from developers	Ⓢ 6 months	Planning & Community Development Department, Planning Board	None
Develop plans for building up a capital fund for maintenance of Town assets	Ⓢ 12-36 months	Town Manager, Finance Director, FinCom, Board of Selectmen, SPS and LSRHS staff and committees	None. Will likely require additional funding from regular Capital budget. Capital exclusion or bonding. Soonest budget implications for funding for FY12.
<u>Long-term-</u> Maintain Stabilization fund and general fund reserve balance to protect AAA credit rating	Ⓢ Ongoing	Town Manager, Finance Director, FinCom, Board of Selectmen, SPS and LSRHS staff and committees	None. The Town has not had to use any Stabilization funds. Soonest budget implications for funding for FY12, should Town appropriate funds into Stabilization from General fund.

Value: Protect and enhance the professionalism of the Town's staff, boards and committees			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
<u>Near Term-</u> Continue grant writing to restore staffing positions in Police and Fire departments and develop a volunteer grant writer to assist Police and Fire Chief in grant writing	⑤ Ongoing	Fire Department, Police Department	None
Continue rolling out GIS system, without a dedicated staff person	⑤ Ongoing	IT Department	Some funds to be used from IT's general operating expenses for consulting and software maintenance.
<u>Continuing-</u> Finish Town records disaster recovery planning	⑤ 6 months	IT Department	None. Current costs will be paid for by IT Department's operating expense. Soonest budget implications for funding for FY12 for network and other systems upgrades.
Value: Enhance relationships and communications			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
<u>Near Term-</u> Work with Wayland to study and implement one shared transfer station concept	⑤ 3-6 months	Town Manager, Department of Public Works, Transfer Station, Town Counsel	None. Will begin with joint pilot study. All costs to be borne by both Enterprises.
Work with Wayland and other cities/towns on other shared services opportunities	⑤ Ongoing	Town Manager, Town Counsel, Department of Public Works, Department of Public Safety	None
<u>Continuing-</u> Complete web based online permitting software application	⑤ 3-6 months	IT Department, Building Department, Public Works Department	None for installation. Maintenance costs for software to be paid for by operating expenses and permitting fees.
Value: Emphasize long-term, strategic planning			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
<u>Near Term-</u> Validate Curtis Middle School as most feasible Town disposal sites for wastewater treatment	⑤ 3-6 months	Town Manager, Board of Selectmen, SPS School Committee, Planning & Community Development Department, Engineering, Board of Health	None. Will likely require public bonding or State wastewater borrowing. Soonest budget implications for funding for FY12.

Value: Emphasize long-term, strategic planning			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
Create a Citizen's Advisory Committee to work on economic development issues related to wastewater project	Ⓢ 6-12 months	Town Manager, Board of Selectmen, Planning & Community Development Department, Sewer Assessment Technical Committee	None
Develop a Master plan for all town owned recreation properties	Ⓢ 6-12 months	Planning & Community Development Department, Park & Recreation Commission	None
Develop and seek approval from Town for vision of Bruce Freeman Rail Trail	Ⓢ 6 months	Town Manager, Board of Selectmen, Planning & Community Development Department, Conservation Commission, Rail Trail Conversion Advisory Commission	None. Development of trail will require public bonding and significant State funding. Budget implications for funding are not clear at this time.
<u>Continuing-</u> Develop long-term plans for older Town buildings; Town Hall, Flynn Building, Fairbank Community Center, Loring Parsonage, and Carding Mill House	Ⓢ 12-36 months	Town Manager, Finance Director, Board of Selectmen, Building Department, Permanent Building Committee, Capital Improvement Planning Committee, Finance Committee	None. Feasibility studies will require funding from operating expense, CPA or long-term public bonding. Soonest budget implications for funding for FY13.
Value: Protect and enhance the unique sense of place and historical heritage offered by the Town			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
<u>Near Term-</u> Develop Town Hall feasibility RFP	Ⓢ 3-6 months	Town Manager, Finance Director, Board of Selectmen, Building Department, Permanent Building Committee, Capital Improvement Planning Committee, Finance Committee	None. Feasibility study would require funding through Capital or CPA funds, no sooner than FY12 budget.

Value: Protect and enhance a climate of acceptance and tolerance within the Community			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
Continuing- Expand Regional Transit Authority (MWRTA) routes within Sudbury	ⓐ Ongoing	Council on Aging	None. Services paid for through MWRTA.
Long-Term- Improve handicap accessibility of all Town buildings	ⓐ Ongoing	Building Department, Commission on Disability, Public Works Department	Current minor enhancements to be paid for by building capital, maintenance expense and general expense in Public Works.
After shared facilities department created, develop plans for undertaking ADA compliance study	ⓐ 24-36 months	Building Department, Commission on Disability, Public Works Department	None. Cost for study would likely be paid for by maintenance expense and COD funds. Soonest budget implications for funding for FY13.
Value: Encourage diversity of housing opportunities within the Community			
Goal Statement	Estimated Completion	Primary Involvement by	FY11 Operating Budget Implications
Continuing- Support Sudbury Housing Trust negotiated proposal at Maynard/Marlborough Road	ⓐ 3-6 months	Sudbury Housing Trust, Planning & Community Development Department, Planning Board	None. Funds to be paid for by Trust.
Work with the ZBA to negotiate with 40B developers to increase the number of affordable units in all developments above the 10% minimum.	ⓐ Ongoing	Sudbury Housing Trust, Planning & Community Department, Planning Board, Zoning Board of Appeals	None.

3. PREVIOUS YEAR'S GOALS

The Board of Selectmen voted on July 7 to adopt a final list of goals for FY10, which focus on financial recovery for the Town's revenues and reserves; economic development; and evaluating and adapting services and staffing to a time of continued resource constraints ("the new normal").



TOWN OF SUDBURY FY10 Board of Selectmen Goals Adopted July 7, 2009

Mission and Values for Determining Goals of the Board of Selectmen

The mission of the Town of Sudbury is to ensure the safety and well-being of the community, to protect and enhance the financial health, education excellence, and environmental quality of our Town by relying on the professionalism of our staff and volunteers, and use of long-term, strategic planning and enhanced communications in our governance. The Board is dedicated to protecting and enhancing the unique sense of place found in Sudbury and protecting and encouraging tolerance and diversity. The Board of Selectmen, as the chief policy making and governance body of the Town of Sudbury, will provide leadership for staff, volunteers, residents and other stakeholders in the Town by advancing goals, programs and decisions that are based on these values.

(First adopted on May 10, 2000; amended and reaffirmed by the Board of Selectmen, 5/23/02, 6/1/04, and 6/10/05)

NOTE: For FY10, the Selectmen directed staff to focus their efforts primarily on the following three sustainability issues: financial recovery for Town's revenues and reserves; economic development; and evaluating and adapting services and staffing to a time of continued resource constraints (aka "the new normal"). In addition, the new Energy and Sustainability Green Ribbon Committee created by the Selectmen will begin their work this year.

Value: Ensure the Safety and Well-being of the Community

Near Term: Develop alternative regional Advanced Life Support (ALS) structure before October 2010
Develop plan to create/build an Emergency Operations Center (EOC) in Sudbury

Continuing: Construction of walkways
Local Emergency Planning Committee (LEPC) planning and preparation
Regional Local Emergency Planning Committee (REPC) work
Design traffic signal for the Landham Road/Boston Post Intersection
Complete Town Centre design project
Ask state legislators to put bridge at Hop Brook/Boston Post Road on priority list for repair
Monitor physical condition of police station

Longer Term: Develop alternative long term plan to replace Police Station

Value: Protect and Enhance the Financial Health of the Town

Near Term: Work with Finance Committee to establish an override stabilization fund
Develop Town/SPS shared facilities department proposal
Develop plan for building up reserves and free cash
Develop plans for building up a capital fund for maintenance of Town assets
Host a financial summit to develop a 3-5 year financial plan
Develop and implement expanded payment in lieu of taxes (PILOT) program
Evaluate opportunities to implement town operated alarm monitoring program

Continuing: Finalize policy for obtaining and using mitigation funds from developers

Longer Term: Address results of the Post Retirement Benefit (OPRB) liability report
Protect the financial health of the Town of Sudbury, maintain AAA credit rating

Value: Protect and Enhance the Educational Excellence offered by the Town, without jeopardizing the financial health of the Town

Near Term: Continue and expand the CORE process to include L-SRHS

Continuing: Determine if there are savings or other benefits from a shared superintendent of schools between L-S and SPS School systems

Longer Term: Maintain AAA credit rating

Value: Protect and Enhance the Environmental Quality of the Town

Near Term: Activate new Energy & Sustainability Green Ribbon Committee
Develop new capacity to evaluate and act on land purchase/protection opportunities

Continuing: Finalize Wayland – Sudbury Septage plant closure issues
Continue negotiations with CSX on the trail corridor

Longer Term: Hop Brook Remediation

Value: Protect and Enhance the Professionalism of the Town's Staff, Boards and Committees

Near Term: Try to restore staffing positions in Police and Fire departments by seeking grants
Continue rolling out full GIS system, without a dedicated staff person

Continuing: Finish Town records disaster recovery planning
Finish Continuity of Operations (COOP)/Continuity of Government (COG) disaster planning

Longer Term: Develop plan for retaining experienced staff/succession planning

Value: Enhance Relationships and Communications

Near Term: Work with Lincoln to change date of Sudbury Annual Town Meeting
Work with Wayland to evaluate feasibility of shared transfer station
Work with Wayland on other shared services options
Work with SudburyTV and school and town committees to have more meetings available on the Town's cable access channels

Continuing: Complete web based on-line permitting software application
Selectmen's cable program *Town Hall Matters* as forum for policy level discussions
Write guest columns for Town Crier on different departments/activities

Value: Emphasize Long-Term, Strategic Planning

Near Term: Evaluate most feasible Town disposal sites for wastewater treatment
Begin evaluating future use of the gravel pit property
Complete study of wireless technology and amend Bylaw

Continuing: Complete Town Centre design project
Complete traffic corridor study for Boston Post Road

Longer Term: Track state plans for Crime Lab Facility on Horse Pond Road
Track state plans for rail trail on MBTA owned rail line
Long term plans for older Town Buildings: Town Hall, Flynn Building, Fairbank Community Center, Loring Parsonage, and Carding Mill House
Hop Brook remediation
After shared facilities department created, develop 5 year plan for maintenance of town and school buildings

Value: Protect and Enhance the Unique Sense of Place and Historical Heritage offered by the Town

Continuing: Complete Town Centre design project

Longer Term: Develop options for a Sudbury Historical Museum

Value: Protect and Enhance a Climate of Acceptance and Tolerance within the Community

Continuing: Expand Regional Transit Authority (MVRTA) routes within Sudbury

Longer Term: Improve handicapped accessibility of all Town Buildings
After shared facilities department created, develop plans for undertaking ADA compliance study

Value: Encourage Diversity of Housing Opportunities within the Community

Near Term: Support development of projects by Housing Trust and Sudbury Housing Authority

Continuing: Continue production of units of affordable housing in Sudbury

PROGRESS REPORT ON CURRENT GOALS

Time Horizon	FY10 Goal Statement	Status
Near Term	Develop ALS replacement service before 10/01/2010	SFD has hired 5 paramedics, met with the state for preliminary discussions on licensure, written an ALS procedures manual and are negotiating a hospital affiliation agreement and medical control contract. Hope is to be licensed and operation by October 2010
Near Term	Develop alternate plans for an emergency operations center, separate from proposed police station	Sudbury does not have an Emergency Operations Center. Several grant requests for construction funding have been denied. Presently, a \$150,000 feasibility study grant application to the State 911 Department is under review which, if approved, will lead to a discussion of where to construct a regional dispatch center. If built in Sudbury, this could be incorporated into an EOC and provide substantial funding towards its (EOC) completion. Another option is to consider an EOC as part of any future construction of a new police station if approved by Sudbury voters.
Near Term	Work with Finance Committee to establish an override stabilization fund	FinCom has put on a back burner given the Town's current fiscal situation.
Near Term	Develop details of a combined facilities department with SPS, bring to town meeting	Enabling legislation adopted at Town Meeting. As anticipated, there was insufficient funding to proceed with this effort for FY11. Nevertheless, Town and SPS staff feel this is an important effort to prevent future costs and protect the investment in our buildings and provide for a more logical and cost efficient process for maintaining our assets
Near Term	Work with Finance Committee to develop plan for building up free cash and reserves	Finance Committee and other officials have determined that free cash should no longer be used for recurring expenses, and should be allowed to rebuild over future years.
Near Term	Work with Finance Committee to insure capital funds are maintained for maintenance of town buildings, assets	While an overall target amount or dedicated funding sources has not been set forth, both the FinCom and Selectmen supported maintaining current levels of spending to support the capital budget each year.
Near Term	Encourage a financial summit to discuss 3-5 year horizon, plan	Financial summit will be called by Selectmen in summer of 2010
Near Term	Develop, implement PILOT program for Sudbury non-profits	Draft program guidelines and recommendations are being finalized, will be presented to Selectmen Summer 2010
Near Term	Evaluate feasibility of charging for alarm calls, expand dispatch capability	Fire Chief MacLean worked with LW Bills of Georgetown, MA to establish a start up plan for Alarm Monitoring in Sudbury. Some costs are associated with acquisition of equipment. A grant request for this equipment was not successful, so he is looking for other ways to fund this project.
Near Term	Continue and expand the CORE approach to include L-5	L-5 has joined with three other school systems to form G-4 and is giving attention to shared operations with those entities at this time
Near Term	New Green Ribbon Energy & Sustainability Committee becomes active	Board established this new committee
Near Term	Develop capacity to evaluate, deal with land purchase opportunities	Committee has been formed
Near Term	Return to prior staffing levels in police and fire departments by seeking grants for positions	Grants have been submitted by both departments, but funds have not been received to allow for restoring or adding staff. Grant writing efforts will continue and chiefs will attempt to identify a volunteer to assist them in grant writing
Near Term	Continue rolling out GIS system, without a dedicated staff person	Override not approved
Near Term	Change date of annual town meeting	Town Meeting approved change - 2011 Town Meeting will commence first Monday in May
Near Term	Work with Wayland to evaluate feasibility of regionalizing both towns' transfer stations	First step of sharing our separate transfer stations will begin September 2010; staff recommend that study of full merging begin with implementation date of Sept 2011
Near Term	Evaluate most feasible Town disposal sites for wastewater treatment	The Technical Advisory Committee will meet with the School Committee on June 23, 2010 to discuss the potential of using the Curtis Middle School front field for the leaching field for the Route 20 sewer project. We expect our consultant's report to be completed by June 18, which will provide background information on the Town's sewer needs, how we came to investigate this parcel, the conceptual layout of the leach field and the collection and distribution system, costs and timetables.
Near Term	Determine best approach to evaluating future use of gravel pit, hopefully to have positive effect on town's financial condition	Staff recommend Selectmen begin this process in FY11.
Near Term	Develop a plan to study cell tower emerging technology needs and opportunities, revise bylaw	After completing a town-wide study of coverage gaps and recommending 6 parcels for expansion of the district in 2009, the Planning Board encountered significant opposition from neighbors of every site and indefinitely postponed the article at the 2010 ATM. Inclusion of these parcels into the overlay district could have benefitted the Town, the Lincoln Sudbury Regional High School District, the Sudbury Housing Authority and the Sudbury Water District. The Planning Board has listed this in their FY11 goals, however it is not a high priority.

Time Horizon	FY10 Goal Statement	Status
Continuing	Construction of walkways	The Town has completed the Willis Road walkway and a walkway on Nobscot Road from Boston Post Road to Old Framingham Road. These walkways prioritized from the list of walkways proposed by residents and discussed at a June 2008 walkway forum held by the Planning Board. The Nobscot Road walkway will deplete all remaining funds from the 2008 CPC article. Additional funds will be requested in 2010.
Continuing	Local Emergency Planning Committee (LEPC) work	The Fire Department is working with Sudbury Pines to develop a LEPC drill on their site.
Continuing	Regional LEPC work	In recent years, the Commonwealth of Massachusetts has encouraged the combining of Local Emergency Planning Committees into Regional Emergency Planning Committees. Sudbury has joined with Acton, Lincoln, Concord, Wayland, and Weston to create the Crossroads Regional Emergency Planning Committee which has conducted two tabletop exercises testing our ability to work as a region to address general disasters. In 2008 we held a mock drill in Concord simulating a dirty bomb explosion; in 2009 we simulated a winter storm with students attempting to leave school resulting in motor vehicle fatalities. Participation in an REPC satisfies our SARA obligation to hold LEPC meetings. Sudbury will continue to participate in Crossroads with an expected 2010 tabletop exercise (as grant funding continues to be available for an event coordinator). Each tabletop results in an after action report listing observations made as to potential improvements for each participating town as well as the region. From these reports come recommendations for emergency plans.
Continuing	Design traffic signal for the Landham Road/Boston Post Intersection	The corridor study by VHB is nearly complete, however has been held up due to additional information regarding the Raytheon/Shaw's sites and the potential private proposal for a signalized intersection at that location on Route 20. Landham Road is proceeding with the design of a traffic signal. Other designs were reviewed and rejected (roundabout, lane alignments without a signal). Design funds are in hand. Construction funds will be pursued through the state and will likely take several years to obtain. New developments in the area will be requested to contribute, and this may make the project more desirable for state funding.
Continuing	Town Centre design project	Substantial work has been done, and staff/committee needs direction from Selectmen for next phase of work.
Continuing	Ask state legislators to put bridge at Hop Brook/Boston Post Road on priority list for repair	District III will do the work but has not set a schedule for work
Continuing	Monitor physical condition of police station	Condition of aspects of the building continue to be a concern. A short term improvement for air quality was installed
Continuing	Finalize policy for obtaining and using mitigation funds from developers	Town Planner has been working on a Mitigation Policy for the Town, taking language and legislative examples from a variety of sources including proposed Land Use Reform legislation, and other states' examples. This policy will set forth the Town's needs for capital improvements caused by growth and development, and offer consistent guidelines for payments. I expect this policy to be completed in FY11.
Continuing	Determine if there are any savings in a shared superintency for LS and SPS	Consolidation working group on hold while schools' G-4 efforts underway
Continuing	Finalize Wayland-Sudbury plant closure issues	Sudbury Town Meeting provided legal authorization for Sudbury to sell its share of interest to Wayland. Appraisals and other activities are in progress summer 2010.
Continuing	CSX rail line acquisition	Town Counsel has worked to finalize purchase and sale agreement. Use of CPA funds may not be allowed and is under study by Town Counsel.
Continuing	Finish Town records disaster recovery planning	We have almost completed the Plan for Risk Mitigation and Disaster Recovery of our Technology infrastructure. The Plan presents an overview of our current Network Applications/Systems, Telephone Applications/Systems and Traditional Applications/Systems which include department specific software such as MUNIS, Patriot Properties, PAMET, Firehouse, Sportsman, etc. The overview also identifies areas where upgrades are needed, redundancy is lacking or additional security should be added. The plan has recommendations for correcting these issues.

Time Horizon	FY10 Goal Statement	Status
Continuing	Continuity of Operations (COOP) disaster planning	Work has begun on developing a process to create COOP plans in each department in Sudbury. These plans are valuable in identifying alternatives to normal functions in the event of some disaster. For instance, if a pandemic caused the absence of the entire payroll department, who would cut paychecks? If the DPW building were struck by an earthquake, how would downed trees be removed from our streets? These questions and others are important to answer prior to any such event occurring. Assistant Chief Michael Carroll has been assigned this task, assisted by Mary McCormack, to develop materials and training for each department to have in event of a disaster.
Continuing	Complete web based on-line permitting software	ViewPoint our permitting software vendor has completed automating the daily assessing data extract from Patriot Properties. The Assessor's extract contains 69 fields of property information, including property photos and building layout sketches. They have also been able to extract the building data from property records which contain more than one building on a parcel. The software has been installed on all of the Building, Highway, Engineering, Conservation, and Board of Health staff computers who will be using the program. All of our latest GIS mapping data, stored on our GIS server has integrated into the software allowing us to determine how close the property is to Wetlands and Flood Zones. We can also determine whether the property is in an Historic District, Scenic Road and the Zoning Designations. The integration with the assessor data, flags a property that is set for demolition if it was built prior to 1941. The first department in which the software will be used is the Building Department.
Continuing	Continue Town Hall Matters for policy discussions	Next sessions need to be scheduled
Continuing	Write guest columns for Town Crier on departments and activities	A number were written and submitted for publication in past two years. More will be done as time permits
Continuing	Expand RTA routes within Sudbury	Since July 1, 2008, Sudbury has received RTA funds toward the cost of operating the Senior Center van service for seniors and people with disabilities (we bill the RTA about \$4,500 a month). This money would otherwise have been lost to Sudbury as a deduction on the cherry sheet, and the cost of operating the van would have had to come from general revenue instead. The MWRTA applied for funding to operate a fixed-route loop bus taking passengers from one pick-up spot in Sudbury (near Friendly's) down Nobscot Road, linking to other transportation in Framingham, and back up route 27 and along route 20. Unfortunately this route was not selected by the funder, but it may be considered in the future. Talks are under way for regionalization of services, including using the MWRTA contracted service, Busy Bee, to transport Sudbury residents before and after the Senior Center van operating hours. Preliminary investigations have begun into a bus route from Marlboro through Sudbury, Wayland, and Weston to connect people to other transportation.
Continuing	Continue production of units of affordable housing in Sudbury	Annual Town meeting appropriates Community Preservation Funds to the Sudbury Housing Trust. These funds are utilized to support housing initiatives in Sudbury.

Time Horizon	FY10 Goal Statement	Status
Long Term	Develop alternative long term plan to replace Police Station	Presently, a \$150,000 feasibility study grant application to the State 911 Department is under review which, if approved, will lead to a discussion of where to construct a regional dispatch center. If built in Sudbury, this could be incorporated into a new police station and provide substantial funding towards construction costs.
Near Term	Address results of the Post Retirement Benefit (OPEB) reports (Town & L-S)	The results of actuarial studies performed for both the Town of Sudbury (which includes Sudbury Public Schools) and Lincoln-Sudbury Regional School District reflected that each cost center has accrued significant financial liability over the years for Other Post Retirement Benefits (OPEB) that are payable to all retirees. This estimated liability for the Town was \$27,874,000 and for L-S \$28,345,622 (adjusted for adoption of M.G.L. Chapter 32B, section 18). In recognition of this growing liability and in an effort to minimize the Town's OPEB exposure, both the Town (in 2007) and the L-S Regional School Committee (in 2008) have adopted Section 18, requiring retirees to enroll in Medicare upon turning 65.
Long Term	Hop Brook Remediation	We continue to monitor what DEP and EPA will enforce with the City of Marlboro
Near Term	Succession planning/retaining experienced staff	Assistant Town Manager has obtained retirement plans for department heads, and Town Manager has been using that to plan succession as well as potential collaboration efforts for future.
Long Term	Follow state plans for Crime Lab Facility	Police Chief follows this. State has no plans to leave this facility at this time.
Long Term	Keep aware of plans for Central Mass Rail Trail on MBTA land	Regional group MAGIC has been involved in discussions and plans and keeps Sudbury informed.
Long Term	Develop long term plans for older Town Buildings : Flynn Building, Town Hall, Fairbank Community Center, Loring Parsonage, Carding Mill House	Staff are developing plans to ask for CPA funding for feasibility study of the Town Hall for office space.
Long Term	Develop options for a Sudbury Historical Museum	No planning is underway on this at this time
Long Term	Improve handicapped accessibility of all town buildings	The Town is working to make the first floor of the Loring Parsonage handicapped accessible, through use of Community Preservation Act funds. Although the Town is not currently using the Parsonage as a town office building, it might in the future so having it made accessible is in keeping with the Board's goals. Additionally, the building department is diligently enforcing the accessibility codes and issues throughout town, not just town owned buildings, but the hotels, restaurants, swim clubs, shopping centers, ballfields, bleachers, kennels, office buildings, etc. And Assistant Town Manager has responsibility for working with the Commission on Disabilities on accessibility issues.