

# TOWN OF SUDBURY



**MASSACHUSETTS**



**FY12 BUDGET AND FINANCING PLAN**

**JULY 1, 2011 – JUNE 30, 2012**



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**Town of Sudbury  
Massachusetts**

For the Fiscal Year Beginning

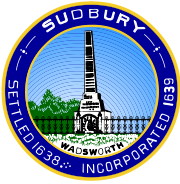
**July 1, 2010**

Two handwritten signatures are present. The signature on the left is in dark ink and appears to be 'J. J. ...'. The signature on the right is in blue ink and appears to be 'William R. Brown'.

President

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, 2010. 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 becomes 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 fifth 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 FY11**. This award is the highest form of recognition in governmental budgeting and represents a significant achievement for the Town. Sudbury is one of only ten 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*

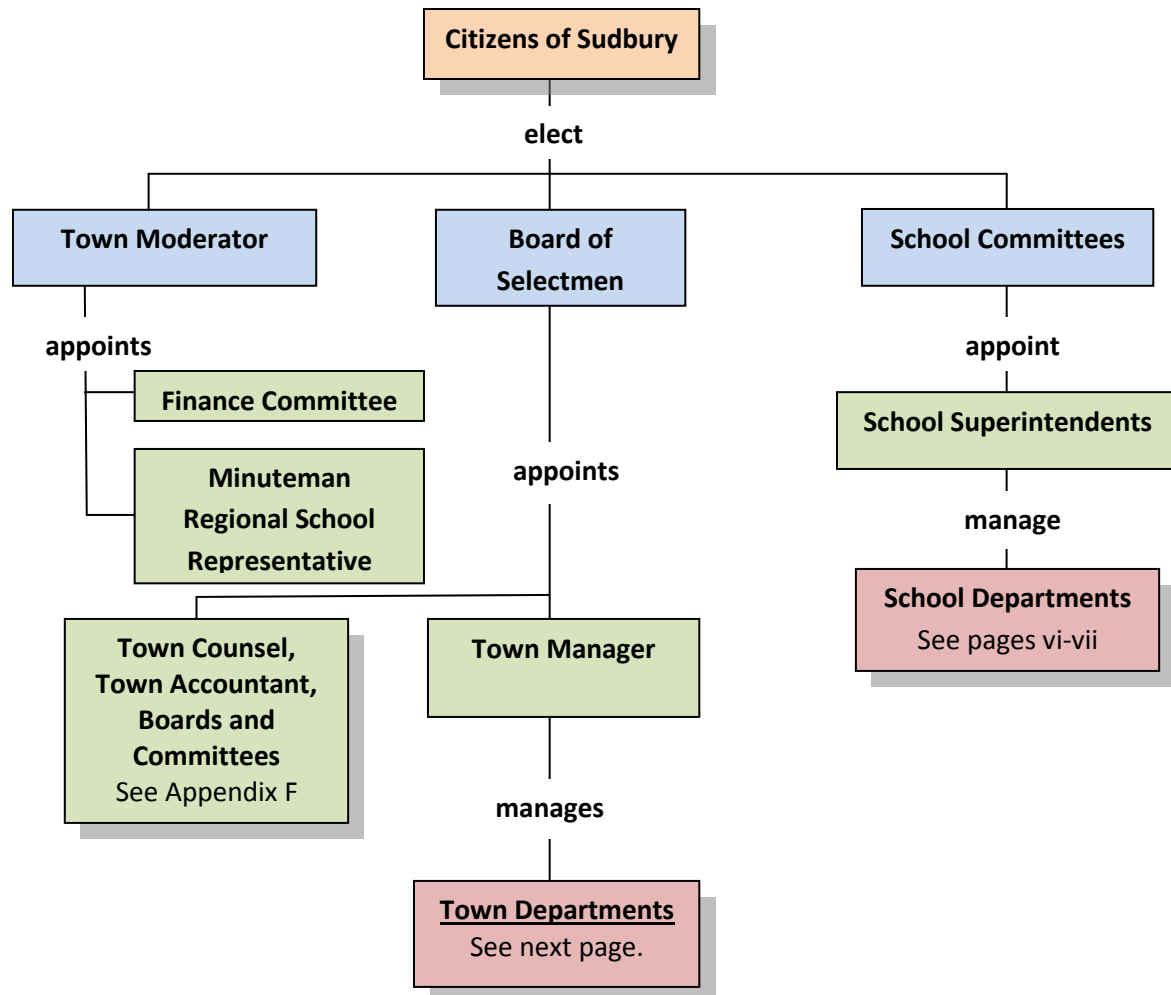


## Organizational Charts

### Top Level

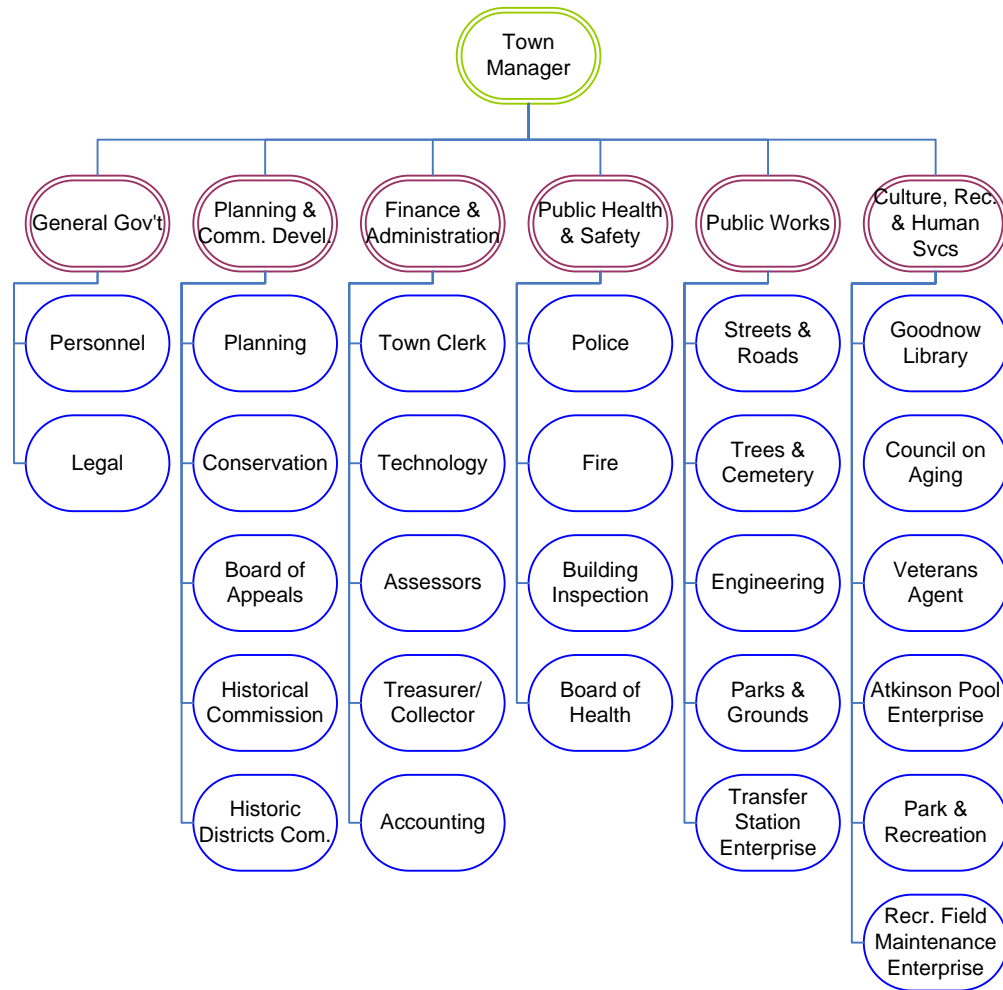
The Mission of the Town of Sudbury's Government is to ensure the safety and well-being of the community, to protect and enhance the financial health, education excellence, and environmental quality of our Town.

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.



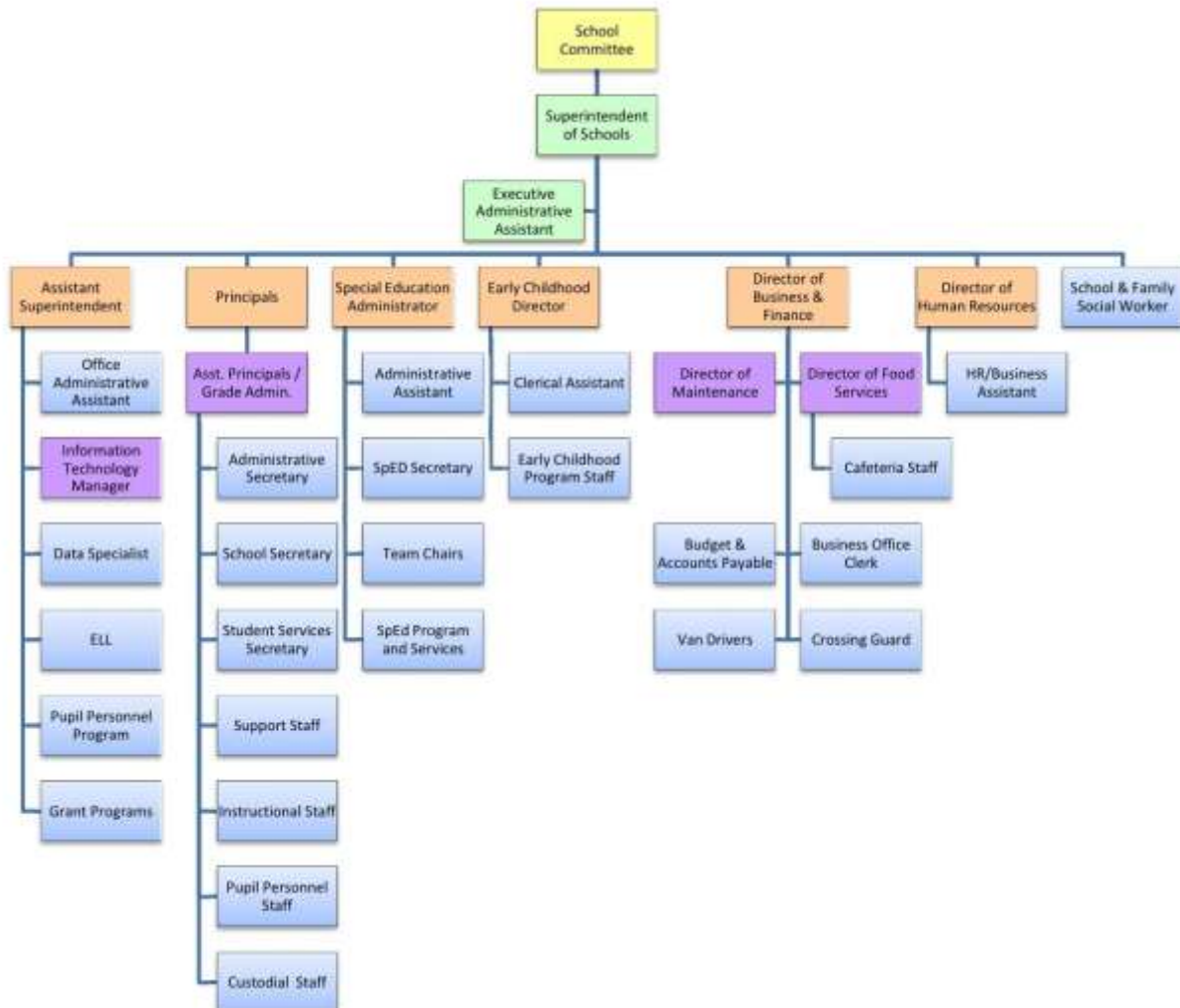
## Town Departments

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

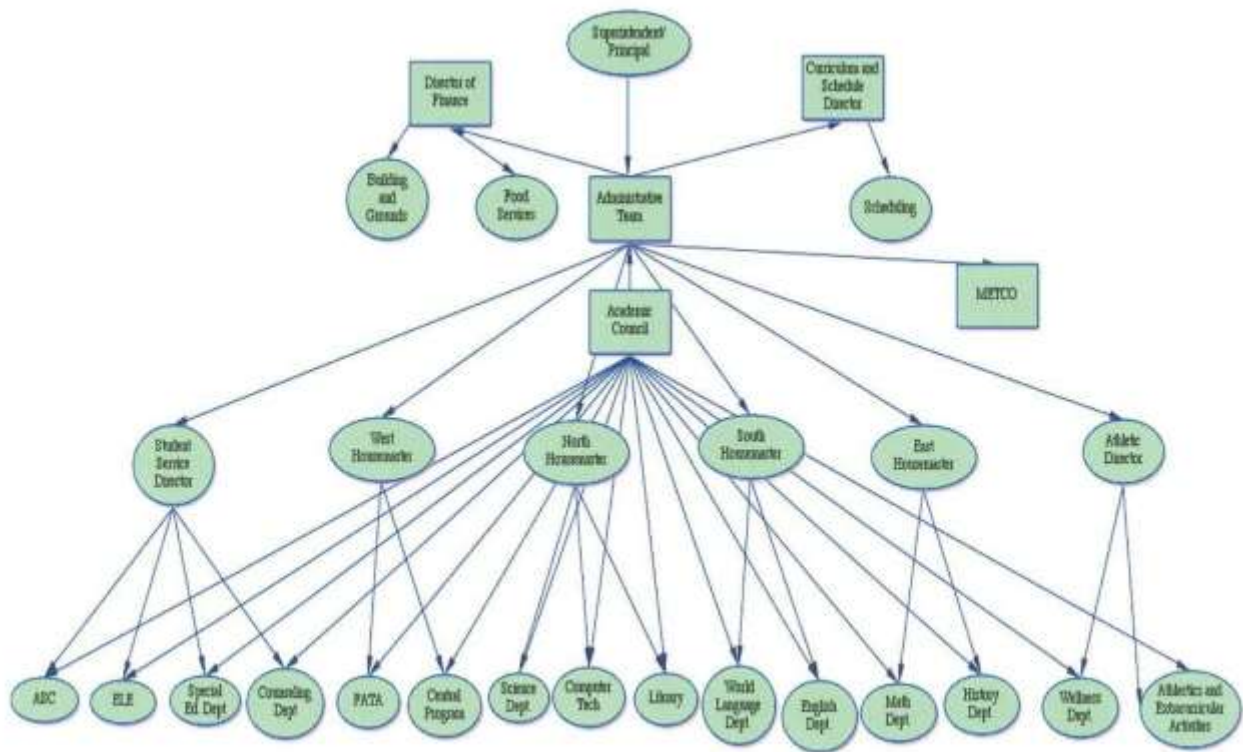
The chart below outlines the structure for the Sudbury Public Schools (Grades K-8) system. The Superintendent of Schools oversees all school departments including five elementary school locations and central administration.





## 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.

Municipal budget documents 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 'Funds 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 Funds 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, and 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 funds 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 FY12 budget requests, and how do they compare with prior years?*

**Answer:** Start with the Table on page 66 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 FY09 through FY11.

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

**Answer:** Start with the Revenue Projections on page 38 in **Section 2**. This section includes 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 26 is a discussion of what has been happening in the Town's revenue base for the period FY2002-FY2012.

**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 141. You may also refer to charts starting on page 56 in **Section 3**, which look specifically at a six-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 232. 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](http://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.



# TABLE OF CONTENTS

SECTION .....	PAGE
<b>The Town Manager's Introduction to the Budget Document .....</b>	<b>i</b>
<b>Town Mission and Values .....</b>	<b>iii</b>
<b>Organizational Charts .....</b>	<b>iv</b>
<b>A Reader's Guide to the Budget .....</b>	<b>viii</b>
<b>ONE:</b>	
<b>Funding the Budget .....</b>	<b>1</b>
Financial Funds and the Budgeting Process .....	2
Sudbury's Financial Funds Structure Overview .....	2
The Budgeting Process .....	7
Total Funding Sources and Uses .....	12
Top Level Funds Summary .....	12
Governmental Funds by Major Category .....	15
Funding Sources and Uses by Fund Categories .....	17
<b>TWO:</b>	
<b>Financial Resources .....</b>	<b>25</b>
Revenue Forecasting .....	26
Primary Governmental and Proprietary Financial Resources .....	28
Primary Financial Resource Trends and Indicators .....	29
Primary Financial Resource Projections .....	38
Snapshot .....	38
Revenue Projection Details .....	39
<b>THREE:</b>	
<b>Financial Uses .....</b>	<b>49</b>
Primary Governmental and Proprietary Financial Uses .....	50
Primary Financial Use Trends and Indicators .....	50
Primary Financial Use Projections .....	67
<b>FOUR:</b>	
<b>Budget FY12 Issues and Transmittal – .....</b>	<b>71</b>
Board of Selectmen Overview .....	72
Finance Committee Advisory Overview .....	72
The Town Manager's Budget Transmittal .....	73
<b>FIVE:</b>	
<b>Budget Detail – Town Government .....</b>	<b>79</b>
General Government Services .....	81
GENERAL GOVERNMENT: Selectmen/Town Manager .....	82
GENERAL GOVERNMENT: Assistant Town Manager/Human Resources Director .....	84
GENERAL GOVERNMENT: Law .....	86
GENERAL GOVERNMENT: Finance Department – Finance Committee .....	87
GENERAL GOVERNMENT: Finance Department – Accounting .....	89
GENERAL GOVERNMENT: Finance Department – Assessors .....	91
GENERAL GOVERNMENT: Finance Department – Treasurer/Collector .....	92
GENERAL GOVERNMENT: Finance Department – Information Systems .....	95
GENERAL GOVERNMENT: Town Clerk, Registrars and Document Preservation .....	97
GENERAL GOVERNMENT: Conservation .....	99
GENERAL GOVERNMENT: Planning and Community Development Department .....	101
Public Safety Services .....	103
PUBLIC SAFETY: Police Department .....	104
PUBLIC SAFETY: Fire Department .....	106
PUBLIC SAFETY: Building Department .....	108
Public Works Department .....	111
PUBLIC WORKS: Engineering and Administration .....	112
PUBLIC WORKS: Streets and Roads .....	114
PUBLIC WORKS: Trees and Cemetery .....	116
PUBLIC WORKS: Parks and Grounds .....	118

Human Services .....	120
HUMAN SERVICES: Board of Health .....	121
HUMAN SERVICES: Council on Aging .....	123
HUMAN SERVICES: Veterans' Affairs .....	124
Culture & Recreational Services .....	126
CULTURE & RECREATION: Goodnow Library .....	127
CULTURE & RECREATION: Park & Recreation .....	129
CULTURE & RECREATION: Historical Commission .....	131
CULTURE & RECREATION: Historic Districts Commission .....	132
<b>SIX:</b>	
<b>Budget Detail – Education.....</b>	<b>135</b>
Education.....	136
Sudbury Public Schools.....	137
Lincoln-Sudbury Regional High School Assessment .....	139
Minuteman Regional Vocational Technical High School Assessment .....	142
Other Regional High School Assessment .....	142
<b>SEVEN:</b>	
<b>Capital Investment Budget.....</b>	<b>143</b>
FY12 CAPITAL BUDGET .....	144
5-YEAR CAPITAL PLAN .....	148
<b>EIGHT:</b>	
<b>Unclassified &amp; Transfer Expenses .....</b>	<b>155</b>
UNCLASSIFIED – Town Wide Operating Expenses .....	156
UNCLASSIFIED – Transfer Accounts .....	156
<b>NINE:</b>	
<b>Shared Programs &amp; Costs.....</b>	<b>159</b>
DEBT SERVICE .....	160
BENEFITS AND INSURANCE .....	162
STABILIZATION FUND .....	166
<b>TEN:</b>	
<b>Unappropriated Accounts .....</b>	<b>167</b>
OTHER CHARGES TO BE RAISED (OR UNAPPROPRIATED ACCOUNTS) .....	168
<b>ELEVEN:</b>	
<b>Enterprise Funds.....</b>	<b>171</b>
ENTERPRISE FUNDS: Transfer Station/Recycling Center.....	173
ENTERPRISE FUNDS: Atkinson Pool .....	174
ENTERPRISE FUNDS: Recreation Field Maintenance.....	177
<b>TWELVE:</b>	
<b>Budget Detail – Other Major Funds .....</b>	<b>179</b>
other major funds: Sudbury's Community Preservation Fund .....	180
other major funds: Sudbury's Housing Trust.....	182
other major funds: Sudbury's Stabilization Fund .....	183
<b>THIRTEEN:</b>	
<b>Appendices.....</b>	<b>185</b>
A. Budget Terms and Definitions .....	186
B. Acronyms .....	193
C. Budget Process.....	197
Phases of Budget Preparation and Development .....	197
Description of Phases .....	197
D. Budget Schedule .....	199
FY12 Budget Calendar - .....	199
E. Budget Instructions.....	201
Sudbury Finance Committee Instruction Letter for FY12 .....	201
F. Community Profile .....	204
Sudbury at a Glance .....	204
Sudbury Government Structure .....	206
Elected Town Officials.....	207
PERMANENT TOWN BOARDS AND COMMITTEES .....	208
Federal, State and County Officials .....	209
Economic and Demographic Characteristics .....	210
EMPLOYEE Headcount INFORMATION.....	215
Residential Tax Rate History, 2000-2011.....	220

G. Budget and Financial Policies .....	221
Board of Selectmen Budget and Financial Management Policies .....	221
H. Funds Structure and Descriptions .....	228
Municipal Fund Structure .....	228
Municipal Fund descriptions.....	229
I. Basis of Accounting and Budgeting .....	231
Appropriation and Budget Amendment Procedures .....	231
J. Planning and Goal Setting .....	232
Sudbury's Master Plan and Goal Setting Process .....	232
1. FY12 Goals as Voted by the Board of Selectmen.....	233
2. Goal Assignments .....	234
3. Previous Year's Goals.....	235
Progress Report on Current Goals.....	237
<b>FOURTEEN:</b>	
<b>Notes .....</b>	<b>239</b>

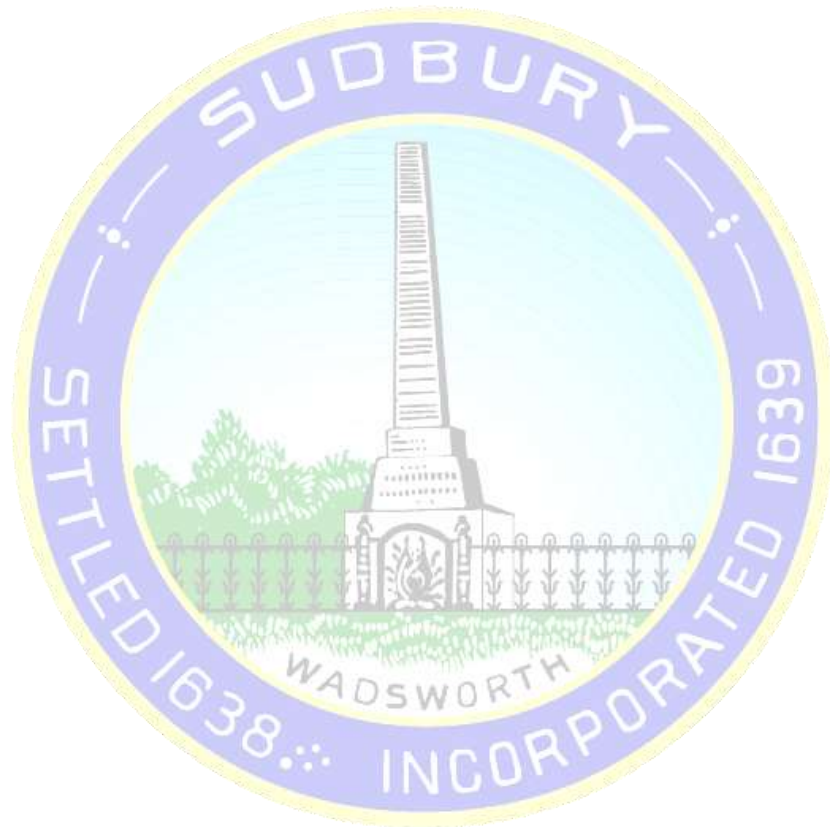




# **Section One**

## **Funding the Budget**

### **A Consolidated Financial Overview and Funds Analysis**



# Financial Funds and the Budgeting Process

## Sudbury's Financial Funds Structure Overview

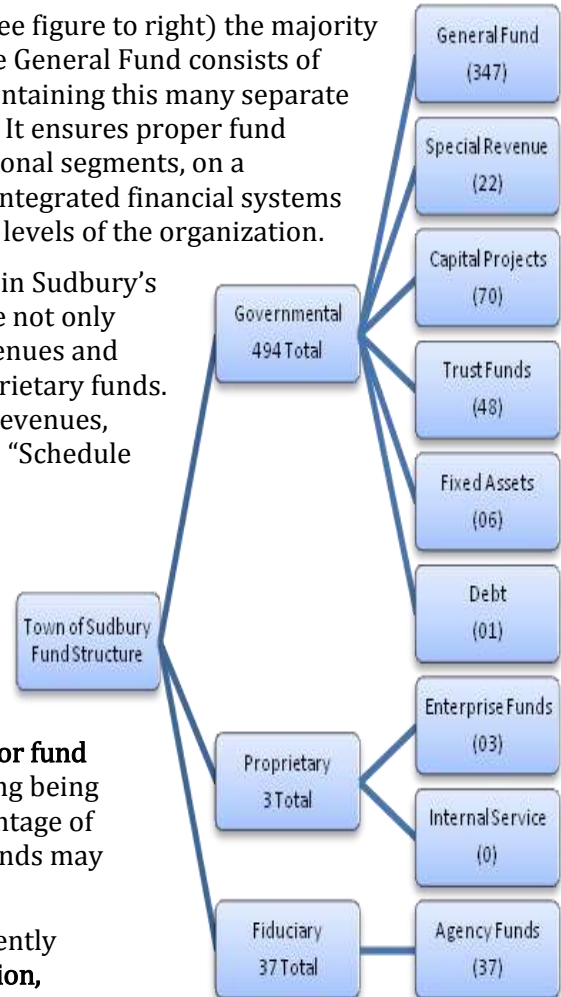
Sudbury currently maintains over 500 individual funds (see figure to right) the majority of which fall into the category of Governmental funds. The General Fund consists of over 300 sub-funds for internal accounting purposes. Maintaining this many separate funds is essential for compliance and reporting 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 aid in effectively managing, budgeting and reporting at all levels of the organization.

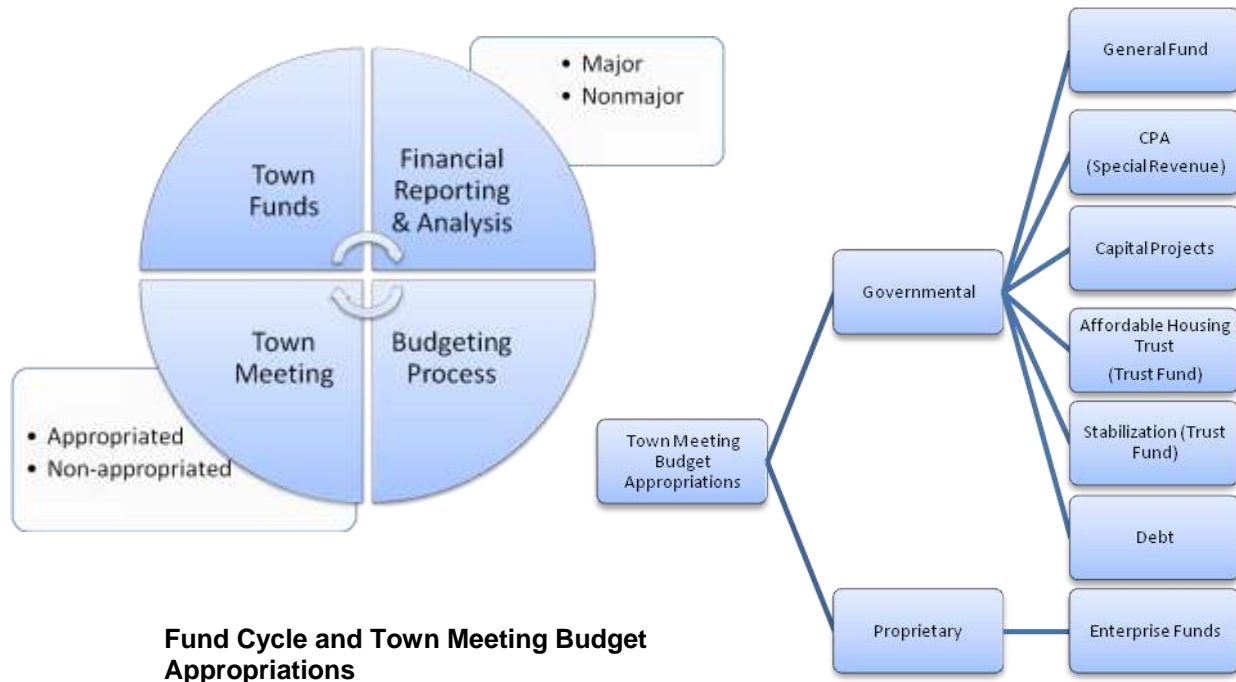
Government-wide financial fund analysis is also provided in Sudbury's Annual Financial Report. These audited financials provide not only fund balance detail but also a complete breakdown of revenues and expenditures for all of the Town's governmental and proprietary funds. Additionally, the Town must 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. In general, 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**.





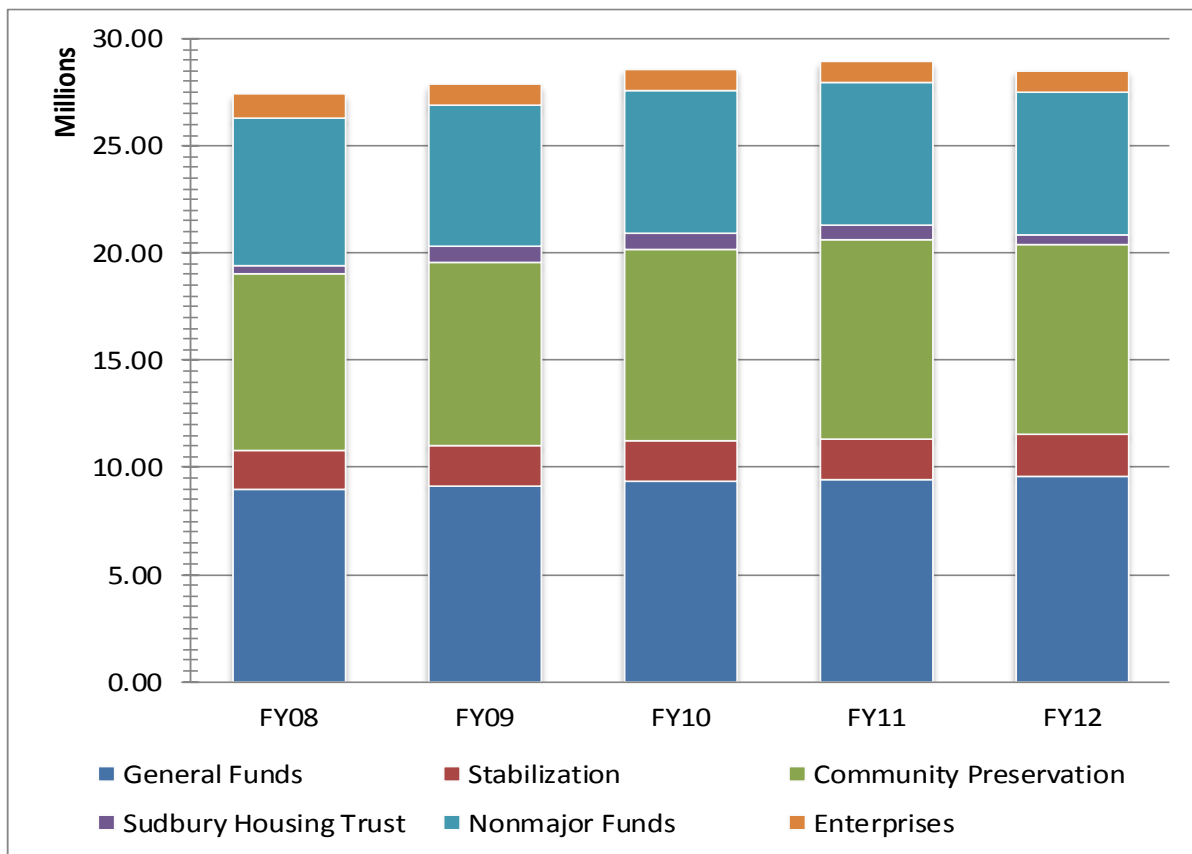
As the previous discussion and charts indicate, the Town manages and budgets for all of its governmental and proprietary funds. The cycle between Sudbury’s ongoing financial concerns and the budgetary process is primarily connected by the appropriating actions at Annual Town Meeting. The reporting of 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). Regardless of the funding mechanism all fund balances and projections play an important in the Town’s short and long-term 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. Even when funds have been appropriated for use in the coming year 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 expenditures. Budgeting must consider all sources and uses of funds in order to avoid deficits and ideally be in a position to build fund equity for the future.

Below includes recent history of the Town's aggregate balance for all governmental and proprietary funds. Total funds are expected to decrease 1.3%, settling at approximately \$28.7M by the end of FY12.

### Sudbury's Recent Fund Balance History



The biggest jump in value came from the introduction of the Community Preservation Act fund (CPA), back in 2003. For further CPA details and program budget [see Section 12](#).

### Fund Balance Components

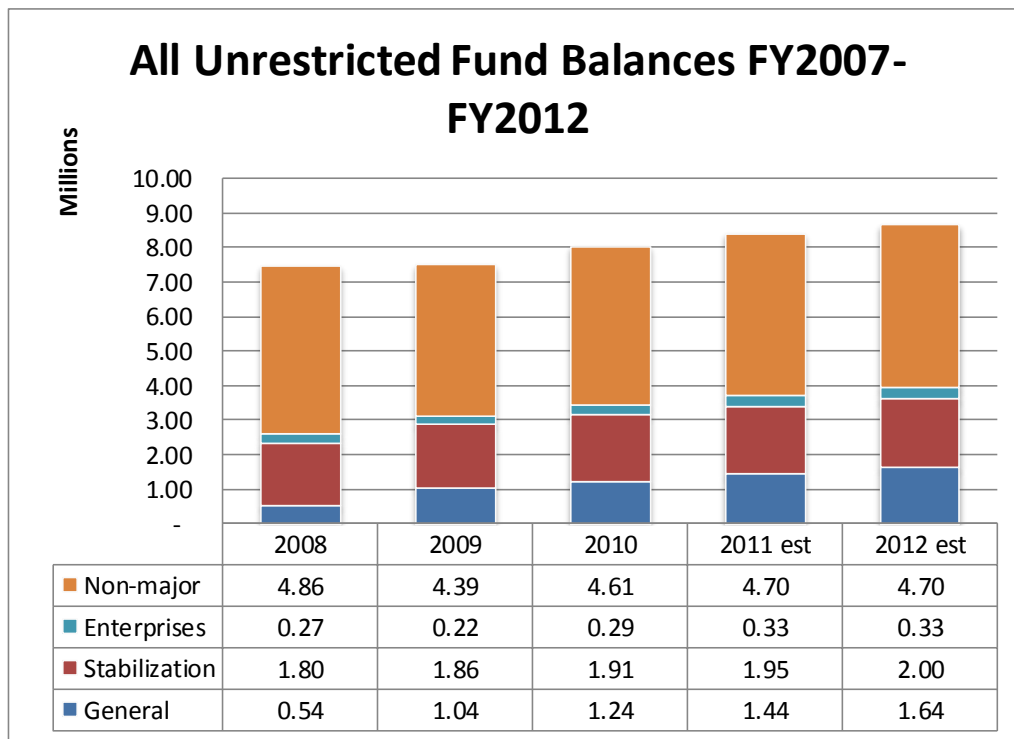
Fund balance is broken down into two components: *Restricted and Unrestricted*.

**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).

### Sudbury's Recent Restricted Fund Balance History

<u>Fund Name</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011 est</u>	<u>2012 est</u>
General	8,498,783	8,163,901	8,139,048	8,008,966	7,953,556
Stabilization	-	-	-	-	-
CPA	8,218,022	8,509,267	8,922,552	9,273,957	8,847,880
Afford Hous	380,364	759,810	769,464	635,464	462,464
Enterprises	862,234	754,423	695,948	661,824	668,288
Non-major	2,018,918	2,200,332	2,036,789	1,969,874	1,959,874
	19,978,321	20,387,733	20,563,801	20,550,085	19,892,062
% Restricted	27%	27%	28%	29%	30%

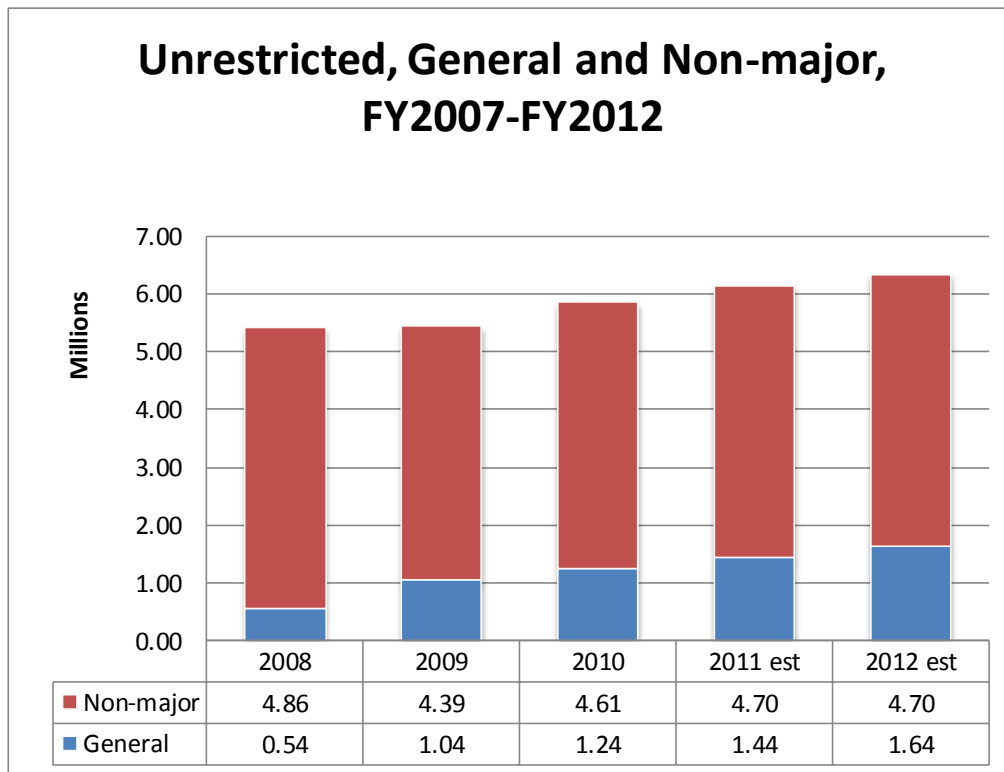
***Unreserved fund balances*** (UFB) is the **unrestricted portion** of a fund (also known as “net equity”) which is available for new spending. The lower the unrestricted fund balance, the less available equity for future operations. The next chart shows the level of ***unrestricted fund balances*** 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 \$8.7 million by the end of fiscal year 2012.



In general, the Town may not use special revenues (e.g. CPA or Sudbury Housing Trust) to fund its annual operating expenditures. Also, the Town does not plan for using any part of the Stabilization

Fund for normal operating expenditures. This leaves only two main Operating Funding Sources (OFS) – the General Fund and what we group together as **Non-major** Governmental Funds - to pay for more than \$90M in governmental and proprietary operating expenditures each year.

The next chart isolates our two key funding sources. The General Fund’s unreserved fund balance has declined dramatically in the last decade, while the **Non-major** category for UFB has substantially increased. Total **Non-major** UFB continues to eclipse the **General Fund** UFB by nearly 4 to 1. The **Non-major** category is expected to continue to have a major role in the Town’s overall budget process for the foreseeable future.



### **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 use. As the previous table indicates **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 or use.

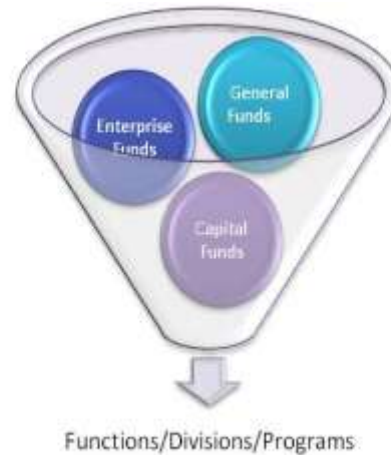
## The Budgeting Process

### From Funds to Functions

The budgeting process hinges on available resources: new revenues generated during the coming year plus any accumulated unrestricted reserves that the Town may wish to use to supplement operations.

Below the top-level view of our funds' structure lies the immense detail for all *sources and uses*.

We begin our further discussion of the FY12 budget cycle by identifying the main sources we have come to rely on each year.



While all governmental and proprietary funds find their way one way or another into the annual budgeting process, the funds captured in the chart on the previous page (**Special revenues and the General fund**) support nearly 97% of the Town's total annual operations each year including 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 consolidated budget happens by the following: normal appropriations (**General fund**), allocation by appropriating authority (**Special Revenue funds transfers**) or, without Town Meeting appropriation or transfer, directly against non-tax levy revenue streams (**Grants and Revolving funds**).

### The Major Role of Non-major Funding

Collectively the Town's **Non-major** funds category contributes more than 7% of all revenues each year consist of Employee Benefits Trusts, Receipts Reserved for Appropriation, Revolving funds, Grants and Gifts. The **Non-major** funds group is expected to produce approximately \$6.8M in revenues in FY12. In comparison to other non-tax levy revenue sources in recent years (e.g. State Aid or Local Receipts) **Non-major Special** revenues play a **major** role in the budgeting process.

### Non-major Funds Defined

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 active 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. In recent years annual ambulance receipts have been approaching \$0.7 million. This may change in

the future depending on the costs and reimbursement structure of providing ambulance services; including the addition of advanced life support (ALS) services by Sudbury's Fire Department.

Contribution to the General Fund Budget each year: \$0.5 million (revenue transfer)  
Contribution to other specific purposes each year: \$.7million for equipment, as needed

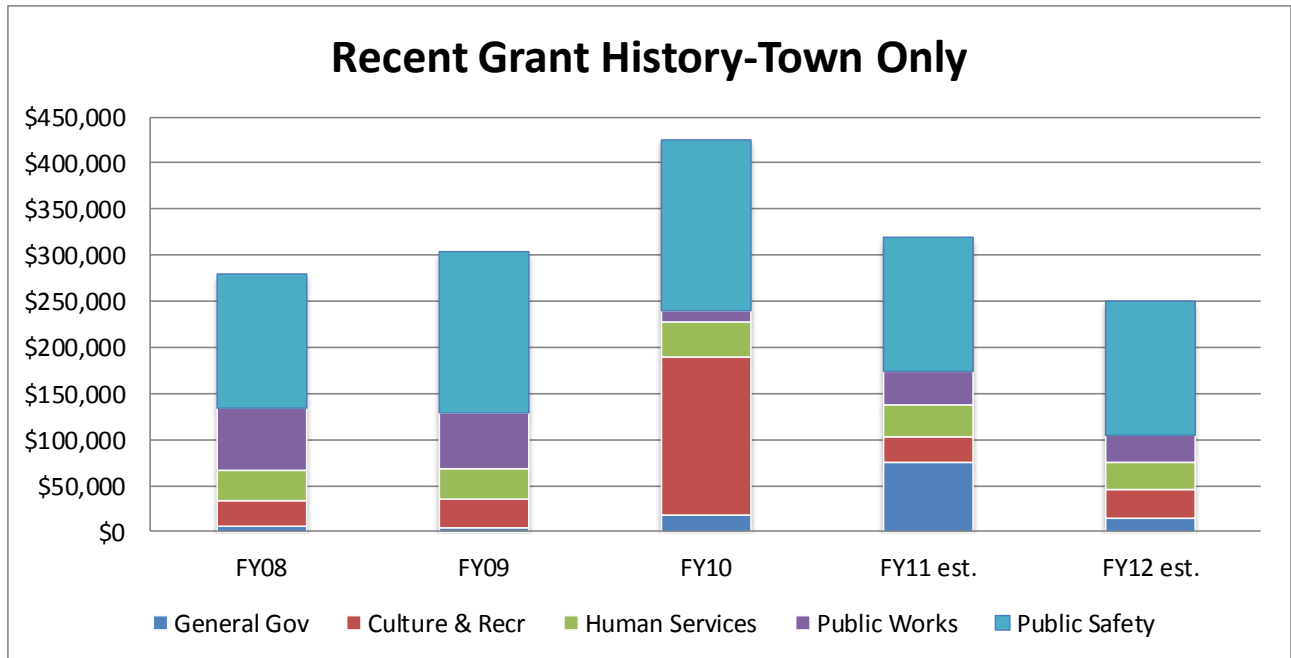
**Gifts** come in all shapes and sizes. Gifts are often received for a specific purpose either as a one-time payment, or in some cases as endowments or trusts. The Town maintains these funds as 'pooled' or individually invested accounts depending on size and/or type. Expenditures from gift accounts do 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 costs a gift may have on future operating budgets for such things as installation, maintenance, personnel, or insurances. If the tax levy cannot absorb any incremental costs then the program or asset to be paid for by donation may prove unsustainable.

Contribution to the General Fund Budget each year: zero  
Contribution to other specific purposes each year: \$0.2 million

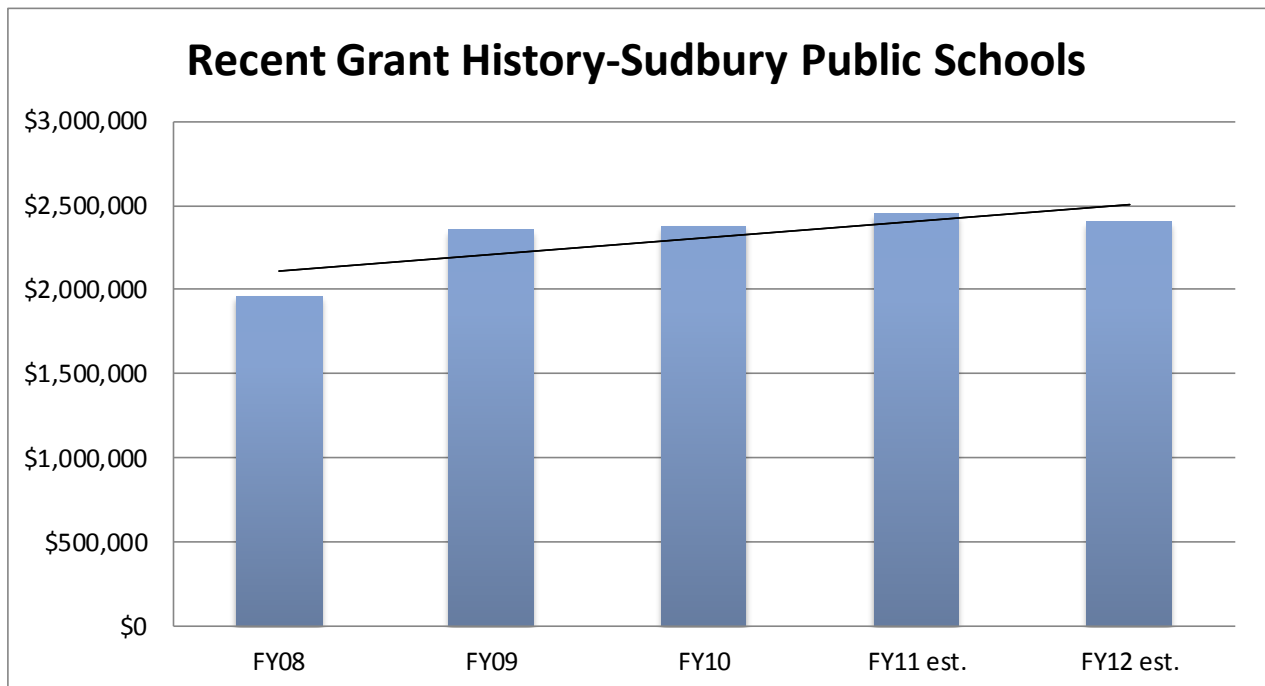
The last two Special Revenue streams within the **Non-major** category always play a significant role in the Town's annual budgeting process due to their size and nature. **Grants** and **Revolving Fund** revenues are projected to produce a combined \$5.9 Million in FY12, or 6% of all revenues generated by the Town for the same period. Together these two revenue streams account roughly 88% of all revenues in the **Non-major** category.

**Grants** revenue can be 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. FY10 in particular included a few rather large one time grants including reimbursements for severe storm damages and monies to establish the Metro west's first Boundless Playground.





Grants for public education are more plentiful and recurrent in nature. Sudbury Public Schools maintains a sizable complement of Federal, State and local grant revenue that pays for education expenditures.



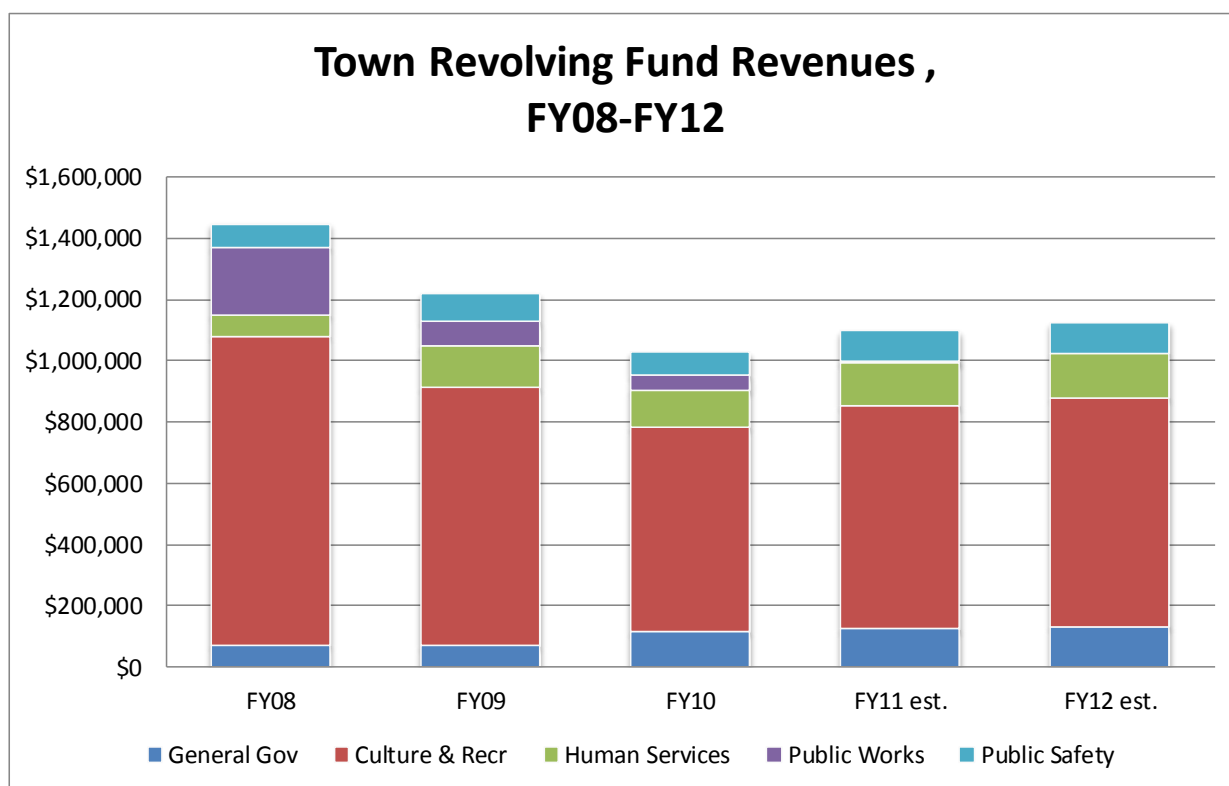
Even though many of the services that the Town and Schools provide are mandated (i.e., required by Federal or State laws) much of what we do remains underfunded or unreimbursed by the mandating authorities. Grants go a long way to reducing the burden of unfunded mandates on the

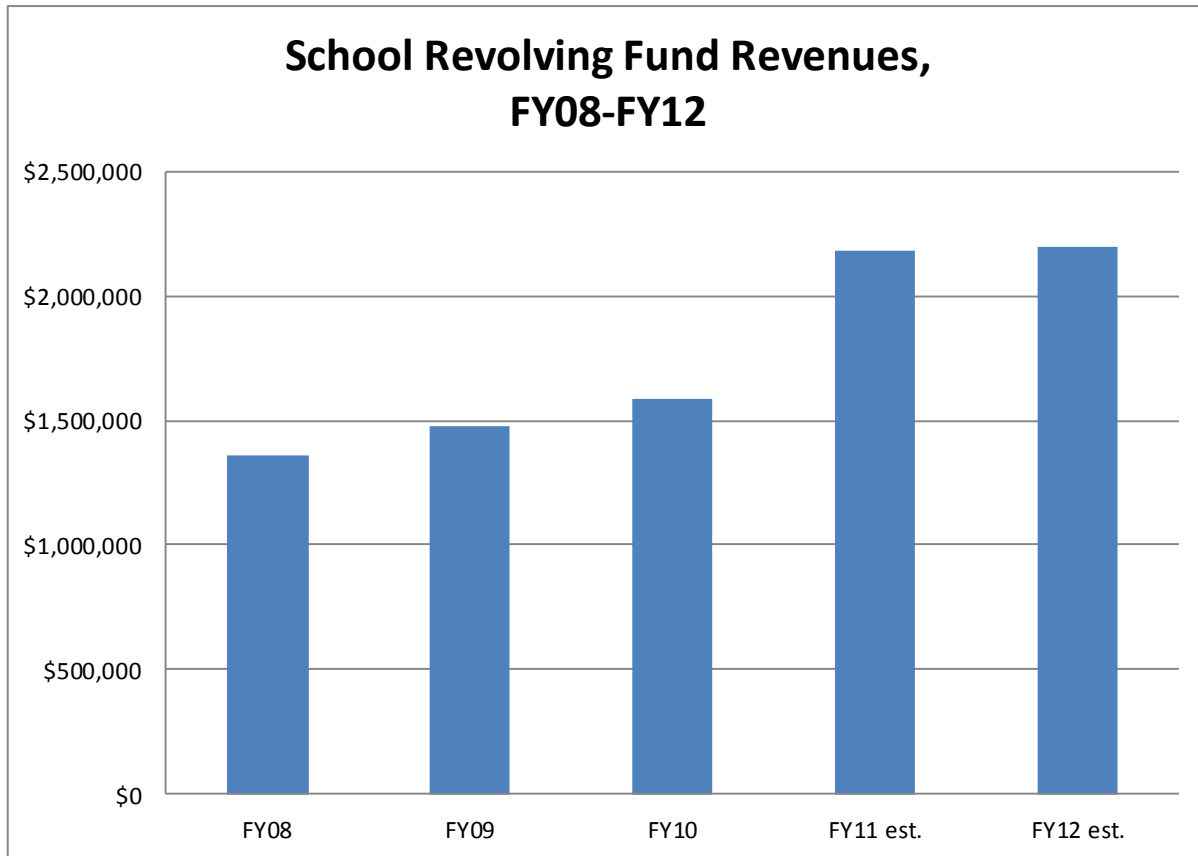
tax levy. Since grants may be spent without appropriation they do not take on a visible role at Town Meeting. However, grants most certainly play a big role in the budgeting process each year. Grants pay for a variety of program expenditures that would otherwise need to be carried on the tax levy.

Contribution to the General Fund Budget each year: zero

Contribution to other specific purposes each year: \$2.6 million

**Revolving Funds** produce the largest Special Revenue stream each year. A Revolving Fund provides 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 also take with it, the direct expenses associated with running fee based programs and services. Revolving funds match user fees for programs and services that not all taxpayers use or benefit from with the costs that would otherwise fall onto the general tax levy or otherwise cease to exist due to a lack of funding.





**Revolving Funds** vary by function, size and program location. For the most part, Revolving Fund revenues are fully expended during the year received since fees are set (and periodically adjusted) to cover all costs associated with providing a service. Any surplus that exists in revolving funds remains outside of the General treasury until such time as the programs or services have ended. Revolving Funds are expected to produce enough revenues to cover 3 to 4% of Sudbury's (Town and Schools) total expenditures in FY12. Revolving funds took a big jump in value in the last couple of years mainly due to the School system's new full-day kindergarten program.

Revolving Fund information is included as part of the annual tax rate certification process. Most (but not all revolving funds) require annual Town Meeting spending authorization. For example, the total spending limit set for Revolving Fund expenditures for FY12 is \$1.7M. However, nearly \$2M 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.

Contribution to the General Fund Budget each year: zero

Contribution to other specific purposes each year: \$3.3 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 2008 (FY08) through fiscal year 2010 (FY10) reflect *actual* results. Activities for fiscal year 2011 (FY11) are based on *projected* revenues, expenses and transfers for the year which is still pending are annual audit process. Activities for fiscal year 2012 (FY12) are similarly estimated using revenues, expenses and transfers from the FY12 budget cycle process. *(FY11 and FY12 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					
Proprietary Funds & Total All Funds					
	Actual FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Proprietary Funds (Enterprises)</u>					
Begin. Bal.	1,144,331	1,134,134	974,286	986,824	986,824
Revenues	727,116	744,343	952,724	1,012,397	1,156,844
Expenditures	709,168	876,517	919,233	982,802	1,117,234
Excess/(Deficiency)	17,948	(132,174)	33,491	29,595	39,610
Transfers In/(Out)	(28,145)	(27,674)	(20,953)	(29,595)	(33,146)
Ending Bal.	1,134,134	974,286	986,824	986,824	993,288
% over prior	-0.9%	-14.1%	1.3%	0.0%	0.7%
<u>Total Funds</u>					
Begin. Bal.	26,562,313	27,452,019	27,897,023	28,608,877	28,961,200
Revenues	88,538,068	89,935,308	90,608,112	92,469,879	94,491,658
Expenditures	87,972,302	94,804,612	90,320,479	92,466,330	95,439,963
Excess/(Deficiency)	565,766	(4,869,304)	287,633	3,549	(948,305)
Transfers In/(Out)	323,940	5,314,308	424,221	348,774	540,282
Ending Bal.	27,452,019	27,897,023	28,608,877	28,961,200	28,553,177
% over prior	3.3%	1.6%	2.6%	1.2%	-1.4%
<b>NOTE:</b> 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 <b>GAAP</b> audit adjustments (see CAFR for further details).					

TOTAL FINANCIAL FUNDS SUMMARY - GOVERNMENTAL & PROPRIETARY FUNDS CONT'D					
Governmental Funds Detail					
	Actual FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>General Funds</u>					
Begin. Bal.	10,136,910	9,043,356	9,202,147	9,375,050	9,444,968
Revenues	78,359,043	79,203,460	80,624,767	82,580,248	84,382,335
Expenditures	80,069,936	80,170,596	81,294,418	83,288,699	85,211,173
Excess/(Deficiency)	(1,710,893)	(967,136)	(669,651)	(708,451)	(828,838)
Transfers In/(Out)	617,339	1,125,927	842,554	778,369	973,428
Ending Bal.	9,043,356	9,202,147	9,375,050	9,444,968	9,589,558
% over prior	-10.8%	1.8%	1.9%	0.7%	1.5%
<u>Stabilization</u>					
Begin. Bal.	1,682,125	1,796,146	1,857,557	1,910,113	1,950,113
Revenues	64,021	61,411	52,556	40,000	50,000
Expenditures	-	-	-	-	-
Excess/(Deficiency)	64,021	61,411	52,556	40,000	50,000
Transfers In/(Out)	50,000	-	-	-	-
Ending Bal.	1,796,146	1,857,557	1,910,113	1,950,113	2,000,113
% over prior	6.8%	3.4%	2.8%	2.1%	2.6%
<u>Community Preservation(CPA)</u>					
Begin. Bal.	6,873,939	8,218,022	8,509,267	8,922,552	9,273,957
Revenues	2,980,383	3,146,771	2,182,483	2,031,234	2,095,479
Expenditures	1,386,300	7,180,139	1,561,198	1,499,829	2,331,556
Excess/(Deficiency)	1,594,083	(4,033,368)	621,285	531,405	(236,077)
Transfers In/(Out)	(250,000)	4,324,613	(208,000)	(180,000)	(190,000)
Ending Bal.	8,218,022	8,509,267	8,922,552	9,273,957	8,847,880
% over prior	19.6%	3.5%	4.9%	3.9%	-4.6%
<u>Sudbury Housing Trust</u>					
Begin. Bal.	158,655	380,364	759,810	769,464	635,464
Revenues	33,523	34,251	66,852	36,000	37,000
Expenditures	61,814	404,805	265,198	350,000	400,000
Excess/(Deficiency)	(28,291)	(370,554)	(198,346)	(314,000)	(363,000)
Transfers In/(Out)	250,000	750,000	208,000	180,000	190,000
Ending Bal.	380,364	759,810	769,464	635,464	462,464
% over prior	139.7%	99.8%	1.3%	-17.4%	-27.2%
<u>Non-major Funds</u>					
Begin. Bal.	6,566,353	6,879,997	6,593,956	6,644,874	6,669,874
Revenues	6,373,982	6,745,072	6,728,730	6,770,000	6,770,000
Expenditures	5,745,084	6,172,555	6,280,432	6,345,000	6,380,000
Excess/(Deficiency)	628,898	572,517	448,298	425,000	390,000
Transfers In/(Out)	(315,254)	(858,558)	(397,380)	(400,000)	(400,000)
Ending Bal.	6,879,997	6,593,956	6,644,874	6,669,874	6,659,874
% over prior	4.8%	-4.2%	0.8%	0.4%	-0.1%
<u>Total Governmental Funds</u>					
Begin. Bal.	25,417,982	26,317,885	26,922,737	27,622,053	27,974,376
Revenues	87,810,952	89,190,965	89,655,388	91,457,482	93,334,814
Expenditures	87,263,134	93,928,095	89,401,246	91,483,528	94,322,729
Excess/(Deficiency)	547,818	(4,737,130)	254,142	(26,046)	(987,915)
Transfers In/(Out)	352,085	5,341,982	445,174	378,369	573,428
Ending Bal.	26,317,885	26,922,737	27,622,053	27,974,376	27,559,889
% over prior	3.5%	2.3%	2.6%	1.3%	-1.5%

### Governmental Funds Balance Highlights

#### 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 3.5% in comparison with the prior year. Approximately \$7,202,000 represents unreserved *governmental* 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.

#### 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 2.3% in comparison with the prior year. Approximately \$7,289,000 represents unreserved *governmental* 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 *governmental* funds was in the Non-major (-4.2%). The General Fund showed modest increase of 1.8%.

#### 2010:

- As of the close of the fiscal year, the Town's *governmental* funds reported combined ending fund balances totaling \$27,622,053 an increase of 2.6% in comparison with the prior year. Approximately \$7,754,000 represents unreserved *governmental* fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund totaled \$1,236,002 or 1.5% of total general fund expenditures and transfers out.
- Conservative spending against budgeted appropriations produced a positive variance of \$1,108,104 before continuing appropriations.
- No available fund balance has been reserved to fund a portion of the fiscal year 2011.
- All *governmental* funds increased in value. The smallest increase in balance was in Non-major (.8%). The General Fund showed another modest increase of 1.9%.

#### 2011 (projected):

- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances is projected to be \$27,974,376, an increase of 1.3% in comparison with the prior year. Approximately \$8,086,000 represents unreserved *governmental* fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund is projected to be approximately \$1,436,000 or 1.7% 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 2012.
- Largest % decline in *governmental* balance is anticipated in the Sudbury Housing Trust (-17.4%). Largest dollar increase is expected in the CPA Fund at approximately \$400,000.

## Governmental Funds Balance Highlights Cont'd

### 2012 (projected):

- As of the close of the fiscal year, the Town's *governmental* funds reported combined ending fund balances is projected to be \$27,559,889, a decrease of 1.5% in comparison with the prior year. Approximately \$8,336,000 represents unreserved *governmental* fund balance.
- At the end of the fiscal year, undesignated fund balance for the general fund is projected to be approximately \$1,636,000 or 1.9% 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 2012.
- Largest % decline in *governmental* balance is anticipated in the Sudbury Housing Trust (-27.2%). Largest dollar increase is expected in the General Fund at \$145,000 before encumbrances and continuing appropriations.

### Governmental Funds by Major Category

ALL GOVERNMENTAL - MULTI-YEAR SUMMARY					
	Actual FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Expenditure Category</u>					
General Government	2,903,375	2,979,703	3,155,148	2,576,803	2,674,138
Public Safety	6,835,206	6,982,021	6,538,020	7,046,941	7,250,655
Education	50,217,825	48,860,537	50,813,562	51,097,664	52,219,411
Public Works	4,687,959	4,795,544	4,757,379	4,832,387	4,866,106
Health & Human Services	705,502	1,075,681	912,367	1,002,890	1,059,391
Culture & Recreation	2,614,784	8,022,450	2,302,329	2,362,320	3,015,428
Benefits, Insurance, Unclass.	13,863,611	15,889,404	15,376,438	17,120,579	17,943,579
State & County Charges	169,420	166,240	164,445	211,556	183,605
Debt Service	5,265,452	5,156,515	5,381,558	5,232,388	5,110,416
Total Expenditures	87,263,134	93,928,095	89,401,246	91,483,528	94,322,729
<u>Revenue Category</u>					
Property Taxes	59,955,625	62,447,823	64,346,930	66,323,506	67,923,845
Other Taxes	3,211,397	3,198,679	2,813,154	2,617,045	2,737,581
Surcharge	1,375,761	1,430,652	1,457,336	1,400,000	1,480,000
Charges for Services	329,379	359,443	547,245	550,000	550,000
Intergovernmental	17,430,198	16,817,428	16,269,765	16,485,116	16,680,909
Penalties & Interest on Taxes	143,367	168,382	163,826	175,000	175,000
Licenses & permits	3,502,926	558,973	541,068	500,033	490,000
Fines and forfeitures	123,360	114,037	106,952	85,000	65,000
Departmental & Other	242,711	3,068,914	2,664,568	2,758,121	2,695,000
Contributions	408,346	349,619	216,832	200,000	200,000
Investment Income	1,087,882	677,015	527,712	363,661	337,479
Total Revenues	87,810,952	89,190,965	89,655,388	91,457,482	93,334,814
Other Financing Sources (Uses)	352,085	5,341,982	445,174	378,369	573,428
Net Change in Fund Balance	899,903	604,852	699,316	352,323	(414,487)

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

**EXPENSE CATEGORIES AS % OF TOTAL GOVERNMENTAL EXPENSES**

% of Total Costs	Actual	Actual	Actual	Projected	Projected
<u>Expenditure Category</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
General Government	3.3%	3.2%	3.5%	2.8%	2.8%
Public Safety	7.8%	7.4%	7.3%	7.7%	7.7%
Education	57.5%	52.0%	56.8%	55.9%	55.4%
Public Works	5.4%	5.1%	5.3%	5.3%	5.2%
Health & Human Services	0.8%	1.1%	1.0%	1.1%	1.1%
Culture & Recreation	3.0%	8.5%	2.6%	2.6%	3.2%
Benefits, Insurance, Unclass.	15.9%	16.9%	17.2%	18.7%	19.0%
State & Country Charges	0.2%	0.2%	0.2%	0.2%	0.2%
Debt Service	6.0%	5.5%	6.0%	5.7%	5.4%
	100.0%	100.0%	100.0%	100.0%	100.0%

**EXPENSE CATEGORIES % GROWTH BY YEAR**

% Prior Year	Actual	Actual	Projected	Projected
<u>Expenditure Category</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
General Government	2.6%	5.9%	-18.3%	3.8%
Public Safety	2.1%	-6.4%	7.8%	2.9%
Education	-2.7%	4.0%	0.6%	2.2%
Public Works	2.3%	-0.8%	1.6%	0.7%
Health & Human Services	52.5%	-15.2%	9.9%	5.6%
Culture & Recreation	206.8%	-71.3%	2.6%	27.6%
Benefits, Insurance, Unclass.	14.6%	-3.2%	11.3%	4.8%
State & Country Charges	-1.9%	-1.1%	28.6%	-13.2%
Debt Service	-2.1%	4.4%	-2.8%	-2.3%
	274.3%	-83.7%	41.3%	32.1%

**REVENUE CATEGORIES AS % OF TOTAL GOVERNMENTAL FUND REVENUES**

% of Total Revenues	Actual	Actual	Actual	Projected	Projected
<u>Revenue Category</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>
Property Taxes	68.3%	70.0%	71.8%	72.5%	72.8%
Other Taxes	3.7%	3.6%	3.1%	2.9%	2.9%
Surcharge	1.6%	1.6%	1.6%	1.5%	1.6%
Charges for Services	0.4%	0.4%	0.6%	0.6%	0.6%
Intergovernmental	19.8%	18.9%	18.1%	18.0%	17.9%
Penalties & Interest on Taxes	0.2%	0.2%	0.2%	0.2%	0.2%
Licenses & permits	4.0%	0.6%	0.6%	0.5%	0.5%
Fines and forfeitures	0.1%	0.1%	0.1%	0.1%	0.1%
Departmental & Other	0.3%	3.4%	3.0%	3.0%	2.9%
Contributions	0.5%	0.4%	0.2%	0.2%	0.2%
Investment Income	1.2%	0.8%	0.6%	0.4%	0.4%
	100.0%	100.0%	100.0%	100.0%	100.0%



### REVENUE CATEGORIES % GROWTH BY YEAR

% Prior Year Revenue Category	Actual FY09	Actual FY10	Projected FY11	Projected FY12
Property Taxes	4.2%	3.0%	3.1%	2.4%
Other Taxes	-0.4%	-12.1%	-7.0%	4.6%
Surcharge	4.0%	1.9%	-3.9%	5.7%
Charges for Services	9.1%	52.2%	0.5%	0.0%
Intergovernmental	-3.5%	-3.3%	1.3%	1.2%
Penalties & Interest on Taxes	17.4%	-2.7%	6.8%	0.0%
Licenses & permits	-84.0%	-3.2%	-7.6%	-2.0%
Fines and forfeitures	-7.6%	-6.2%	-20.5%	-23.5%
Departmental & Other	1164.4%	-13.2%	3.5%	-2.3%
Contributions	-14.4%	-38.0%	-7.8%	0.0%
Investment Income	-37.8%	-22.1%	-31.1%	-7.2%
	1051.5%	-43.5%	-62.6%	-21.1%

\*FY09 actual revenues for Departmental & Other increased significantly over the prior year due to several non-recurring receipts.

### Funding Sources and Uses by Fund Categories

The following tables provide a historical detail of the Town's financial sources and use 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 reflect the following calculations: Balances and activities up to fiscal year 2008 (FY08) through fiscal year 2010 (FY10) reflect **actual** results. Activities for fiscal year 2011 (FY11) are based on **projected** revenues, expenses and transfers for the year which is still in progress. Activities for fiscal year 2012 (FY12) are similarly estimated using revenues, expenses and transfers from the FY12 budget cycle process. *(FY11 and FY12 activities also include estimates of GAAP adjustments for comparison and balance projection purposes, prior to annual audit)*

### EXPENSE BY GOVERNMENTAL FUND DESIGNATION

	Actual FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Total Costs</u>					
General	80,069,936	80,170,596	81,294,418	83,288,699	85,211,173
Stabilization	-	-	-	-	-
CPA	1,386,300	7,180,139	1,561,198	1,499,829	2,331,556
Sudbury Housing Trust	61,814	404,805	265,198	350,000	400,000
Non-major	5,745,084	6,172,555	6,280,432	6,345,000	6,380,000
	87,263,134	93,928,095	89,401,246	91,483,528	94,322,729

#### FUND EXPENSE CATEGORIES % GROWTH BY YEAR

	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>% of Total Costs Growth</u>				
General	0.1%	1.4%	2.5%	2.3%
Stabilization	0.0%	0.0%	0.0%	0.0%
CPA	417.9%	-78.3%	-3.9%	55.5%
Sudbury Housing Trust	554.9%	-34.5%	32.0%	14.3%
Non-major	7.4%	1.7%	1.0%	0.6%
	7.6%	-4.8%	2.3%	3.1%

#### FUND REVENUES BY GOVERNMENTAL FUND DESIGNATION

	Actual FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Total Revenues</u>					
General	78,359,043	79,203,460	80,624,767	82,580,248	84,382,335
Stabilization	64,021	61,411	52,556	40,000	50,000
CPA	2,980,383	3,146,771	2,182,483	2,031,234	2,095,479
Sudbury Housing Trust	33,523	34,251	66,852	36,000	37,000
Non-major	6,373,982	6,745,072	6,728,730	6,770,000	6,770,000
	87,810,952	89,190,965	89,655,388	91,457,482	93,334,814

#### FUND REVENUES % GROWTH BY YEAR

	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>% of Total Revenue Growth</u>				
General	1.1%	1.8%	2.4%	2.2%
Stabilization	-4.1%	-14.4%	-23.9%	25.0%
CPA	5.6%	-30.6%	-6.9%	3.2%
Sudbury Housing Trust	2.2%	95.2%	-46.1%	2.8%
Non-major	5.8%	-0.2%	0.6%	0.0%
	1.6%	0.5%	2.0%	2.1%

#### 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).

The General Fund covers between 85-95% 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 depend 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 FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Expenditure Category</u>					
General Government	2,675,564	2,529,341	2,854,770	2,271,803	2,364,138
Public Safety	6,628,396	6,744,733	6,333,361	6,821,941	7,025,655
Education	46,561,181	45,156,609	46,874,048	47,097,664	48,219,411
Public Works	4,038,746	3,847,177	3,795,464	3,872,387	3,906,106
Health & Human Services	581,494	560,600	520,281	532,890	529,391
Culture & Recreation	1,079,170	1,049,432	1,114,007	1,179,525	1,155,428
Benefits, Insurance, Unclass. <sup>2</sup>	13,863,611	15,769,404	15,376,438	17,120,579	17,943,579
State & County Charges	169,420	166,240	164,445	211,556	183,605
Debt Service <sup>1</sup>	4,472,354	4,347,060	4,261,604	4,180,354	3,883,860
Total Expenditures	80,069,936	80,170,596	81,294,418	83,288,699	85,211,173
	8.0%	0.1%	1.4%	2.5%	2.3%
<u>Revenue Category</u>				-	0
Property Taxes	59,955,625	62,447,823	64,346,930	66,323,506	67,923,845
Other Taxes	3,211,397	3,198,679	2,813,154	2,617,045	2,737,581
Intergovernmental	13,190,661	12,030,554	12,288,236	12,553,882	12,750,909
Penalties & Interest on Taxes	143,367	168,382	163,826	175,000	175,000
Licenses & permits	883,253	471,819	420,612	410,033	400,000
Fines and forfeitures	113,289	105,004	96,569	75,000	55,000
Departmental & Other	189,540	402,154	296,121	383,121	320,000
Investment Income	671,911	379,045	199,319	42,661	20,000
Total Revenues	78,359,043	79,203,460	80,624,767	82,580,248	84,382,335
	5.2%	1.1%	1.8%	2.4%	2.2%
				-	-
Other Financing Sources (Uses)	617,339	1,125,927	842,554	778,369	973,428
Net Change in Fund Balance	(1,093,554)	158,791	172,903	69,918	144,590
	-	-	-	-	-
<sup>1</sup> For Fund Balance expense reporting, Education includes LSRHS Assessment for Debt Service otherwise reported in budget documentation combined with Sudbury Town Debt.					
<sup>2</sup> For Fund Balance expense reporting, Education includes School-related benefits & insurances 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, 2010 was \$1.9 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.

<b>STABILIZATION FUND - MULTI-YEAR SUMMARY</b>					
	<b>Actual FY08</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Projected FY11</b>	<b>Projected FY12</b>
<u>Expenditure Category</u>					
<b>None</b>	-	-	-	-	-
Total Expenditures	-	-	-	-	-
<u>Revenue Category</u>					
Investment Income	64,021	61,411	52,556	40,000	50,000
Total Revenues	64,021	61,411	52,556	40,000	50,000
	-23.9%	-4.1%	-14.4%	-23.9%	25.0%
Other Financing Sources (Uses)	50,000	-	-	-	-
Net Change in Fund Balance	114,021	61,411	52,556	40,000	50,000

### **SUDBURY HOUSING TRUST**

The Sudbury Housing Trust (SHT) 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 FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Expenditure Category</u>					
Health & Human Services	61,814	404,805	265,198	350,000	400,000
Total Expenditures	61,814	404,805	265,198	350,000	400,000
	428.9%	554.9%	-34.5%	32.0%	14.3%
<u>Revenue Category</u>					
Departmental and other	16,328	25,439	63,096	30,000	30,000
Investment Income	17,195	8,812	3,756	6,000	7,000
Total Revenues	33,523	34,251	66,852	36,000	37,000
	-5.1%	2.2%	95.2%	-46.1%	2.8%
Other Financing Sources (Uses)	250,000	750,000	208,000	180,000	190,000
Net Change in Fund Balance	221,709	379,446	9,654	(134,000)	(173,000)

### **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 Community Preservation Committee (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 FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12
<u>Expenditure Category</u>					
General Government	76,725	198,819	69,263	80,000	85,000
Public Works		90,208	107,124	110,000	110,000
Culture & Recreation	516,477	6,081,657	264,857	257,795	910,000
Debt Service	793,098	809,455	1,119,954	1,052,034	1,226,556
Total Expenditures	1,386,300	7,180,139	1,561,198	1,499,829	2,331,556
	-30.1%	417.9%	-78.3%	-3.9%	55.5%
<u>Revenue Category</u>					
Surcharge	1,375,761	1,430,652	1,457,336	1,400,000	1,480,000
Intergovernmental	1,307,615	1,465,898	539,676	431,234	430,000
Investment Income	297,007	250,221	185,471	200,000	185,479
Total Revenues	2,980,383	3,146,771	2,182,483	2,031,234	2,095,479
	4.7%	5.6%	-30.6%	-6.9%	3.2%
Other Financing Sources (Uses)	(250,000)	4,324,613	(208,000)	(180,000)	(190,000)
Net Change in Fund Balance	1,344,083	291,245	413,285	351,405	(426,077)

## 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.

<b>NON-MAJOR FUNDS - MULTI-YEAR SUMMARY</b>					
	<b>Actual FY08</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Projected FY11</b>	<b>Projected FY12</b>
<u>Expenditure Category</u>					
General Government	151,086	251,543	231,115	225,000	225,000
Public Safety	206,810	237,288	204,659	225,000	225,000
Education Services	3,656,644	3,703,928	3,939,514	4,000,000	4,000,000
Public Works	649,213	858,159	854,791	850,000	850,000
Health & Human Services	62,194	110,276	126,888	120,000	130,000
Culture & Recreation	1,019,137	891,361	923,465	925,000	950,000
Benefits, Insurance, Unclass.		120,000			
Total Expenditures	5,745,084	6,172,555	6,280,432	6,345,000	6,380,000
	6.4%	7.4%	1.7%	1.0%	0.6%
<u>Revenue Category</u>					
Charges for Services	329,379	359,443	547,245	550,000	550,000
Intergovernmental	2,931,922	3,320,976	3,441,853	3,500,000	3,500,000
Licenses & permits <sup>1</sup>	2,603,345	61,715	57,360	60,000	60,000
Fines and forfeitures	10,071	9,033	10,383	10,000	10,000
Departmental & Other <sup>1</sup>	53,171	2,666,760	2,368,447	2,375,000	2,375,000
Contributions	408,346	349,619	216,832	200,000	200,000
Investment Income	37,748	(22,474)	86,610	75,000	75,000
Total Revenues	6,373,982	6,745,072	6,728,730	6,770,000	6,770,000
	6.5%	5.8%	-0.2%	0.6%	0.0%
Other Financing Sources (Uses)	(315,254)	(858,558)	(397,380)	(400,000)	(400,000)
Net Change in Fund Balance	313,644	(286,041)	50,918	25,000	(10,000)
	-	-	-	-	-

<sup>1</sup> Fees have been reclassified for reporting purposes from one line to another starting in FY09

Note: Annual activities for Employee Benefits Trusts (EBT's) are excluded from the above fund exhibit.

## **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](#).

<b>ENTERPRISES - MULTI-YEAR SUMMARY</b>					
	<b>Actual FY08</b>	<b>Actual FY09</b>	<b>Actual FY10</b>	<b>Projected FY11</b>	<b>Projected FY12</b>
<u>Expenditure Category</u>					
Cost of Services	709,168	876,517	919,233	982,802	1,117,234
Total Expenditures	709,168	876,517	919,233	982,802	1,117,234
	4.2%	23.6%	4.9%	6.9%	13.7%
<u>Revenue Category</u>					
Charges for Service	727,116	736,405	950,940	1,008,397	1,152,844
Investment Income	-	7,938	1,784	4,000	4,000
Total Revenues	727,116	744,343	952,724	1,012,397	1,156,844
	4.7%	2.4%	28.0%	6.3%	14.3%
Other Financing Sources (Uses)	(28,145)	(27,674)	(20,953)	(29,595)	(33,146)
Net Change in Fund Balance	(10,197)	(159,848)	12,538	0	6,464





## Section Two

# **Financial Resources**

**Funds revenue history and forecasts**



## Revenue Forecasting

### 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.



July 11, 2011 - For immediate release:

## GOVERNOR PATRICK SIGNS FISCAL YEAR 2012 BUDGET

\$30.6 billion budget includes cost-saving reforms; Makes targeted investments to build a stronger Commonwealth; Eliminates structural deficit

BOSTON – Monday, July 11, 2011 – Governor Deval Patrick today signed a balanced and responsible \$30.6 billion fiscal year 2012 (FY12) budget that implements reforms to make state government more efficient and transparent, and makes targeted investments in the Administration's key priorities to accelerate the Commonwealth's economic recovery and lay a foundation for long-term growth and prosperity.

The FY12 budget eliminates the structural deficit and reduces state spending by \$750 million, the largest year-to-year reduction in 20 years, while implementing cost-saving reforms and efficiencies. The budget also includes a modest draw of \$185 million from the state's stabilization fund. Even with the use of these reserve funds, the stabilization fund will have a balance of at least \$585 million at the end of FY12, ranking the Commonwealth among the top ten states with the largest fund balances in the nation.

"This budget reflects tough decisions and sacrifice across state government along with a demonstrated commitment to doing business better," said Governor Patrick. "I am proud of the reform measures that will help us both improve services and save money, and look forward to supporting the programs, services and innovations that will help keep us on track to a brighter future."

"With this balanced budget, Governor Patrick and I, along with our partners in the Legislature, continue to lead Massachusetts on the road to economic recovery," said Lieutenant Governor Timothy Murray. "Despite the challenges we may face, our Administration remains committed to our core values, providing quality services, and protecting all residents of the Commonwealth."

Since October 2008, Governor Patrick has successfully worked with the Legislature to close a cumulative budget gap of nearly \$14 billion by eliminating over 6,000 state jobs, implementing cost-saving reforms that are changing the way government does business and making difficult cuts to programs across state government.

This balanced approach and continued proactive budget management have allowed the Commonwealth to maintain its stable bond rating. Earlier this year, citing the Patrick-Murray Administration's proactive budget management as a leading factor, Standard and Poor's awarded Massachusetts a positive credit rating outlook, one of only three states to have such a rating. This rating has allowed the Administration to continue making critical investments in our schools, roads and bridges, and housing stock to build a stronger, lasting economic recovery.

### **Record of Reforms**

The budget Governor Patrick signed today includes fundamental reforms to change the way government does business including:

- *Municipal Relief:* As part of the Patrick-Murray Administration's commitment to helping cities and towns preserve critical local services, the FY12 budget includes reforms to help local governments control health care costs.
- *Health Care Cost Containment:* The budget adopts changes that will help us control growth in the state's health care costs, while we implement systemic reforms to the way we pay for and deliver health care services that will make health care costs sustainable over the long term.
- *Indigent Defense:* The budget fundamentally reforms the way in which the state provides constitutionally-required legal services for indigent persons by moving toward a higher percentage of public defenders, resulting in more specialized service and cost-savings.
- *Homelessness Reforms:* The budget adopts reforms to family homeless programs, building on previous efforts to move toward a housing first system by providing emergency shelters to those families that truly need it, while increasing funding for housing to prevent homelessness.
- *Better Government:* The budget establishes a new Office of Commonwealth Performance, Accountability and Transparency, and supports re-negotiating state contracts to achieve additional savings on state purchases.
- *Quasi-Public Reforms:* The budget implements additional oversight measures of quasi-public agencies. Each state authority receiving over \$500,000 in state funds will now be audited annually by an independent auditor. Agencies will establish a commission to review compensation in addition to preparing a financial annual report.

### **Investing in Shared Priorities**

This budget makes targeted investments in Governor Patrick's four key priorities for his second term: creating jobs, closing the achievement gap in our schools, controlling health care costs and addressing youth violence.

- *Closing the Achievement Gap*: Maintains funding for education programs that will help close the achievement gap and increases Chapter 70 school funding and special education aid for cities and towns.
- *Controlling Health Care Costs*: Adopts changes that will help us control growth in health care costs while we implement systemic reforms to the way we pay for and deliver health care services that will make health care costs sustainable over the long term.
- *Addressing Youth Violence*: Builds on the \$10 million recently appropriated for the Governor's Safe and Successful Youth Initiative to fund and support additional programs and services to help reduce youth violence.
- *Jobs*: Maintains investments in key growth areas including capital projects, life sciences, and workforce training.

The full budget can be viewed at [www.mass.gov/gaa](http://www.mass.gov/gaa). Click [here](#) to see the filing letter and text of the bill.

###

## Primary Governmental and Proprietary Financial Resources

This section provides details on the Town's major and minor financial resources that may be used to fund all of the FY12 budgets and wherever possible build upon the various reserves.

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 or received across 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 for education, 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 primarily 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 require appropriation or transfer in from another area. Other available funding sources for the General fund typically come from Free Cash and Abatement 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, they deserve attention in our budgeting and financial planning documentation. Enterprise resources are **high and recurring in frequency, big in value and high in volume**.

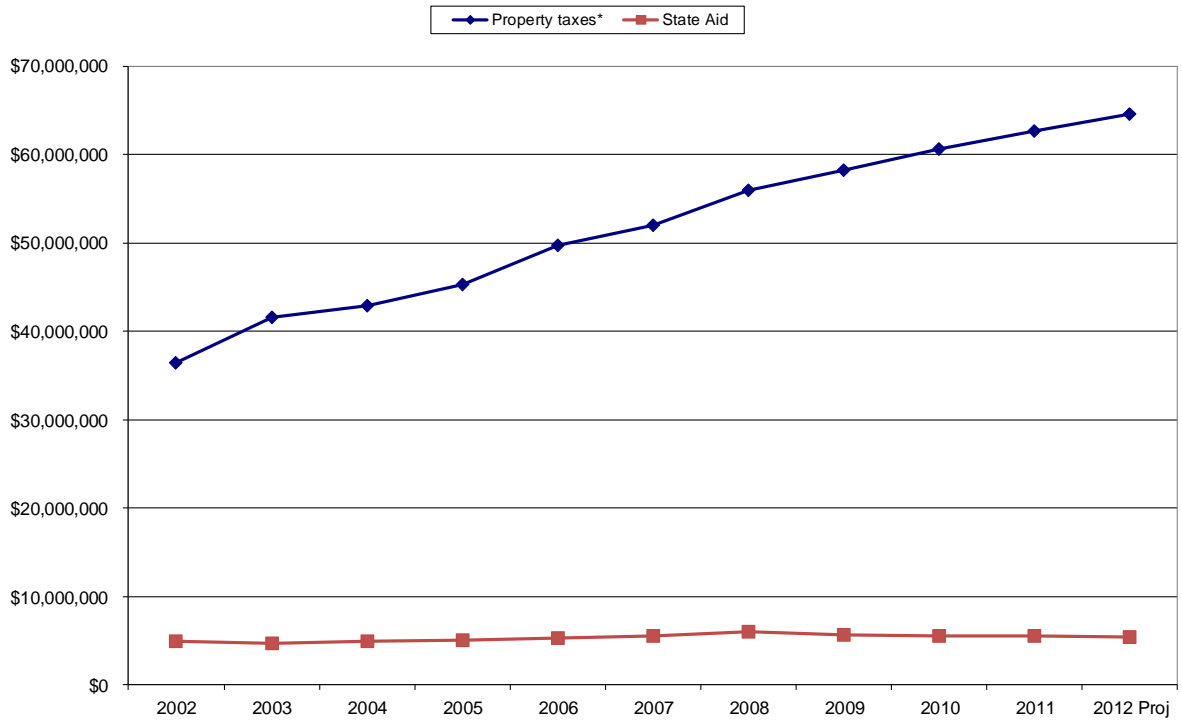
## Primary Financial Resource Trends and Indicators

We discuss the basis for our projections for FY12, 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 reproduce several charts and tables here for further discussion.

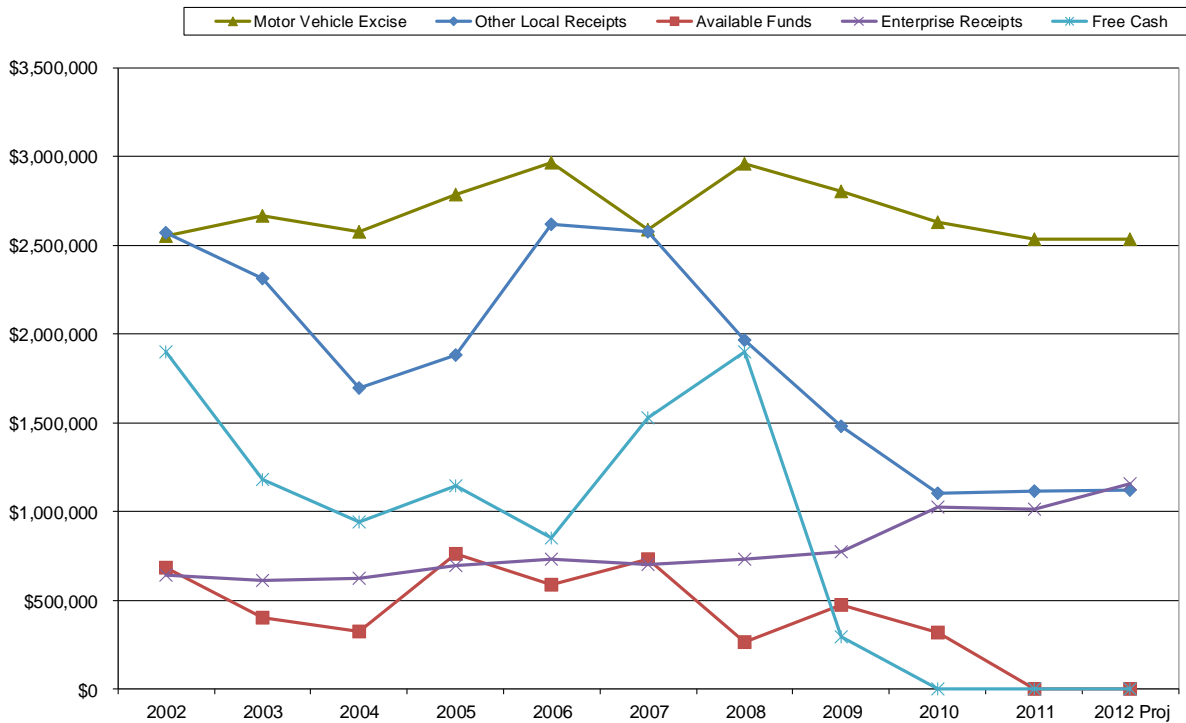
All revenue streams particularly within the General fund may be compared to what is happening at the State level. Many revenue streams are impacted by persistent or pervasive economic conditions. Changes in Federal and State legislation may result in rapid or drastic consequences on revenue forecasts. "Local options" that exist in Massachusetts' General Law (and require that a community affirmatively accept the statute by town meeting or city council action before availing itself of the provisions of the particular law) may also result in significant changes to ongoing or future revenues. There are several indicators the Town uses to develop its revenue forecasts.

The following two charts provide a macro view of the Town's major and minor revenue streams, over the last several years.

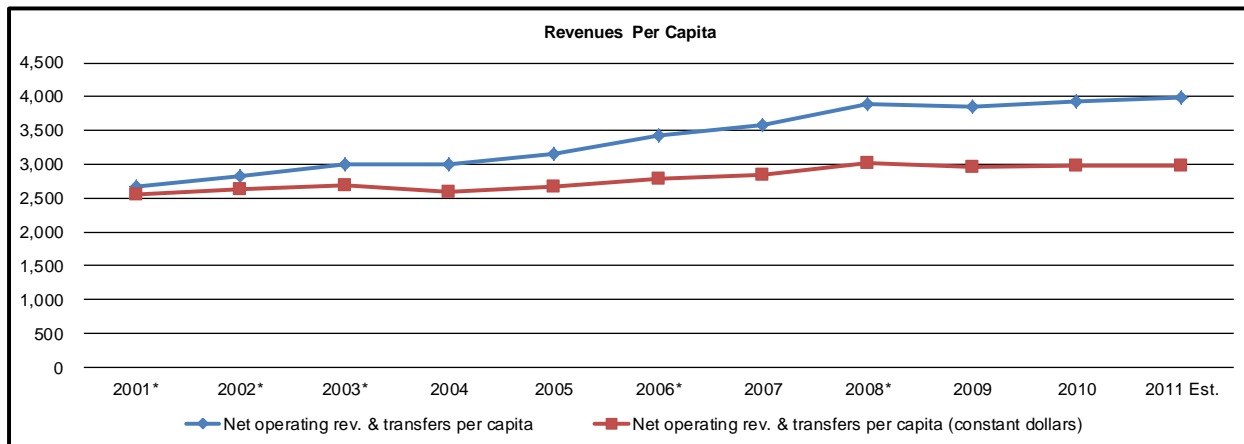
Large Value Revenue Trends by Category



Small Value Revenue Trends by Category

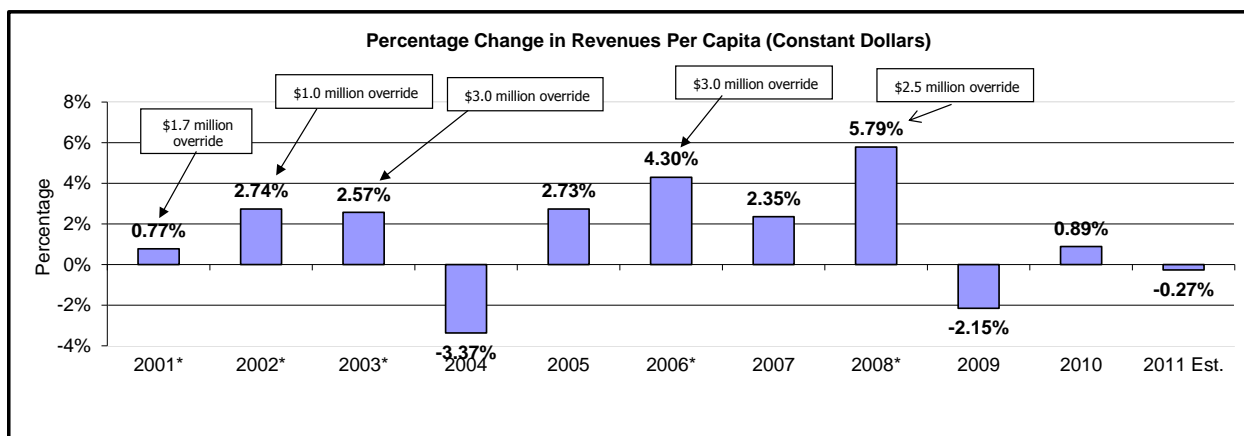


**Indicator 1: Revenues Per Capita.** This indicator shows that while operating revenues have increased over the last several years, when the effects of inflation are factored in and adjusted for growth in population, revenues per capita in constant dollars have remained relatively flat below the \$3 thousand mark. All things considered, we are expecting this trend to continue beyond FY12.

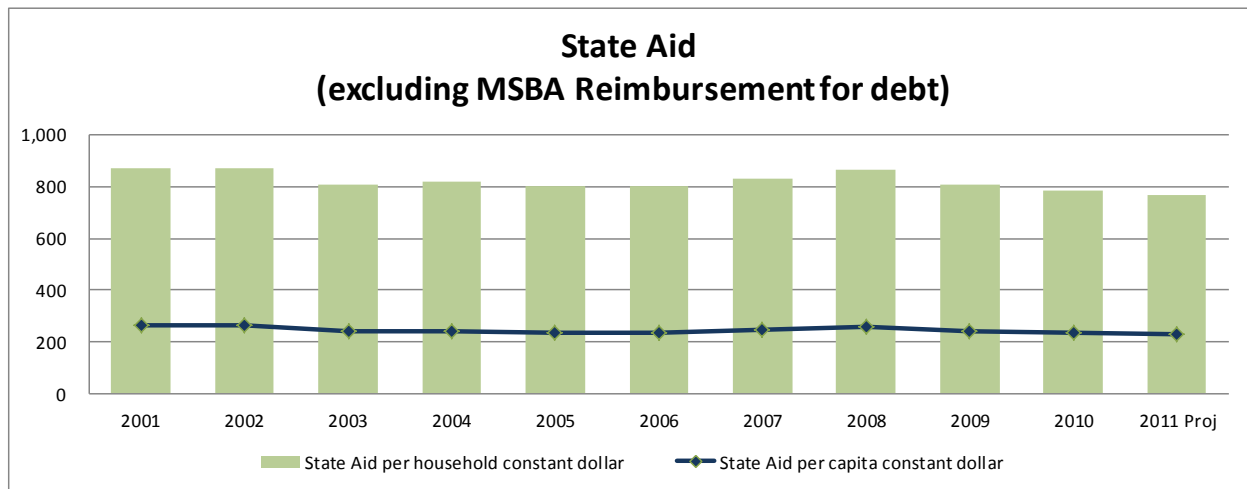


An asterisk denotes those years in which there was an override. Overall, the annual growth in constant dollar revenues per capita average has ranged from a high of 5.79% to as low as -3.37% in recent years.

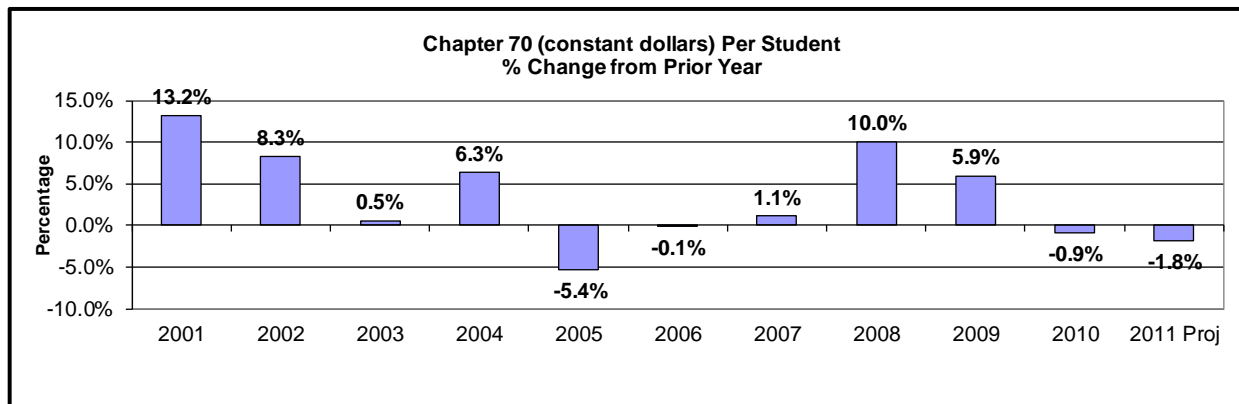
The chart below shows that in those years in which there is no override, there is very little growth in operating revenues to support budgets while there are steady increases in payroll, pensions, health insurance, and energy costs.



**Indicator 2: State Aid per Household and per Capita.** State aid has dropped from a high of 11% of Sudbury's operating revenues back in FY99 to 7.7% in FY11. Over the past decade, accumulated State Aid represents an average 8.6% 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 FY12 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 FY11, the Town received \$1,027 and \$305 in state aid, respectively. All things considered, we are expecting this trend to continue beyond FY12.

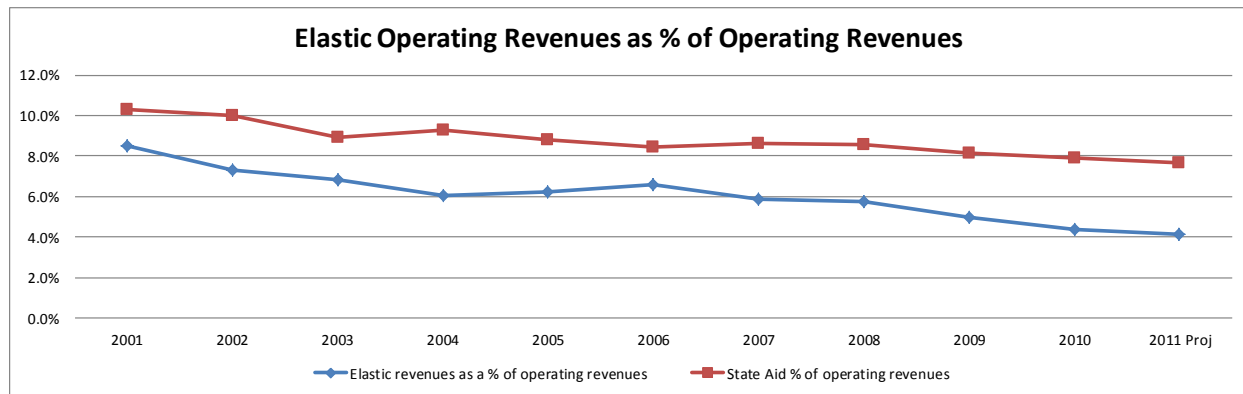


**Indicator 3: Chapter 70 School Aid per student.** This indicator focuses on the largest component of state aid for Sudbury: the Chapter 70 program. This type of State Aid has consistently represented 5.6%-6.3% of total net operating revenues over the past decade. On a per student basis, Sudbury received 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 FY11 went down by 1.8% (adjusted for inflation). All things considered, we are expecting this indicator to improve slightly to show 0-1% growth for FY12.

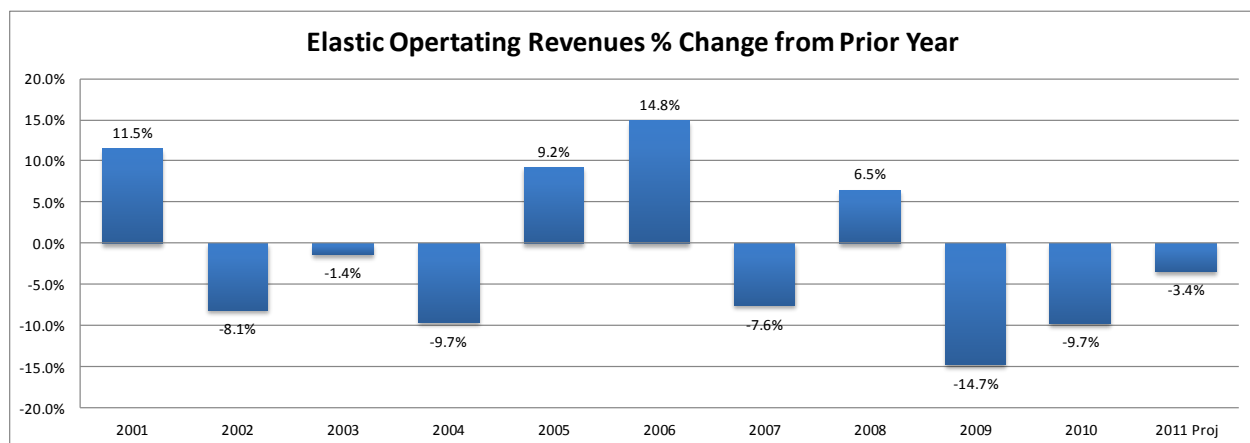


**Indicator 4: Elastic Revenues.** This indicator identifies the primary reason for the Town's dramatic and at times erratic fluctuations in financial resources. Elastic revenues are those items that change as the economy changes. Sudbury's elastic revenues include items such as motor vehicle excise, investment earnings and building permit fees. The decrease in these revenues since FY01 (\$935,000) 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 chart 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. All things considered, we are expecting this trend to continue beyond FY12.



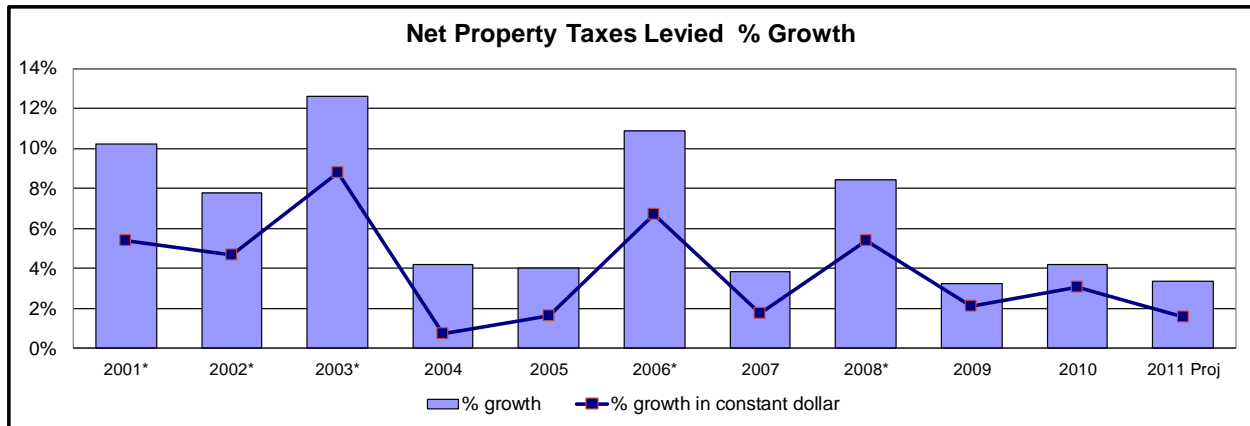


Trends in elastic revenues as a percentage of total operating revenues and with respect overall budget to actual revenue results help us to see where we might expect changes in Free Cash and fund balance in general. Free cash will be discussed in detail later in this section. However, it is interesting 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 chart shows just how difficult it can be to predict elastic revenues.

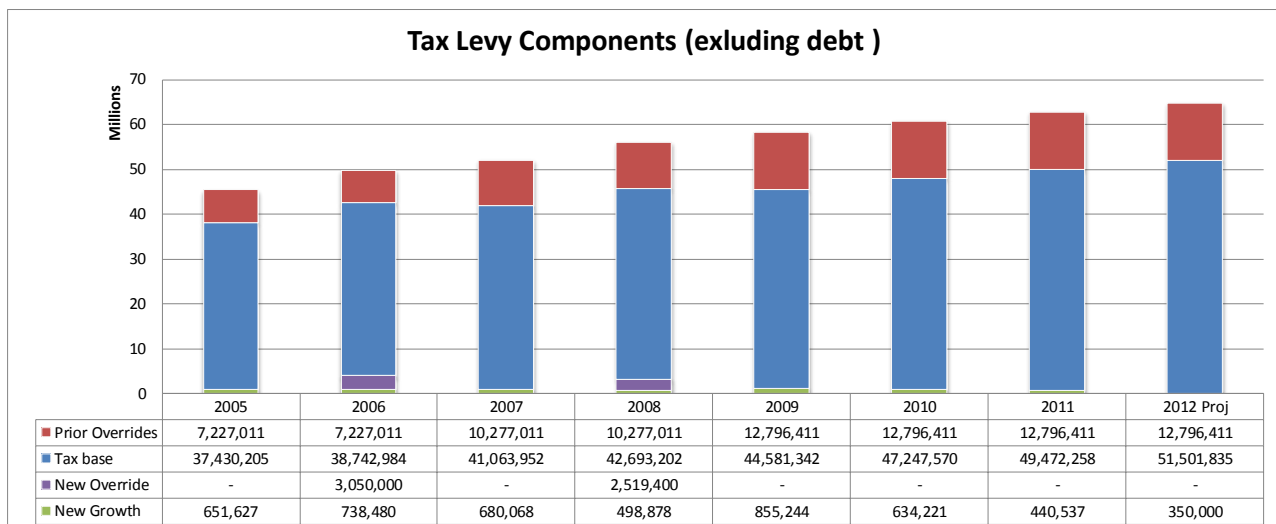


Because of the unpredictable nature of some revenues, we must carefully monitor receipts throughout the year to avoid revenue shortfalls. Shortfalls can lead to revenue deficits, which must be raised on the next year's tax recap or negative Free Cash, which is an indication of poor financial management with possible credit rating implications. All things considered, we are expecting this indicator to improve slightly to show 0-1% growth for FY12.

**Indicator 5: Property Tax Levy 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.



Since FY2001, the Town has added a total of \$11.3 million in overrides to the permanent tax levy base. During that same period, \$7.4 million has been added in new growth. The following chart shows the tax levy through FY11, 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. All things considered, we are expecting this trend to continue beyond FY12.

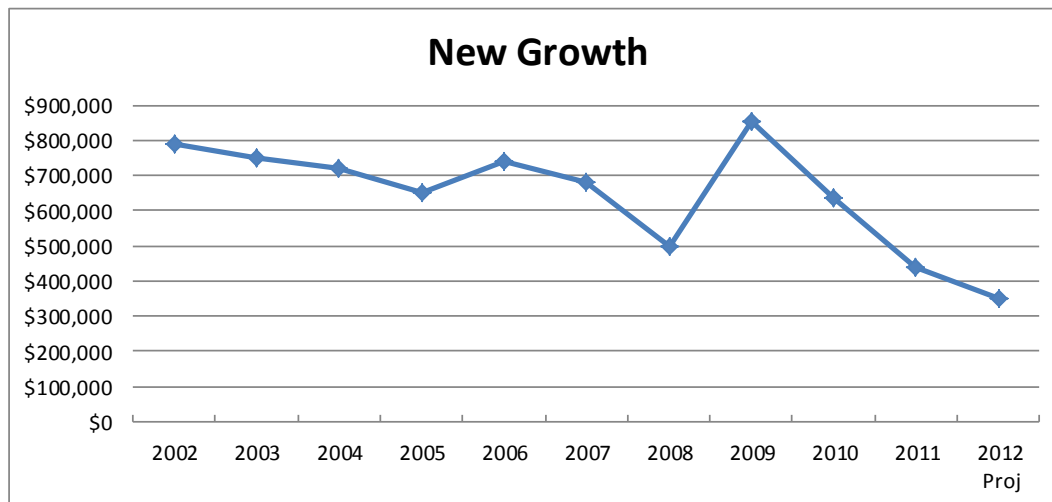


## New Growth

The total number of taxable parcels has increased slowly over the last ten years (less than 300 new parcels, representing an average annual increase of just 0.43% since 2001). However, we have seen a dramatic change in parcel type and class. Aside from limited new development of existing land parcels, we have seen some 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. With fewer parcels left in special chapter status, new growth from additional conversion is expected to be limited from here on. We have also experience modest new growth in the last few years as existing properties

have converted from one residential class to another. For example, since 2001, residential condominiums have increased by 188 units while multi-family parcels have dropped by 46. The net sum gain between these two classes represents approximately \$60 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 for increased value.

This next chart isolates new growth in the Tax Levy since 2002. Annual new growth for the Town's Tax Levy has declined over the last 12 years with its most rapid decent happening in the midst of the biggest economic crisis since the Great Depression. The lower the value in new growth the greater the burden shift of higher tax rates onto an existing taxpayer base. All things considered, we are expecting this trend to continue beyond FY12.



\*Growth in FY09 included a onetime bump in personal property values due changes in tax regulations concerning utility company equipment.

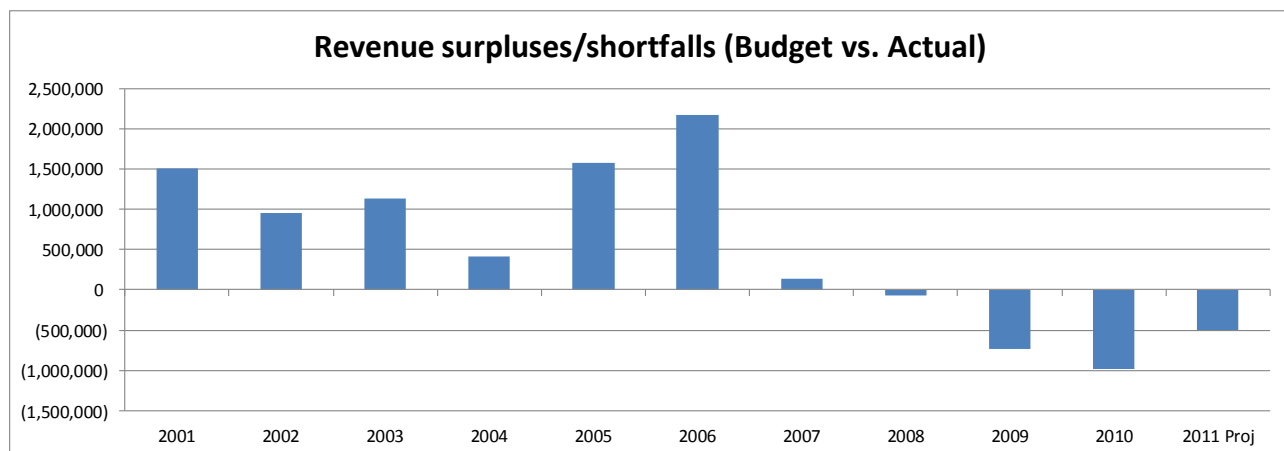
### Taxpayer Base Classification

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	FY09 Assessed Valuation	% of Total Assessed Valuation	FY10 Assessed Valuation	% of Total Assessed Valuation	FY11 Assessed Valuation	% of Total Assessed Valuation
Residential	\$3,785,653,765	93.1%	\$3,719,642,603	92.9%	\$3,599,570,656	92.9%
Commercial	\$ 156,972,044	3.9%	\$ 156,881,214	3.9%	\$ 145,535,412	3.8%
Industrial	\$ 62,036,600	1.5%	\$ 64,300,000	1.6%	\$ 60,872,200	1.6%
Personal	\$ 59,772,570	1.5%	\$ 62,837,650	1.6%	\$ 68,303,560	1.8%
Total	\$4,064,434,979	100.0%	\$4,003,661,467	100.0%	\$3,874,281,828	100.0%

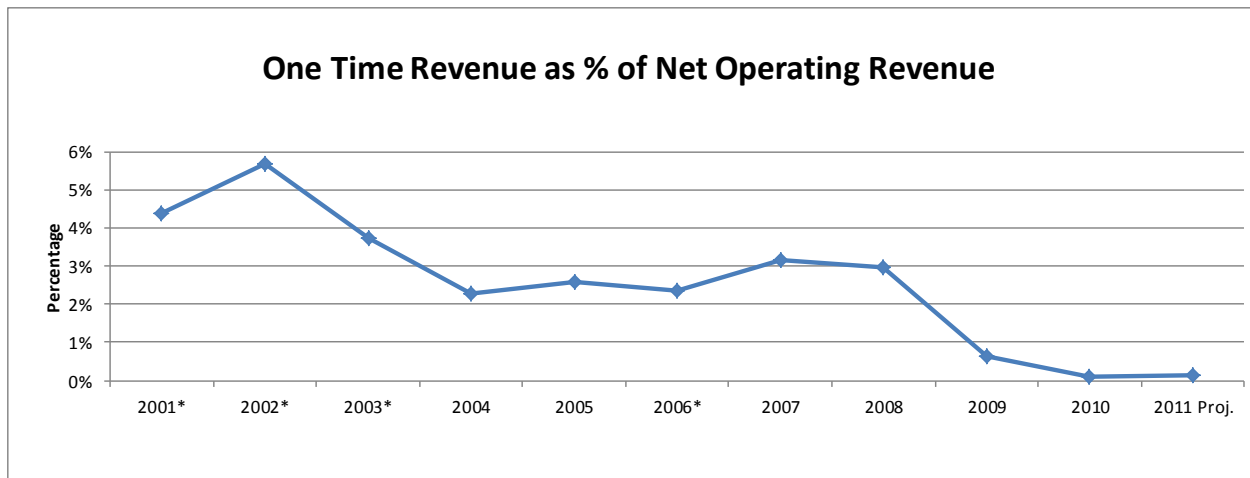
It should also be noted that Sudbury maintains a "split" tax rate which shifts some of the tax rate burden from residential and open space classes of property to commercial, industrial and personal property classes (CIP). Currently Sudbury is one of 107 communities in Massachusetts with a split tax rate. The shift (in %) is determined each year by the Board of Selectmen; limited by State regulation to 150% for Sudbury and most other communities. The tax rate shift in FY11 resulted in a similar % increase in tax rate for all property classes. All things considered, we are expecting this trend in taxpayer base classification and tax rate splits to continue beyond FY12.

**Indicator 6: Revenue Shortfalls.** The Town attempts to remain conservative in making revenue forecasts which is particularly important 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 to raise the loss on the next year's levy. While the Town has experienced revenue shortfalls since the economy began to free fall in 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. All things considered, we are expecting this trend to continue beyond FY12.



**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. All things considered, we are expecting this trend in taxpayer base classification and tax rate splits to continue beyond FY12.

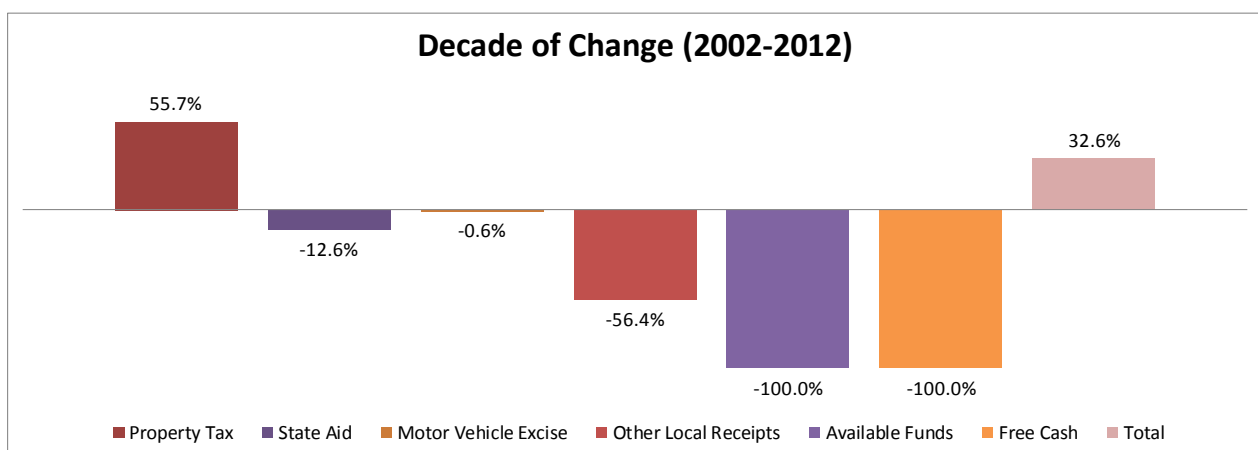


## Summary and Conclusions

### Revenue Indicator Summary

Indicator	Budget Assessment
1 – Revenues Per Capita	Flat
2 – State Aid per Household and per Capita	Decreasing
3 – Chapter 70 School Aid per Student	Decreasing
4 – Elastic Revenues	Decreasing
5 – Property Tax Growth	Low except for override years
6 – Revenue Shortfalls	Needs watching
7 – One-Time Revenues	Decreasing

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.



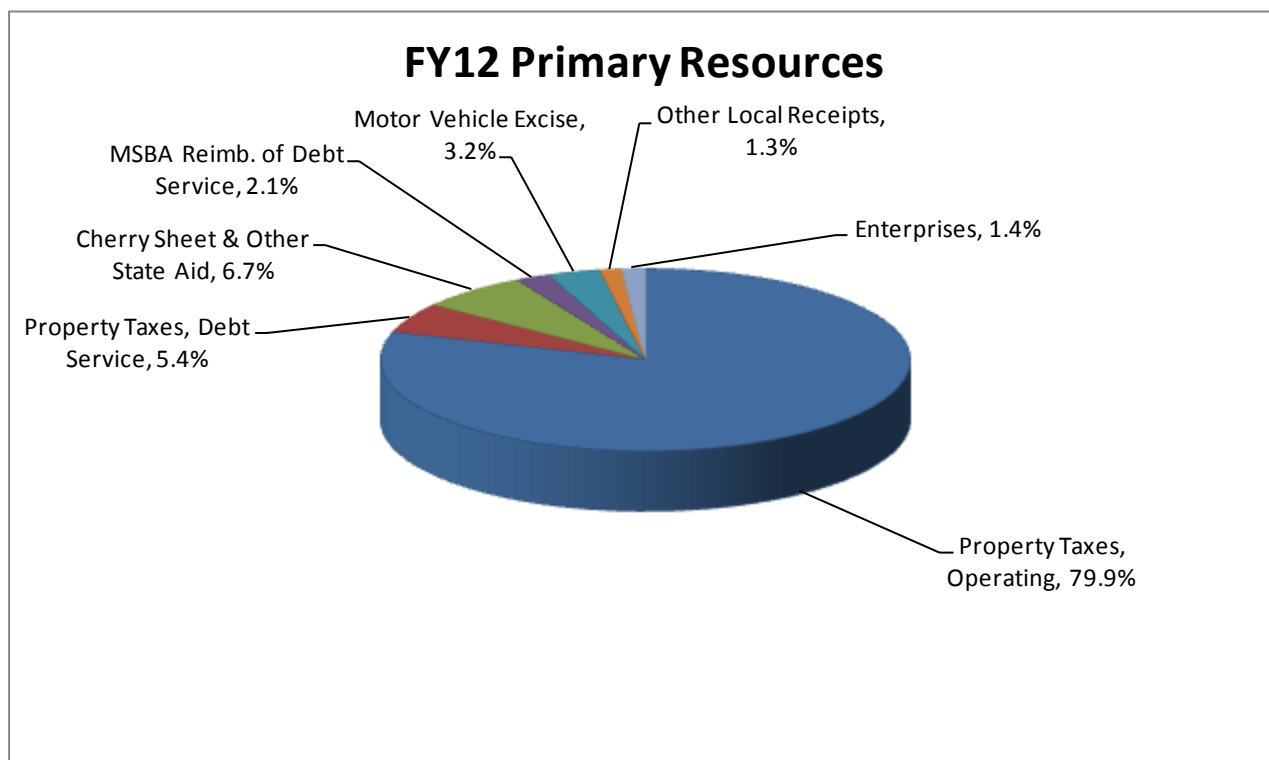
The revenue indicator analysis shows that growth in total revenues has been steady (averaging 4.6% per year since 2001), but mostly due to property taxes, in particular because of five overrides totaling \$11.3 million in the past decade. We have clearly become more reliant on taxes to make up

for the sluggish or declining trends in all other revenues streams. Since we can expect only minimal growth in financial resources for the foreseeable future we must continue with our efforts to cut a new path of operating within the confines of Proposition 2 ½.

## Primary Financial Resource Projections

### Snapshot

Below is a snapshot of the Town's Primary Governmental & Proprietary Resource projections for FY12. These primary financial resources from General (Governmental) and Enterprises (Proprietary) funds represent 91% of all revenues for the Town.



Revenue Sources	FY12
Property Taxes, Operating	64,648,246
Property Taxes, Debt Service	4,370,599
Cherry Sheet & Other State Aid	5,409,713
MSBA Reimb. of Debt Service	1,702,597
Motor Vehicle Excise	2,582,581
Other Local Receipts	1,075,000
Enterprises	1,156,844
Free Cash Appropriated	-
Other Reserves Appropriated	-
<b>Total Primary Resources</b>	<b>80,945,580</b>

## Primary Financial Resources by Categories

	FY10 Actual	FY11 Projected	FY12 Budget	Dollar Change	Percent Change
Property Tax Levy (net of exclusions)	60,678,202	62,709,207	64,648,246	1,939,039	3.09%
Cherry Sheet & Other State Aid	5,580,961	5,537,686	5,409,713	(127,973)	-2.31%
Local Receipts	3,734,780	3,652,860	3,657,581	4,721	0.13%
Free Cash	-	-	-	-	0.00%
Other Reserves	321,000	-	-	-	0.00%
Subtotal: General Operating Fund	70,314,943	71,899,753	73,715,540	1,815,787	2.53%
Enterprise Funds	1,026,461	1,012,397	1,156,844	144,447	14.27%
Total Available for Operating Purposes	71,341,405	72,912,150	74,872,384	1,960,234	2.69%
Property Tax Levy for Debt Service	4,850,950	4,709,299	4,370,599	(338,700)	-7.19%
MSBA Reimbursement for Debt Service	1,702,597	1,702,597	1,702,597	-	0.00%
<b>Total Revenue</b>	<b>77,894,951</b>	<b>79,324,046</b>	<b>80,945,580</b>	<b>1,621,534</b>	<b>2.04%</b>

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

	FY11 Projected	FY12 Budget	Dollar Change	Percent Change
Previous Year Levy	60,770,204	62,729,996	1,959,792	3.22%
2.5% over prior levy	1,519,255	1,568,250	48,995	3.22%
New Growth	440,537	350,000	(90,537)	-20.55%
Override	-	-	-	0.00%
Taxes for Capital	-	-	-	0.00%
Taxes for Debt Service	4,709,299	4,370,599	(338,700)	-7.19%
<b>Tax Levy Limit</b>	<b>67,439,295</b>	<b>69,018,845</b>	<b>1,579,550</b>	<b>2.34%</b>
Taxes Raised	67,418,506	69,018,845	1,600,339	2.37%
Levy Surplus	20,789	-	(20,789)	-100.00%

**Property Tax Levy****FY12 Estimate: \$69,018,845**

Sudbury's property tax levy is expected to increase by a total of \$1,600,339 or 2.37% percent over FY11's taxes raised. This however does not mean that the property tax rate will increase by 2.37%, as \$350,000 of the estimated increase is due to New Growth.

Projected new tax levy growth for FY12 is estimated by the Board of Assessors at \$350,000, based on residential and commercial construction permit information occurring during the previous calendar year. FY12 results reflect a \$90,537 decrease from what was certified during the FY11 tax rate setting process.

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 four-year history and one-year projection of tax levy. The high actual new growth of \$906,709 shown for FY09 was due to a change in tax regulations on personal property for various utility/communications companies. 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%
Jan. 1, 2009	2010	65,529,153	634,221	64,894,932	1,631,808	2.58%
current year						
Jan. 1, 2010	2011	67,418,506	440,537	66,977,969	1,448,816	2.21%
forecasted						
Jan. 1, 2011	2012	69,018,845	350,000	68,668,845	1,250,339	1.85%

The estimated average residential tax bill for FY12 is \$10,693 or 1.85% higher than FY11.

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
Jan. 1, 2009	2010	650,508	16.08	10,460
current year				
Jan. 1, 2010	2011	627,988	17.03	10,695
forecasted				
Jan. 1, 2011	2012	628,000	n/a	10,893

The FY12 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

	FY10 Actual	FY11 Projected	FY12 Budget	Dollar Change	Percent Change
Chapter 70 (school aid)	4,280,621	4,280,621	4,206,945	(73,676)	-1.72%
General Government Aid	1,267,927	1,224,073	1,168,755	(55,318)	-4.52%
Offset Receipts	32,413	32,992	34,013	1,021	3.09%
<b>Subtotal: General Purpose State Aid</b>	<b>5,580,961</b>	<b>5,537,686</b>	<b>5,409,713</b>	<b>(127,973)</b>	<b>-2.31%</b>
MSBA School Debt Reimbursement <sup>1</sup>	1,702,597	1,702,597	1,702,597	-	0.00%
<b>Total State Aid</b>	<b>7,283,558</b>	<b>7,240,283</b>	<b>7,112,310</b>	<b>(127,973)</b>	<b>-1.77%</b>
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

**FY12 Estimate: \$5,409,713**

State aid which is commonly referred to as “local aid” comes directly from the State’s budget. Our first indication of State aid for the next 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 \$5,409,713 general purpose aid was somewhat lower than the Governor’s proposal. Our estimate, based on the House Ways and Means Committee’s budget proposal, represents a moderate reduction of 2.31% from FY11. 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 FY12 was released more than two months after Town Meeting, on July 11, 2011. Final net Sudbury aid was slightly higher than our projection by \$5,087. Therefore, no revisions to the budget are required.*

#### **1. Chapter 70 Aid**

**Projection: \$4,206,945**

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 FY11 of \$73,676 or -1.72%.

## 2. General Governmental Aid

**Projection: \$1,168,755**

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 projected share for FY12 represents a decrease of \$55,318 or -4.52% from FY11.

## 3. Offsets

**Projection: \$34,013**

This category is made up of two small special offset revenues that are required to be spent directly by Schools and Library. FY12 represents an increase of \$1,021.

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

	<b>FY10 Actual</b>	<b>FY11 Projected</b>	<b>FY12 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Motor Vehicle Excise	2,630,908	2,536,250	2,582,581	46,331	1.83%
Other Excise	23,301	23,301	100,000	76,699	329.17%
Penalties & Interest	161,491	175,000	175,000	-	0.00%
PILOT	56,102	57,494	55,000	(2,494)	-4.34%
Fees	84,932	90,000	90,000	-	0.00%
Rentals	98,427	98,427	95,000	(3,427)	-3.48%
Library	27,461	20,289	25,000	4,711	23.22%
Cemeteries	19,538	19,543	20,000	457	2.34%
Other Departmental	18,375	20,000	15,000	(5,000)	-25.00%
Licenses & Permits	411,862	410,033	400,000	(10,033)	-2.45%
Fines & Forfeits	74,448	75,000	55,000	(20,000)	-26.67%
Investment Income	51,285	42,661	20,000	(22,661)	-53.12%
Misc. Non-Recurring	76,650	84,862	25,000	(59,862)	-70.54%
<b>Total Local Receipts</b>	<b>3,734,780</b>	<b>3,652,860</b>	<b>3,657,581</b>	<b>4,721</b>	<b>0.13%</b>

### Local Receipts

**FY12 Estimate: \$3,657,581**

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 illustrate 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. We expect local receipts to remain essentially flat in FY12, increasing only a slight \$4,721 or 0.13% from what was budgeted for FY11.

- 1. Motor vehicle excise** **Projection: \$2,582,581**  
We are projecting this component to be very similar to FY11. The FY12 projection represents a modest decrease from FY10 actual receipts. During a downward economic cycle, motor vehicle excise taxes decline because people buy fewer high valued vehicles and hold onto their current autos much longer. All indications in FY11 suggest actual receipts may reach our FY10 levels.
- 2. Other excise** **Projection: \$76,699**  
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 began receiving the monies on a quarterly basis from the State starting in January 2011. Without a reasonable basis of estimation nothing was forecasted for these changes in the FY11 budget. Our projection for FY12 is currently at \$76,699. However, local option receipts through June 30, 2011 suggest that this category may increase even further by FY13.
- 3. Penalties and interest** **Projection: \$175,000**  
The Town continues its efforts to keep tax title balances at a minimum. However, due to economic conditions we are expecting no increase in tax title payoffs in FY12. 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: \$55,000**  
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 FY12, which may encourage more non-profits to contribute to the tax levy. However, we are uncertain as to how much new PILOT revenue to expect.
- 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 is the same as FY11, which reflected a small increase over FY10 actual receipts. Current indications in this type of activity suggest a maximum estimate of \$90,000 is appropriate for FY12.
- 6. Rentals** **Projection: \$95,000**  
We have projected receipts in this area to be similar to FY11. 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 new options to increase cell tower revenues but does not expect anything additional to materialize in the coming year.
- 7. Library, Cemeteries and Other Departmental Revenues.** **Projection: \$60,000**  
We are projecting a moderate increase in Library income for late fees based on early FY11 results. Cemetery fees are expected to remain flat. The increase in Library fees is expected to be offset by a similar decline in Departmental Revenues. Generally speaking small amounts are expected to be collected by departments for such things as photocopy charges, sale of voter lists, etc.

- 8. Licenses and permits** **Projection: \$400,000**  
Licenses and permit receipts have been in a free fall since FY08. Actual receipts in this category for FY10 totaled only \$411,862. Building permits make up the largest portion of this category. Based on the number and dollar value of permits during the last 12 months we have lowered our FY12 projection by nearly 3%.
- 9. Fines and forfeits** **Projection: \$55,000**  
Fines include charges for false alarms, parking tickets, court fees, and for overdue library materials. Current collections in FY11 suggest FY12 may be as much as \$20,000 lower than FY10 actual results.
- 10. Investment income** **Projection \$20,000**  
We are projecting more than a 50% decline in investment income for FY12. General fund investment income has plummeted over the last few years for two reasons: short-term interest rates have dropped nearly to zero and we simply do not have as much General Fund balance(s) available for investment.
- 11. Miscellaneous, Non-recurring** **Projection \$25,000**  
As the title suggests, these receipts are for the most part unexpected and therefore difficult to project within the budget cycle. We have projected \$25,000 in FY12 representing FEMA reimbursement for extraordinary expenses incurred during major storms in 2011. Payment(s) expected to be received during FY12.

**Capital Resources: Bond proceeds and bond debt service reimbursement**

**Capital Resources:** **FY12 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-\$2.8M**  
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 timing for any new general obligation bonds is not expected to produce any additional debt service for FY12. However, the Town is likely to receive between \$1.8 and \$2.8 million in long-term debt proceeds during FY12, if approved, to pay for general fund projects submitted for Town Meeting(s) and Town Election(s) during FY11.

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

	<b>FY10 Actual</b>	<b>FY11 Projected</b>	<b>FY12 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Free Cash Appropriation	-	-	-	-	0.00%
Tax Levy Overlay Surplus	321,000	-	-	-	0.00%
Town Meeting Continuing Articles - Reappropriation of Balances	-	-	-	-	0.00%
<b>Total Free Cash &amp; Other Reserves</b>	<b>321,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>

**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, 2010 was \$249,418. 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 FY12. The Town did not use any overlay surplus to fund the FY12 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 FY12 operating budget.

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

	<b>FY10 Actual</b>	<b>FY11 Projected</b>	<b>FY12 Budget</b>	<b>Dollar Change</b>	<b>Percent Change</b>
Atkinson Pool	375,277	301,032	330,000	28,968	9.6%
Transfer Station	480,692	489,868	517,230	27,362	5.6%
Recreation Field Maintenance	170,493	221,497	309,614	88,117	39.8%
<b>Total Enterprises</b>	<b>1,026,461</b>	<b>1,012,397</b>	<b>1,156,844</b>	<b>144,447</b>	<b>14.3%</b>

**Enterprise Resources:**

**FY12 Estimate: \$1,156,844**

**1. Enterprise Revenues Use**

**Projection: \$1,119,614**

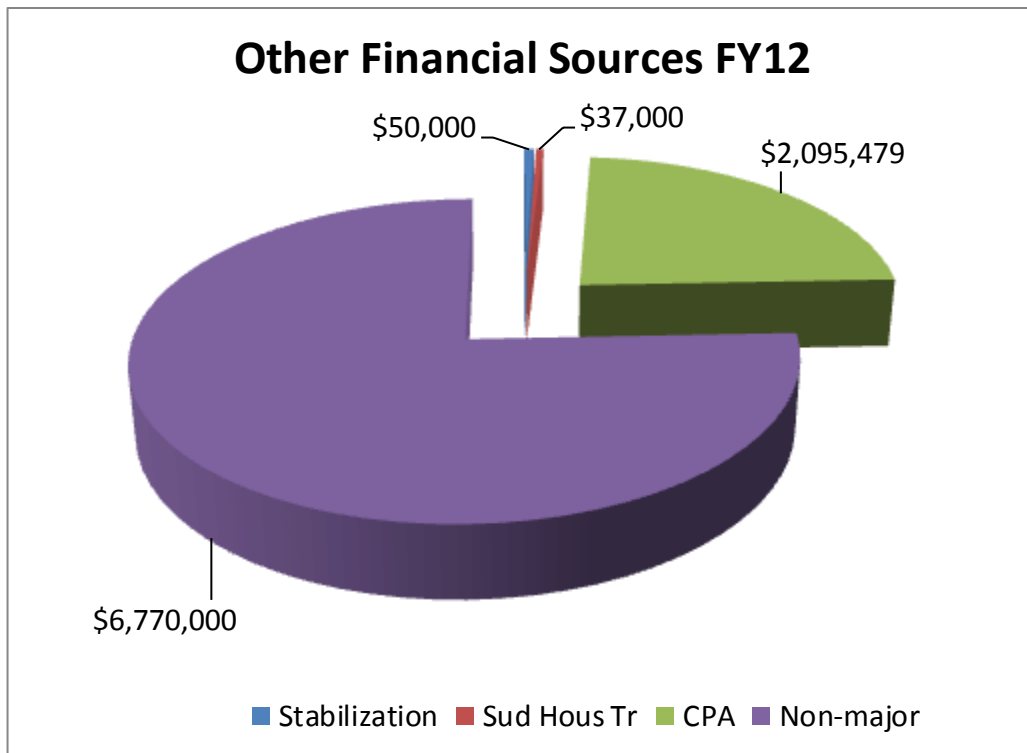
All estimated Enterprise receipts for FY12 are available to fund their operating budgets (subject to appropriation limits set at Town Meeting). Estimated receipts for all three Enterprises for FY12 total \$1,119,614. During the year, the Enterprises must closely monitor actual receipts. Should actual receipts not meet expectations, the Enterprises must reduce spending to avoid revenue deficits.

**2. Retained Earnings Use**

**Projection: \$37,230**

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. The Pool anticipates the need to use some retained earnings to supplement operations during FY12. The Transfer Station and Recreation Field Maintenance Enterprises do not anticipate the need to use any retained earnings in FY12.

**Outside Resources: Available resources outside the General fund**



**Other Resources (outside General Fund):**

**FY12 Estimate: \$8,952,479**

Nearly 91% of all Town annual revenues are generated within General (Governmental) and Enterprises (Proprietary) funds. The remaining 9% of financial resources come from the above four categories. Not all these other resources are expended each year. Only some of these funds

require appropriation at Town Meeting. Almost none of this revenue is transferred to/used for the Town's regular operating budget. For more information on Other Resources, [see Section 1](#).

Stabilization Fund. No General fund monies have been appropriated for Stabilization for FY12. Therefore, the revenue projection for Stabilization is based strictly on likely investment earnings. Total Stabilization Fund Revenue is projected to be no more than **\$50,000** for FY12.

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 **\$2,095,479** for FY12.

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 **\$37,000** for FY12.

Non-major Special Revenue Funds. These are funds that have 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 are estimated individually based on historical trending, fee schedules or most recent activities, etc. Total revenues for Non-major Special Revenue Funds are projected to be **\$6,770,000** for FY12.

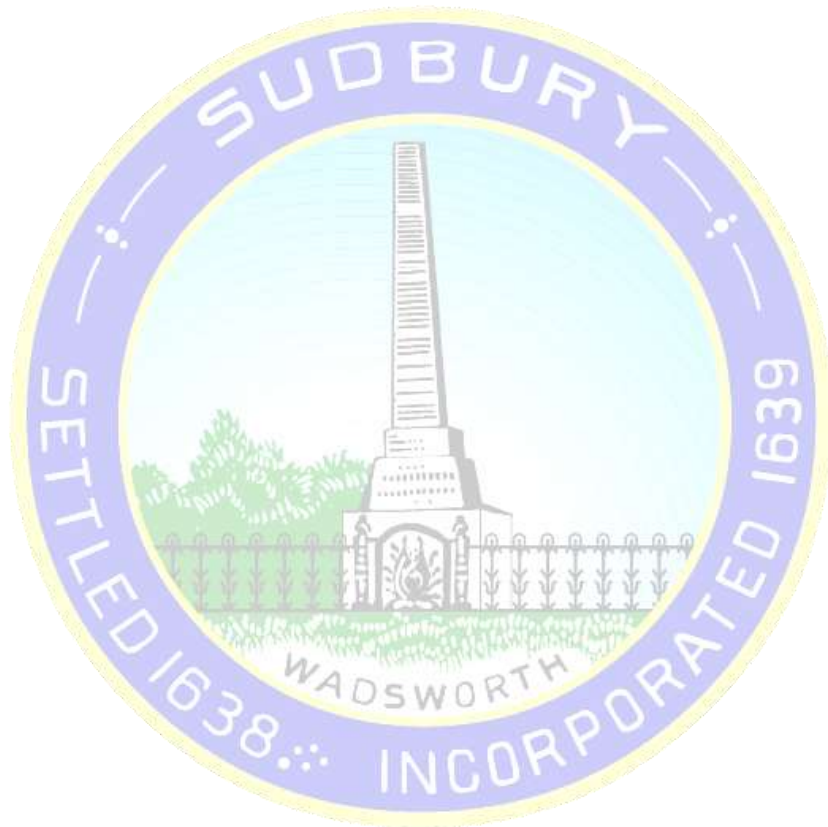




## Section Three

# Financial Uses

Expenditure drivers' history and forecasts



## 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 2](#): 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**.

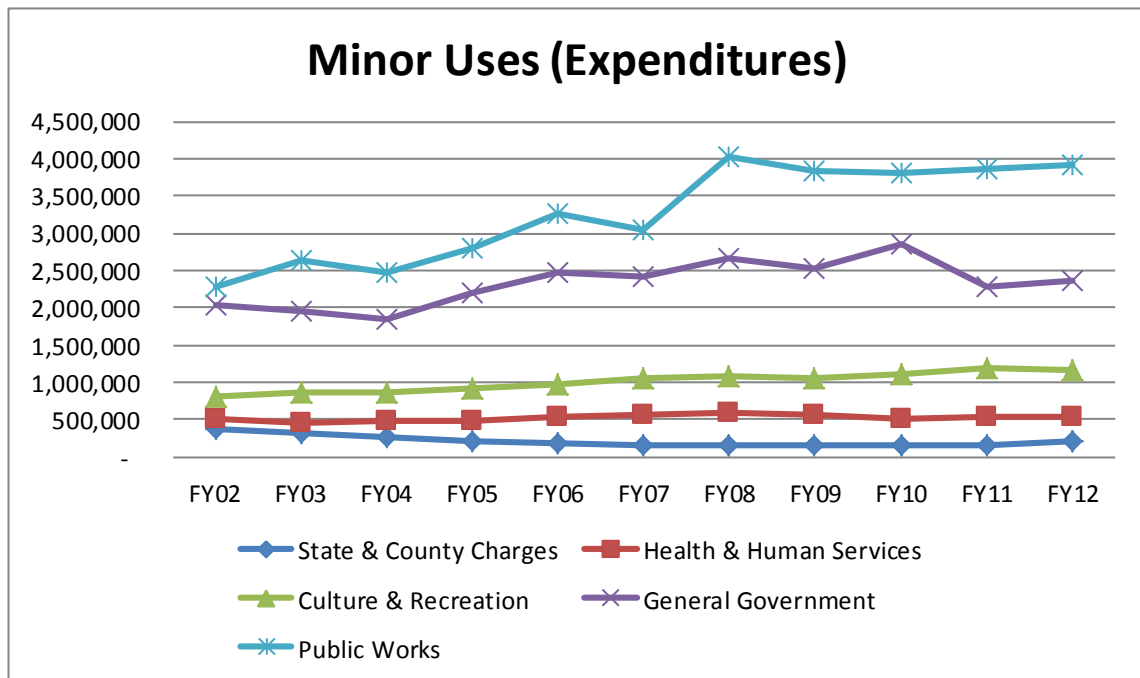
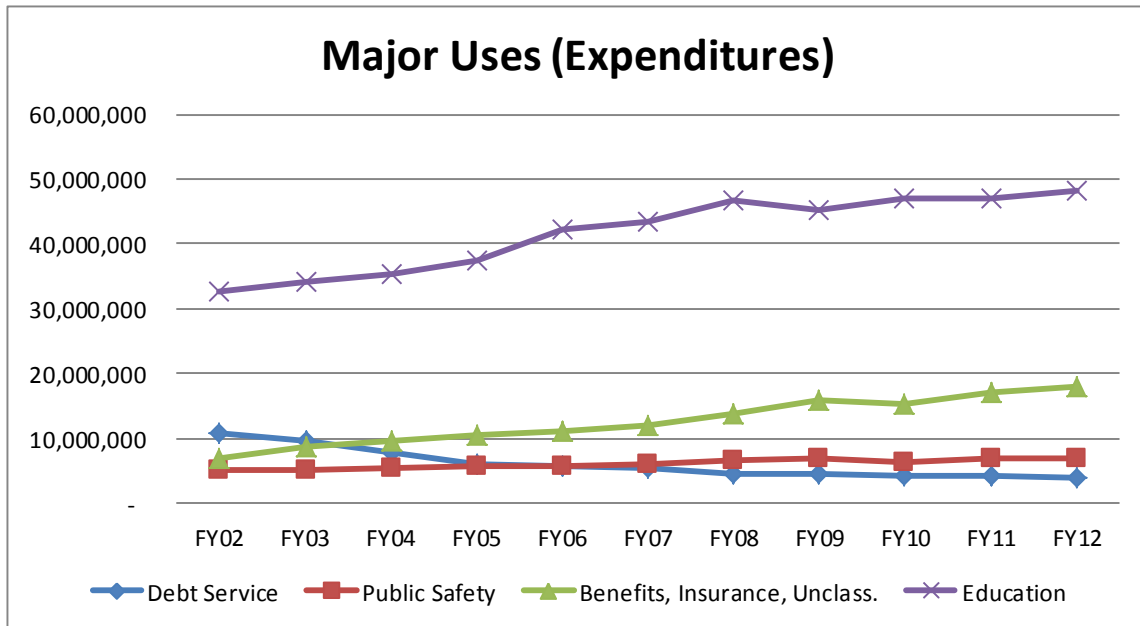
Capital uses consist of all costs associated with capital asset acquisitions or completion of capital projects (e.g. school building renovations, town building construction, development of new roadways, sewers, etc.) Capital uses may also constitute debt service payments relating to capital asset acquisition or project development. Capital uses for CPA projects are kept separate from that which is levied and paid for by the 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

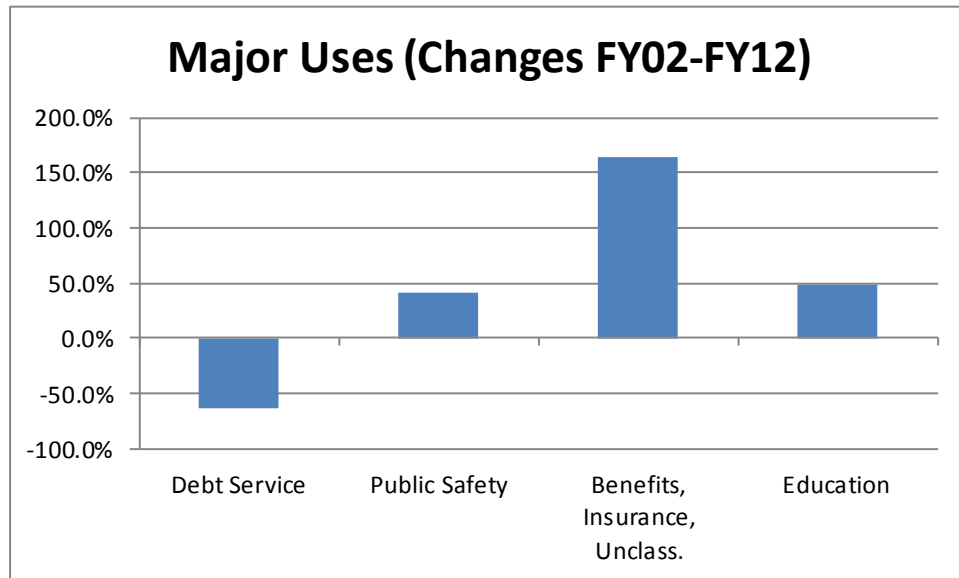
The following charts provide a macro view of the Town's financial major and minor uses (expenditure) streams, over the last several years. FY11 and FY12 data are projections. Growth may vary significantly depending on the type of expenditure. These charts show all operating, capital and reserve uses for the General fund only. Recall that the General fund supports approximately 90% of all expenditures.



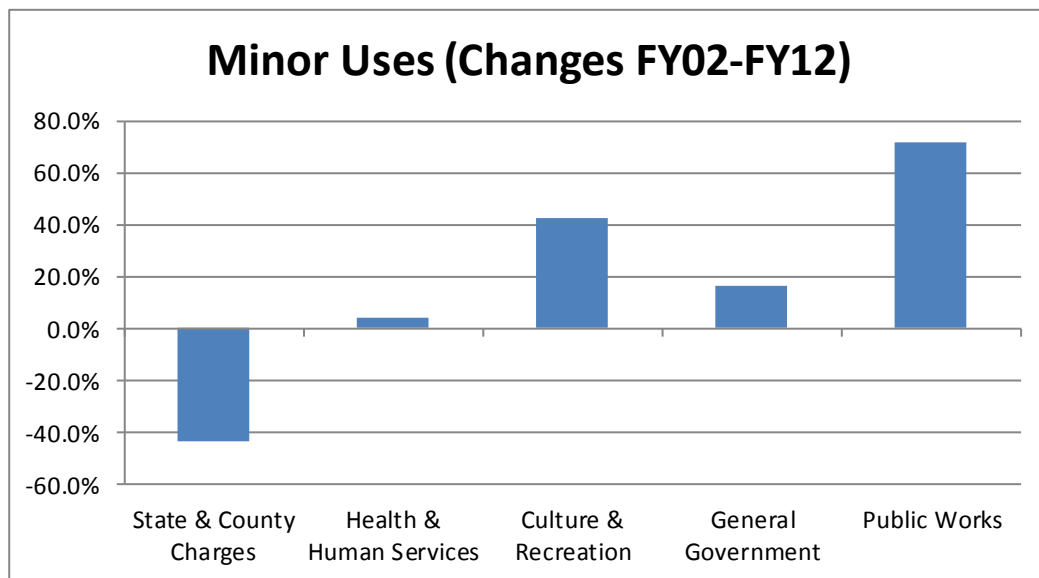
The dollar cost of education has increased significantly over the last decade. The rate of growth for Benefits & insurances skyrocketed until a couple years ago. The total cost for Public Works leveled off in 2008. General government has fluctuated somewhat over the last decade, more recently leveling off back to FY01 costs. All other use categories have remained relatively flat over the past ten years. Debt service is the only category that has declined significantly in the last 10 years.

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 far

surpassed even Education in terms of percentage growth over the past ten years. Public safety dollars expended during the same timeframe has increased by almost 50%. Debt service has decreased dramatically to pre-FY01 levels.



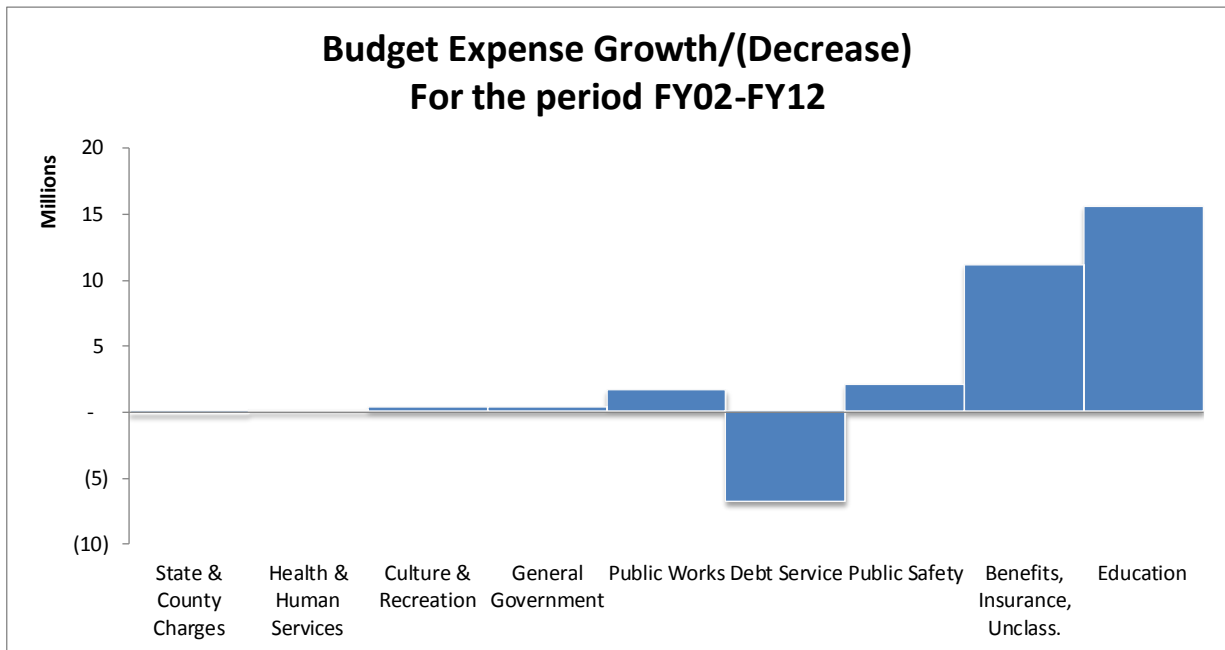
Changes in minor uses (expenditure categories of less than \$4 million per year) are shown below. The Public Works division including snow and ice expense has grown by 71% since FY02. Culture & Recreation expenditure represents the second largest increase of 43%. Both General Government and Health & Human Services categories have increased in relative size by 16% and 4%, respectively. State assessments & charges have declined by more than 40%, but it should be noted that this category has long since represented a very small percentage (less than 1%) of the General fund's total budget.



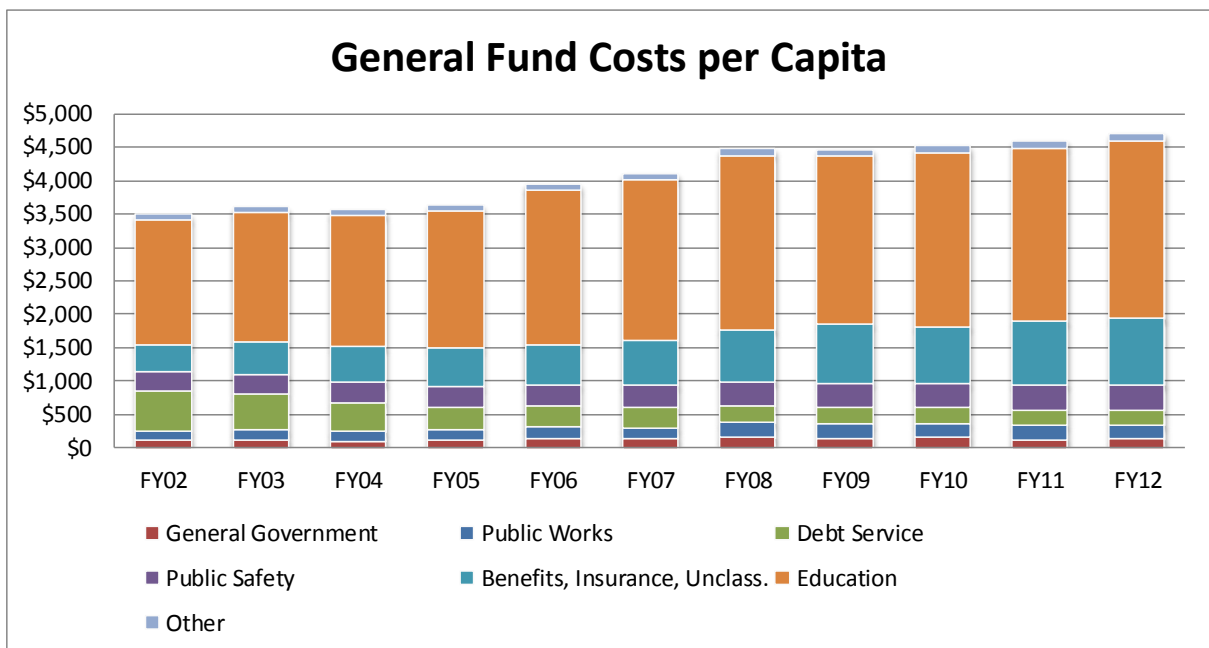
In the past decade, the General fund budget has grown by \$36.9 million. While most expense categories have shown growth during that time, several categories stand out as

requiring the largest dollar increases during 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.

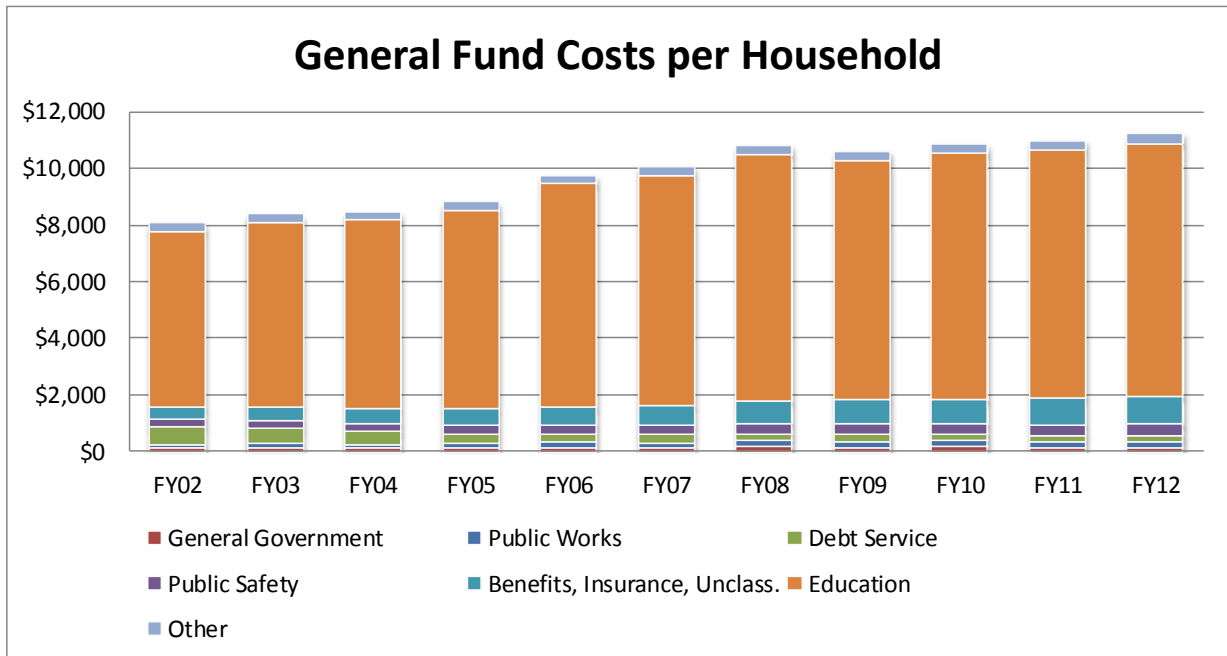
- General fund budget composition expressed in absolute dollars,



- per capita,



- and per household



## Financial Use Indicators 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.

### Extending the Positives

By these standards and analysis of all key indicators, the Town of Sudbury remains in sound financial health. This favorable assessment is also reflected by the Town's continuing 'AAA' bond credit rating (most recently reaffirmed in April 2011 by Standard & Poor's, known to investors worldwide as a leader in financial market intelligence).

The Town continues to: a) meet or exceed all credit and liquidity requirements, b) produce net revenues exceeding expenditures, c) maintain a strong tax levy and equalized values (EQV is a measure of the relative property values in each municipality), and c) maintain appropriate levels of spending each year to meet the ongoing demand for services within available resources.

## Addressing the Challenges

Sudbury's residents have very high expectations of the level and quality of public services. From an operational standpoint, the government has been able to maintain an enduring tradition of meeting the changing needs of community. However, from a financial perspective, it has become more and more difficult over the years to expand or enhance some services. More recently, we have all seen how difficult it has become to protect the levels of services that Sudbury residents have enjoyed and come to expect irrespective of economic developments, State and Federal influences, or other factors that dictate we operate in an environment of more (operating costs) with less (non-tax revenues). The budget constraints during the last four 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 budget deficit.

A **structural budget deficit** means different things for different government entities. That is to say structural deficits are caused by many different factors and may also be addressed in different ways depending on the type of government (and the myriad of regulations it must follow). For example, the Federal government and States to a lesser extent may deal with a structural deficit by continually borrowing money to help pay for ongoing operations. Whereas a municipality like Sudbury must instead look repeatedly to its taxpayer base for tax overrides for sustainability. Absent sufficient revenues even when the economy is operating at its peak, the Town must develop new ways of operating or cut costs that may or may not also result in deteriorating existing programs and services.

Municipalities face several challenges on both sides of the structural budget deficit equation. In addition to any political and social dimensions that may influence how a municipality addresses these challenges, there are hundreds if not thousands of regulations to consider. Some regulations may change over time and some may be overcome by special legislation. However, any decision to increase revenue or decrease expenditure will ultimately succeed or fail based on legal merits.

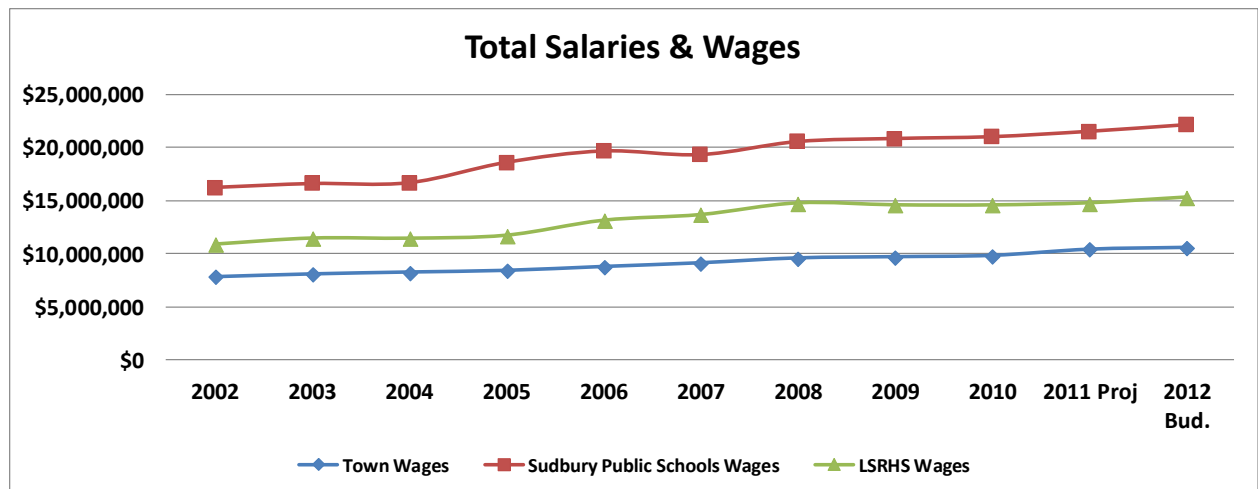
Despite all of the hurdles, both elected and appointed town and school officials are working to protect *all* of what makes Sudbury such an attractive, vibrant place to: live, teach, play, invest, learn, share, grow, and work. Ideas for closing the revenue-expense gap are actively explored and implemented where feasible. Efforts to increase revenues or decrease expenditures can take several months, if not years to develop (see [Appendix J](#) for further information regarding Sudbury's financial and non-financial goals).

## Understanding Expenditure Pressure Points

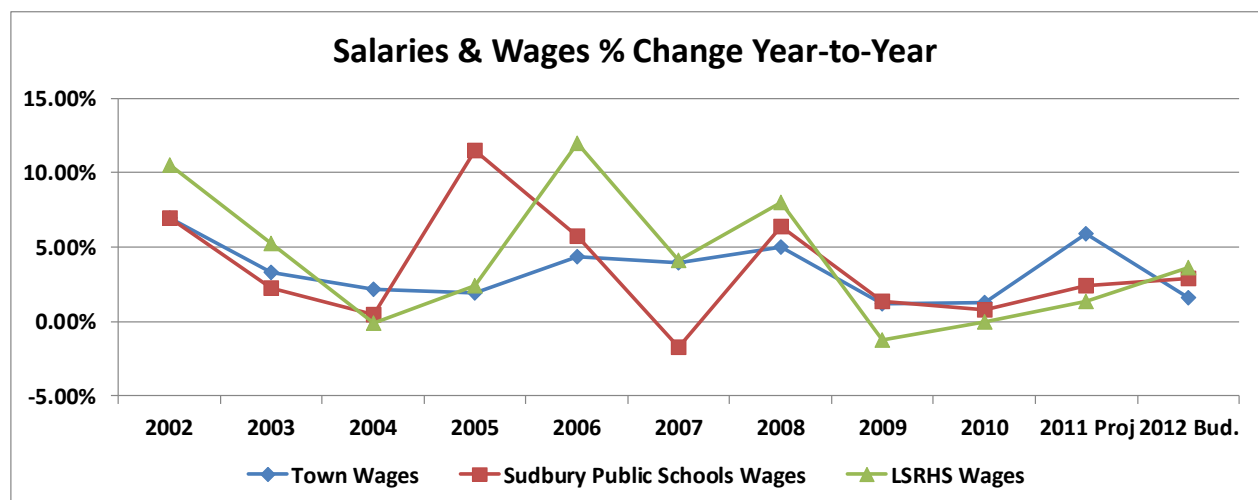
Several "budget busters" can drive high rates of spending growth. In order to know what we can expect for the next fiscal year and beyond, we monitor these areas to see *where we might be gaining, losing or holding steady*. [Note that all references to LSRHS reflect total costs of the regional district rather than that which is only allocated to Sudbury through the assessment process].

**Indicator 1: Salaries and wages.** Salaries and wages are the **largest component** of the operating budgets for all three major cost centers. 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 FY12 with greater certainty (differences would primarily be attributable to staffing turnover or reductions). The following chart shows total salaries and wages for a ten-year period.



Since the cost of labor is the largest expense for the organization, the rate of growth is always of primary concern. Below is a history of year-to-year growth in salaries and wages, broken down by major cost center.



The current 3-year average growth in salaries and wages is 2.93% for Town, 2.04% for SPS and 1.65% for LSRHS. Heading into FY12, wages and salaries for all cost centers combined is expected to increase by 2.85%. This represents a slightly higher growth rate than FY11 but significantly lower than nearly all years in the previous two contract cycles.

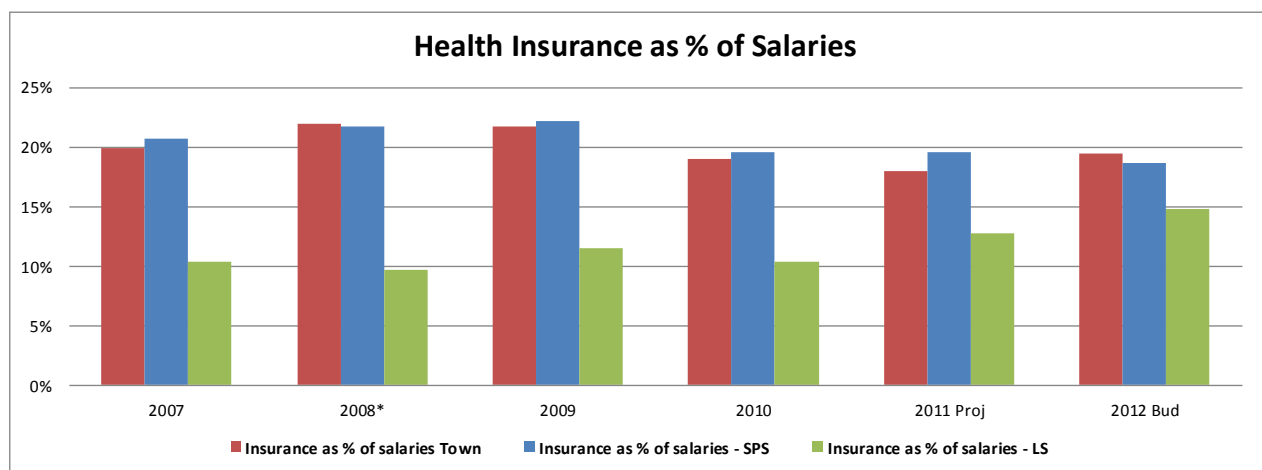
**Budget Assessment:** Overall percentage COLA increases for contracts and in spending growth for **salaries and wages – Gaining ground.**

**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. Currently changes in health insurance plans are subject to collective bargaining and generally must be agreed to by all bargaining units before any modification can be implemented. Premium rates (monthly costs for plan coverage which are shared by the employer and employees) 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 frequently compares our programs to other options to ensure our offerings are desirable and cost effective). The chart below shows the historical trend for health insurance costs as a percent of total salaries & wages.



The escalation in healthcare costs is largely due to forces beyond the Town's ability to control. Still we have been able to reduce the rate of growth in healthcare costs in a number of ways. 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 and in future OPEB liability. In FY10, the Town (including SPS) was successful in making significant plan design changes and negotiating new contribution splits with all collective bargaining groups. (See [Section 9](#) for further details) Most recently, the Town (including SPS) successfully added a new, lower cost alternative that will begin to produce significant savings starting in FY12, as new and existing active employees opt-in. LSRHS is also making changes that are expected to produce future savings.

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 employer healthcare costs may grow in spite of marketplace driven escalation issues, and third by dramatically reducing our OPEB liability.

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

**Indicator 3: OPEB Costs.** Municipalities offer health and other insurance benefits for all retirees, commonly referred to as **Other Post-Employment Benefits or simply, OPEB**. OPEB is paid out in similar fashion to government pension benefits only instead of paying the employee, (% of premium cost) compensation is paid out directly to their insurance benefit provider(s). Also like pension benefits, governments are now expected to account for their current and future OPEB liability. Up until a few years ago, most public agencies were using a “pay-as-you-go” method of expensing OPEB retiree benefits and were not reporting them as liabilities on their financial statements. Starting in 2006, new regulations issued by the Governmental Accounting Standards Board, commonly known as “GASB 45” dramatically changed the way public agencies must account for and report OPEBs. Governments must now use actuarial evaluations to determine the final accounting and reporting amounts expected in the future. OPEB costs also must be reported over the working lifetime of employees. This premise is known as financial “intergenerational equity” where 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. The information provided in financial statements must include the funding, costs and provisions in an OPEB plan. While GASB 45 does not require that OPEB plans be funded, it requires disclosure of net OPEB obligations (NOO).

The financial reality is that this type of benefit has created an astronomical liability that remains unfunded and will continue to grow in size if we are unable to start setting aside even a portion of our estimated annual required contribution (ARC). “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).

For the time being, each entity will conduct periodic actuarial studies to monitor progress, adjust assumptions as necessary and meet all current GASB requirements. The following OPEB management exhibits and notes provide further important details into our current as well as future expected costs.

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

GASB standards for OPEB are still evolving. Sudbury and LSRHS has started reporting OPEB information including the breakdown of recent OPEB expenses.

"Pay as you go" contributions				
	FY09	FY10	FY11 Proj	FY12 Bud
Town	290,988	295,076	334,731	385,081
SPS	480,864	487,618	548,757	638,854
LSRHS	935,586	516,177	826,856	863,097

“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.

**b) OPEB Actuarial Accrued Liabilities (under current Pay-As-You-Go)**

<b>Town of Sudbury</b>		<b>LSRHS</b>	
Latest valuation as of	7/1/2009	Latest valuation as of	6/30/2009
Interest Discount Rate	4.00%	Interest Discount Rate	5.00%
Participants	766	Participants	323
Active	469	Active	173
Retired	297	Retired	150
Annual Required Contribution	\$ 3,515,300	Annual Required Contribution	\$ 2,141,133
Town	1,303,384	Teacher	1,698,416
SPS	2,170,031	Non-teacher	442,717
Enterprises	41,885		
Contributions made	\$ (783,399)	Contributions made	\$ (1,120,215)
Increase in net OPEB Obligation	2,731,901	Increase in net OPEB Obligation	1,020,918
Net OPEB obligation at year-end	\$ 2,731,901	Net OPEB obligation at year-end	\$ 1,020,918
Accrued Liability (30 years)	\$ 36,411,392	Accrued Liability (30 years)	\$ 29,430,886
Unfunded Actuarial Accrued Liability	\$ 36,411,392	Unfunded Actuarial Accrued Liability	\$ 29,430,886

**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 \$48 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 8.5% to 10% per year until 2013 and 4.5% thereafter. If these assumptions need to be adjusted later due to differences in actual medical inflation trends, our estimated future costs will change accordingly)

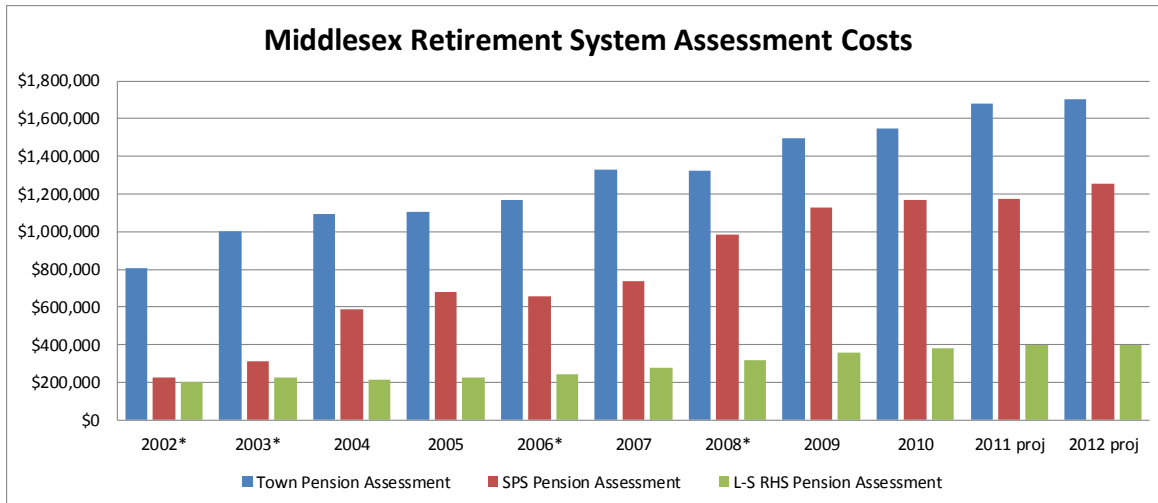
- c) How to approach growing OPEB liability** – on a year-to-year basis it is difficult to see the differences between a pre-funded system and one that is funded on a “pay as you go” basis. However, the actuarial studies illustrate the magnitude of the problem, if we continue as we have rather than implementing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

Town of Sudbury		LSRHS	
Latest valuation as of	7/1/2009	Latest valuation as of	6/30/2009
Interest Discount Rate	8.00%	Interest Discount Rate	8.13%
Funding Status		Funding Status	
AAL	20,745,641	AAL	28,142,397
Assets	-	Assets	-
Unfunded AAL	\$ 20,745,641	Unfunded AAL	\$ 28,142,397
Increase/(Decrease)	\$ (15,665,751)	Increase/(Decrease)	\$ (1,288,489)
	-43%		-4%
Expenses		Expenses	
Service Costs	\$ 686,370	Service Costs	\$ 506,919
AAL Amortization	\$ 1,706,056	AAL Amortization	\$ 1,107,603
Total Contributions	\$ 2,392,426	Total Contributions	\$ 1,614,522
Increase/(Decrease)	\$ (1,122,874)	Increase/(Decrease)	\$ (526,611)
	-32%		-25%

Slightly 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 \$1.1 million in expected service costs, for Sudbury and LSRHS, respectively. 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. 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. Pension assessment goes toward funding future pension benefits as active employees earn them. Like OPEB we do have unfunded pension liability, but we have been slowly working toward reducing this amount to zero by a new target date of 2040. The following table focuses on annual assessment payments into MRS only. Since teachers do not fall under the MRS the annual assessments to this system for SPS and LSRHS employees is significantly lower than for Town employees.



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 over \$30,000 toward their own pensions. Due to recent 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. However, most employees hired after 1996 are funding the majority of their own pension through their own contributions<sup>1</sup>.

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 2040. 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 \$35 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 FY14-FY15 timeframe. However, the outlook for UAAL funding remains stable. The Funding Ratio for the systems total benefits earned to date (AAL) for MRS is holding steady at approximately 50%.

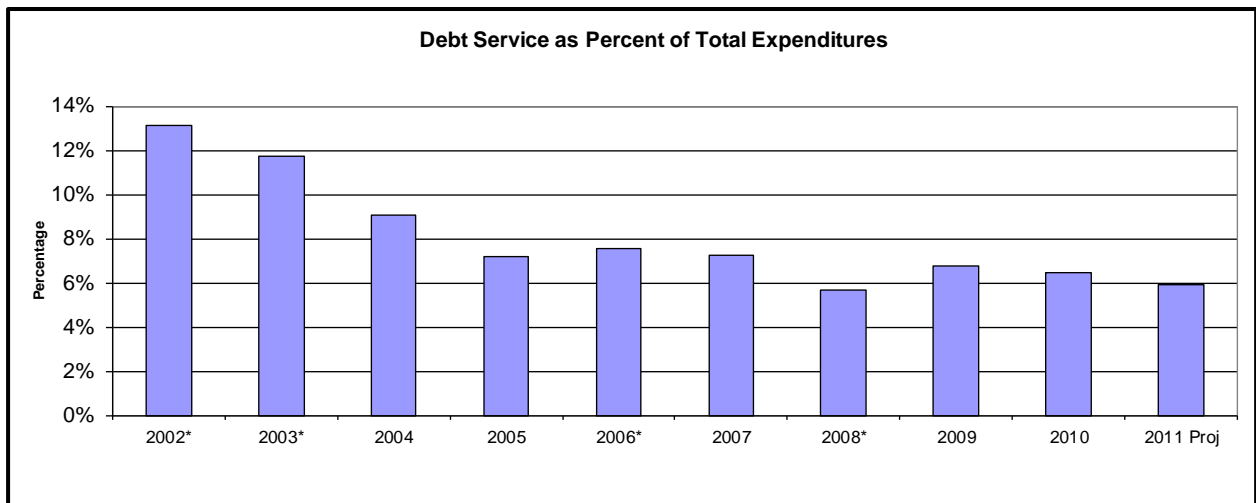
MTRS Unfunded Pension Liability (UAAL) – Since SPS and LSRHS retirees are mostly supported by the MTRS we must also be concerned with the State sponsored plan. While local school districts do not contribute or bear responsibility for their teachers' retirement benefits, we have already seen how the State's *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 \$12.5 billion unfunded liability most certainly trickles down to us at

<sup>1</sup> See Middlesex Retirement System website for further member information.

the local level one way or another. How the 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 State is making changes for pension benefits of future employees that will help to reduce growth from here. The Funding Ratio for AAL for MTRS as of January 1, 2010 was reported at 63% (down from 75% in the last actuarial study).

**Budget Assessment:** Unfunded liability and potential future escalation in **MRS Pension System Costs and MTRS vis-à-vis declining State Aid – Losing 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 has also performed three ‘bond refundings’, for a total net savings in interest payments of approximately \$900,000 (FY06-FY21). The chart below shows how debt service has changed as a percent of total spending since 2002.



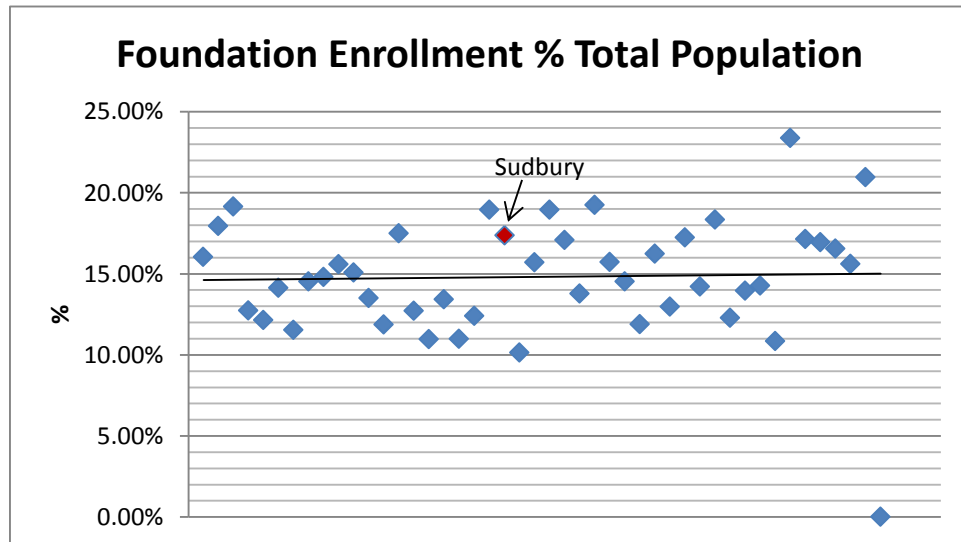
Debt service will continue to decline from here with a significant drop off in FY15 when debt expense will fall below \$2 million or approximately \$400 less on the average residential tax bill for debt in FY12 (unless or until future capital projects are accepted and bonded).

**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.

Since 2001, Sudbury’s population has grown by 5.3%, households by 3.9% and school enrollments by 10.8%. Sudbury continues to have one of the highest school age populations in the State. The following chart is a scatter sampling of communities with between 12,000

and 24,000 citizens. Foundation enrollment (FE) is a Department of Education (DOE) metric used in the calculation for Chapter 70 State Aid. Sudbury is well above the mean % FE per capita.



The next table looks at total enrollment (school age children) % per population for comparable communities. If other communities on the list share the school age population density as Sudbury, they would be faced with educating between 375 to 9,369 more students than they educate 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

Municipality	2010 Census	DOE FY10 Enrollment	% School Age Children	Student Pop. Differential
Sudbury*	17,659	4,529	25.6%	-
Arlington	42,844	4,713	11.0%	6,275
Bedford	13,320	2,429	18.2%	987
Concord*	17,668	2,789	15.8%	1,742
Framingham	68,318	8,153	11.9%	9,369
Hopkinton	14,925	3,453	23.1%	375
Hudson	19,063	3,071	16.1%	1,818
Lexington	31,394	6,182	19.7%	1,870
Lincoln*	6,362	1,300	20.4%	332
Needham	28,886	5,311	18.4%	2,097
Wayland	12,994	2,738	21.1%	595
Wellesley	27,982	4,868	17.4%	2,309
Weston	11,261	2,388	21.2%	500
Winchester	21,374	4,198	19.6%	1,284

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

Large increases in student population, as occurred in Sudbury (late 1990's-early 2,000's) require major changes to infrastructure. Teacher staffing, section management and course offerings may be adversely affected by changes in total or school specific population, as well as overall budget constraints. Since education is by far the largest segment of all operating expenditures any changes to this service population may have a dramatic effect on our ability to fund other areas of the budget.

In FY11, it cost SPS (K-8) and LSRHS, \$11,193 and \$14,598 per pupils for education, respectively. Combined student enrollment represented 24.5% of the Town's total population for the same period. System-wide enrollment over the next few years is expected to stay below FY07 (when systems peaked).

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

### Summary and Conclusions

Expense Indicator Summary

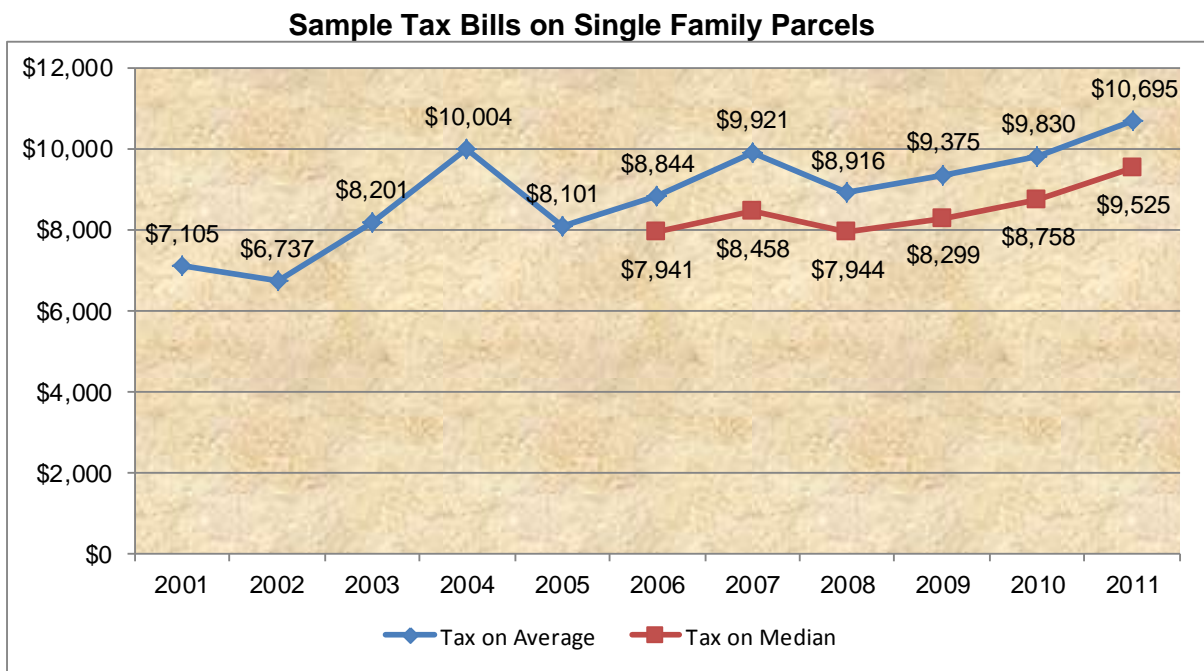
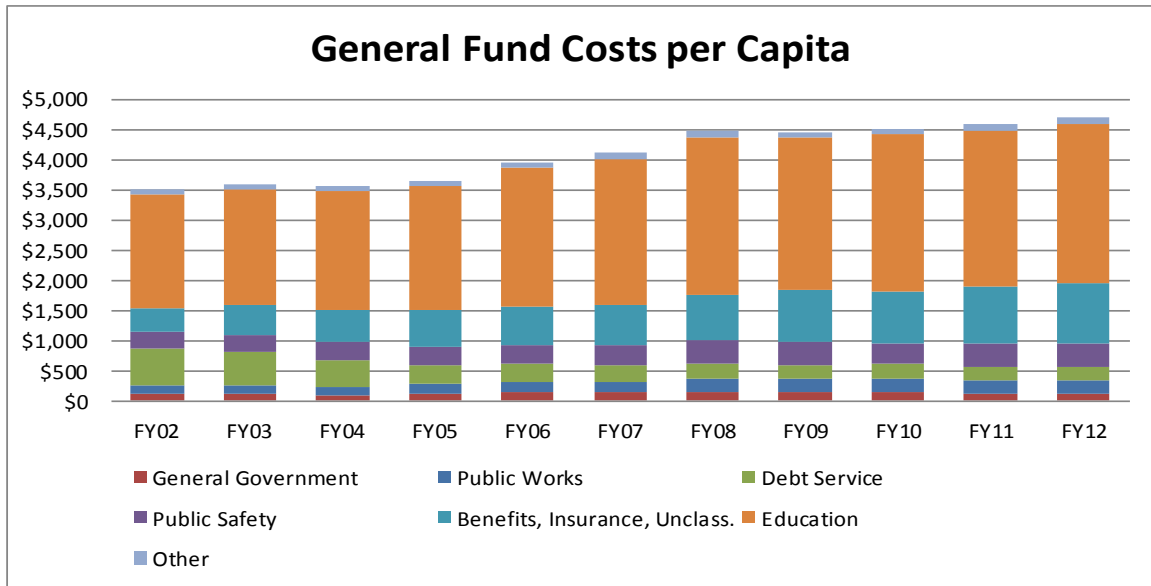
Indicator	Budget Assessment
1 – Salaries and Wages	Gaining Ground
2 – Health Insurance Costs	Gaining Ground
3 – OPEB	Losing Ground
4 – Pension Costs	Losing Ground
5 – Debt Service Costs	Gaining Ground
6 – Impact of Population Growth and School Age Children	Holding Ground

All Massachusetts communities continue to operate within an environment of increasing expenses and slower-paced or even shrinking revenues. The expenditure pressures Sudbury faces loom larger with every passing budget cycle. Wages, benefits and the costs of educating a large population of school-aged children, continue to produce our biggest challenges heading into FY12.

### General Fund Cost Metrics

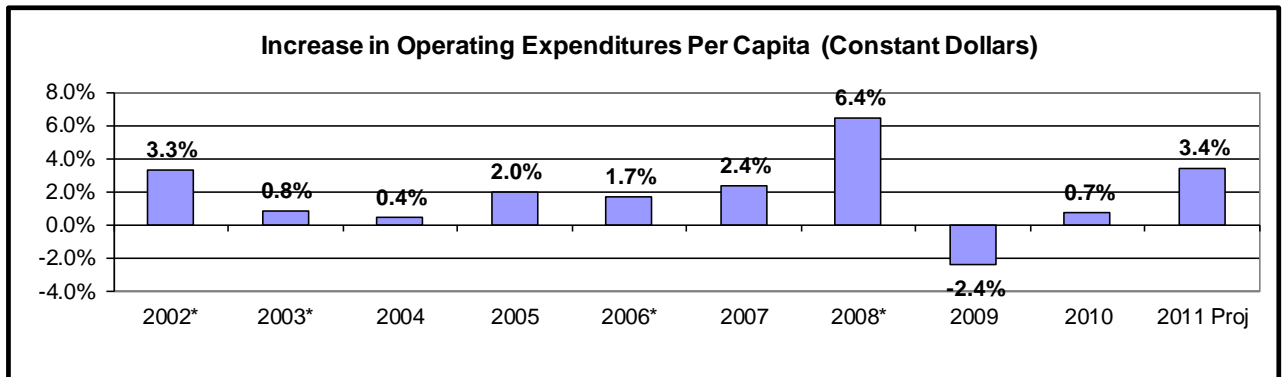
The following charts and tables provide additional macro views of General Fund activities over the last several years.



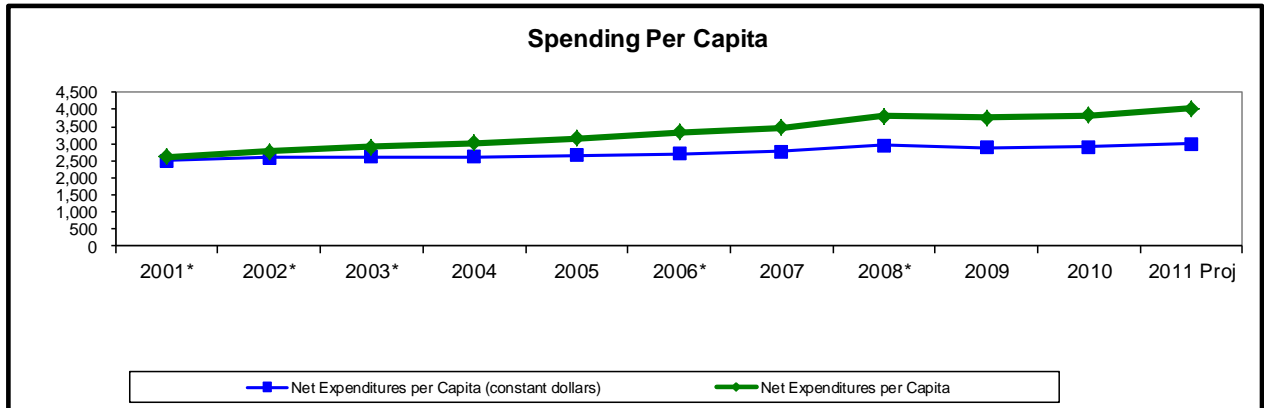


Note: Median Values not available for fiscal years before 2006

## General Fund Cost Metrics (cont'd)



\*Asterisks indicate years with tax overrides.



Operating Expenditures					Per Capita			
Cost Centers	FY08	FY09	FY10	FY11 Proj	FY08	FY09	FY10	FY11 Proj
LS Assessment	\$ 16,514,863	\$ 16,334,541	\$ 16,805,045	\$ 17,577,379	\$ 921	\$ 909	\$ 933	\$ 976
SPS	\$ 33,368,251	\$ 33,032,172	\$ 34,019,971	\$ 34,654,472	\$ 1,862	\$ 1,837	\$ 1,888	\$ 1,924
Town	\$ 17,331,666	\$ 17,486,998	\$ 17,190,648	\$ 18,229,983	\$ 967	\$ 973	\$ 954	\$ 1,012
	\$ 67,214,780	\$ 66,853,711	\$ 68,015,664	\$ 70,461,834	\$ 3,750	\$ 3,719	\$ 3,776	\$ 3,911

Operating expenditures exclude debt service. Operating expenditure patterns may change differ as compared to budget due to timing of carry-forward expenses. Actual operating expenditures in FY08 rose significantly from the prior year in part because of such carry-forward costs.

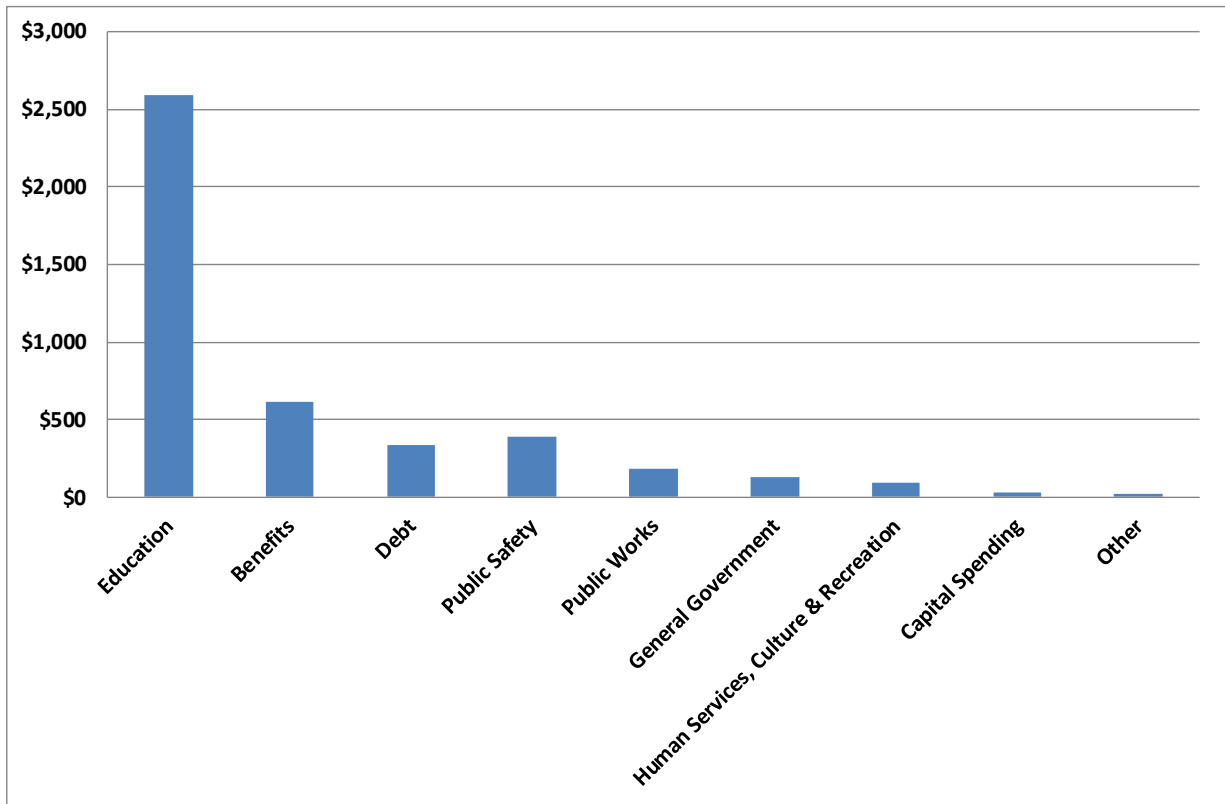
## Primary Financial Use Projections

### FY09-FY12 Budget Summaries

Below is a budget summary for all General and Enterprise Fund expenditures as appropriated for FY12 during Sudbury's Annual Town Meeting (May 2011). Please note that some of the information below and in the remaining sections of this document may differ from what is published in the Annual Town Warrants. Documentation issued after Annual Town Meetings and once the new fiscal year commences may also be updated periodically to reflect subsequent budget adjustments, transfers, updates and/or reclassifications in accordance with all Town, State and Federal regulations.

EXPENDITURES	FY09 Actual	FY10 Actual	FY11 Budget	FY12 Appropriated
LS Gross Assessment	16,515,458	16,854,852	17,011,347	17,333,368
LS Offsets/Re-apportionments	(3,255,278)	(3,192,298)	(2,640,344)	(2,760,082)
LS Employee Benefits Assessment	3,074,361	3,142,491	3,206,376	3,506,669
LSRHS NET (Operating Assessment)	16,334,541	16,805,045	17,577,379	18,079,955
SPS Gross Expenses	26,331,604	27,815,697	30,685,207	31,576,569
SPS Offsets	-	-	(2,480,863)	(2,841,775)
SPS Employee Benefits	6,700,568	6,204,274	6,450,128	6,672,777
SPS NET	33,032,172	34,019,971	34,654,472	35,407,571
Minuteman Regional Assessment	237,788	298,098	228,794	321,590
Other Regional School Assessments	43,212	-	-	-
<b>Total: Schools</b>	<b>49,647,713</b>	<b>51,123,114</b>	<b>52,460,645</b>	<b>53,809,116</b>
General Government	2,117,424	2,207,011	2,284,281	2,325,635
Public Safety	6,330,016	6,297,069	6,767,557	7,016,935
Public Works	3,406,588	3,364,252	3,299,349	3,304,146
Human Services	515,673	520,208	538,651	534,239
Culture & Recreation	1,080,329	1,112,286	1,149,824	1,166,009
Unclassified & Transfer Accounts	113,643	106,619	434,505	401,148
Town Employee Benefits	4,153,667	3,964,802	4,224,185	4,536,538
subtotal, town services	17,717,340	17,572,248	18,698,352	19,284,649
Town Operating Offsets	(230,342)	(381,600)	(468,369)	(658,428)
<b>Total: Town Departments</b>	<b>17,486,998</b>	<b>17,190,648</b>	<b>18,229,983</b>	<b>18,626,221</b>
Capital Operating Budget	513,042	523,383	529,054	538,947
Capital Exclusions	-	-	-	-
<b>Subtotal: Operating Budget</b>	<b>67,647,753</b>	<b>68,837,145</b>	<b>71,219,682</b>	<b>72,974,284</b>
Town Debt Service	4,347,060	4,269,224	4,180,354	3,883,860
LSRHS (Debt Assessment)	2,394,071	2,298,949	2,237,147	2,193,072
<b>Total: Debt Budget</b>	<b>6,741,131</b>	<b>6,568,173</b>	<b>6,417,501</b>	<b>6,076,932</b>
Enterprise Fund Expenditures	702,292	825,257	982,802	1,117,234
Stabilization Fund	-	-	-	-
Other Charges to be raised	983,524	730,246	744,548	707,929
<b>Total: To Be Raised</b>	<b>76,074,700</b>	<b>76,960,820</b>	<b>79,364,533</b>	<b>80,876,379</b>

### FY12 General Fund Expenditures per Capita



The above chart shows an estimated breakdown in per capita costs for FY12 General Fund only expenses. The table below has been reproduced from Town Warrant materials; showing % of total operating expenditures (excluding debt service).

### FY12 Operating Categories % to Total

	FY11	FY12	FY12
<b>OPERATING BUDGET*</b>	<b>Budget</b>	<b>Appropriated</b>	<b>% of Total</b>
Lincoln-Sudbury Regional High School	17,577,379	18,079,955	24.8%
Sudbury Public Schools	34,654,472	35,407,571	48.5%
Minuteman and other Voc Schools	228,794	321,590	0.4%
Town Departments	18,229,983	18,626,221	25.5%
Capital Items	529,054	538,947	0.7%
<b>Total Operating Budget*</b>	<b>71,219,682</b>	<b>72,974,284</b>	<b>100.0%</b>

\*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.

In addition to the General Fund budget, each Enterprise Fund is presented at Town Meeting for appropriation. The table below has been reproduced from Town Warrant materials; showing % to all General fund and Enterprise expenditures for FY12.

**FY12 All Budget Category % to Total**

	<b>FY11</b>	<b>FY12</b>	<b>FY12</b>
<b>ALL LINE ITEMS - ALL FUNDS*</b>	<b>Budget</b>	<b>Appropriated</b>	<b>% of Budget</b>
Lincoln-Sudbury Regional High School	17,577,379	18,079,955	22.4%
Sudbury Public Schools	34,654,472	35,407,571	43.8%
Minuteman and other Voc Schools	228,794	321,590	0.4%
Town Departments	18,229,983	18,626,221	23.0%
Debt Service - Town, SPS and LSRHS	6,417,501	6,076,932	7.5%
Transfer Station Enterprise Fund	271,437	290,389	0.4%
Atkinson Pool Enterprise Fund	489,868	517,230	0.6%
Field Maintenance Enterprise Fund	221,497	309,614	0.4%
Capital Items	529,054	538,947	0.7%
Stabilization Fund	-	-	0.0%
State and Local Charges	744,548	707,929	0.9%
Total Budget*	79,364,533	80,876,379	100.0%
* Total budget reporting includes all cost centers and all funds to be Budget or expended, except for revolving funds.			

**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.

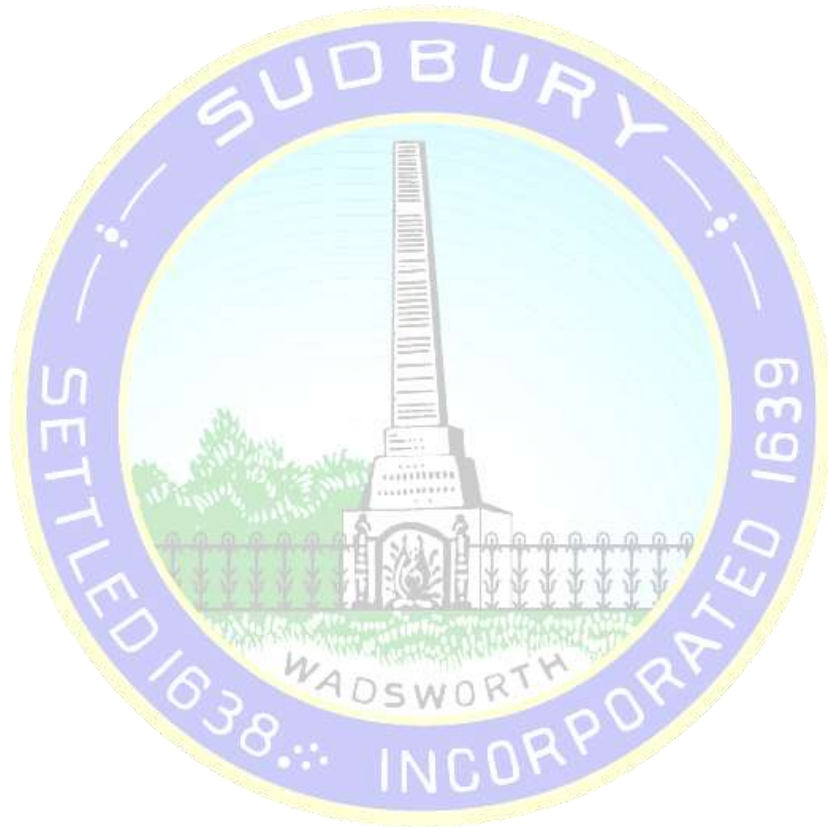
The collaborative efforts underway will continue to serve the Town well as we search for the difficult answers to providing all of the services that taxpayers need, want, and have come to expect, for the least amount of cost possible; within the confines of the Massachusetts municipal revenue structure.



## Section Four

# **Budget FY12 Issues and Transmittal -**

**Current budget concerns and top-level impacts**



## BOARD OF SELECTMEN OVERVIEW <sup>2</sup>

In planning for FY12, the Board of Selectmen directed 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 remains deeply concerned about the staffing reductions, which occurred at the schools and Town departments in the recent years, and that future budgets might result in even further job and service losses. Their 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 being pursued to address the ongoing structural gap between expenses and available revenues. There are other tools in the "toolbox". 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 <sup>3</sup>

The Sudbury Finance Committee remains focused on the following 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.

---

<sup>2</sup> excerpted from the Board of Selectmen's recent goal and budget statements.

<sup>3</sup> excerpted from the Finance Committee's recent budget cycle documents.



### 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 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): \$48 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 2012 (July 1, 2011 – June 30, 2012), 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 FY2012 budget recommendations.

As our national recession continues, the negative impacts on our community's ability to fund essential Town services become ever more difficult. Town Meeting (which was held

in May 2011) approved all FY12 recommendations allowable under the limitations of Proposition 2 ½. This ***Non Override*** budget requires a number of reductions, some in staffing at the schools but also in our 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 starting in FY09.

In addition to staffing cuts to be made at Lincoln-Sudbury Regional High School District and Sudbury Public Schools, 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 FY12 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.

### **FY12 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-FY12. 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
<i>Active employ subtotal</i>	6,607,951	5,990,000	5,581,144	5,933,547	6,607,951	7,268,746	7,995,621	8,795,183
<i>Retired Empl. Subtotal</i>	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 second OPEB actuarial study as of 7/1/2009, which has shown the gravity of what was previously only a vague reckoning of a large liability looming in the distance. We are engaging in public discussions regarding OPEB liability and have begun reporting this information as part of our Financial Statement 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 cut staffing by 7.5 and 2.1 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 will prove very challenging for LSRHS with having to cut more than 15 FTE's.<sup>4</sup> SPS may lose as many as 5 FTE's under their approved non-override budget. The Town has been able to prevent any reductions in employee positions for FY12.

<sup>4</sup> excerpted from LSRHS and SPS budget hearings and Town Meeting presentations.

## 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 in FY12. 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, ideas that were already underway but also received from Budget Review Task Force<sup>5</sup>

## 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. FY12 marks the second 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.

## FY12 Budget Results

This year's budget deliberations included two budget-levels for consideration: A Revenue Constrained or Non Override Budget (net of all offsets) totaling \$80,876,379, and an alternative Budget totaling \$81,529,379 that would require an override of \$653,000 in additional tax levy. Ultimately, the Town appropriated a budget at the Non Override level of \$80.9 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 ***FY12 Non Override*** budget was based on the maximum allowable revenue anticipated (within Proposition 2½) for FY12, which continues to be affected by troubling economic times and the State's budget deficit. All Massachusetts municipalities braced for across-the-board cuts in State aid. At the time of Town Meeting, we estimated a 2.3% reduction in State Aid from FY11. This combined with the maximum allowable tax levy increase (within

---

<sup>5</sup> The BRTF Revenue Subcommittee Report issued December 2008.

Proposition 2½) for FY12, limited the Town's total budget growth under a ***Non Override*** scenario to 1.90 % over the FY11budget.

The following table compares the budget for ***all*** amounts funded by the FY12 Appropriated Budget against the FY11 Budget. The total budget is increasing by \$1,511,846 or 1.90% over FY11. The total operating budget, which includes the three major cost centers along with any capital expenditures for the year, is increasing by \$1,754,602 or 2.46% over FY11.

	FY11 Appropriated	FY12 Appropriated	Increase (Decrease)	%
Lincoln Sudbury RHS (Assessment)	\$ 17,577,379	\$ 18,079,955	\$ 502,576	2.86%
Sudbury Public Schools (K-8)	\$ 34,654,472	\$ 35,407,571	\$ 753,099	2.17%
Minuteman Vocational H.S.	\$ 228,794	\$ 321,590	\$ 92,796	40.56%
Town Government	\$ 18,229,983	\$ 18,626,221	\$ 396,238	2.17%
Capital Budget	\$ 529,054	\$ 538,947	\$ 9,893	1.87%
SUBTOTAL, OPERATING BUDGET	\$ 71,219,682	\$ 72,974,284	\$ 1,754,602	2.46%
Debt Sevice	\$ 6,417,501	\$ 6,076,932	\$ (340,569)	-5.31%
Enterprise Funds	\$ 982,802	\$ 1,117,234	\$ 134,432	13.68%
Contribution, Stabilization Fund	\$ -	\$ -	\$ -	
Charges	\$ 744,548	\$ 707,929	\$ (36,619)	-4.92%
SUBTOTAL	\$ 8,144,851	\$ 7,902,095	\$ (242,756)	-2.98%
GRAND TOTAL	\$ 79,364,533	\$ 80,876,379	\$ 1,511,846	1.90%

### **FY12 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 67% of the operating budget in FY12. There are three educational entities, which receive funding from the Town of Sudbury. Sudbury Public Schools (SPS) is a pre-Kindergarten through 8<sup>th</sup> grade system with four elementary schools and one middle school. 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 1,651 Sudbury children in FY12.
- Minuteman Vocation Technical Regional High School, located in Lexington, which will educate an estimated 16 full-time Sudbury students in FY12.

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. The high school's FY12 budget is growing by 2.45% over FY11. Whereas the Town and SPS budgets are growing at 2.17% and Capital budget 1.87% over FY11, respectively.

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

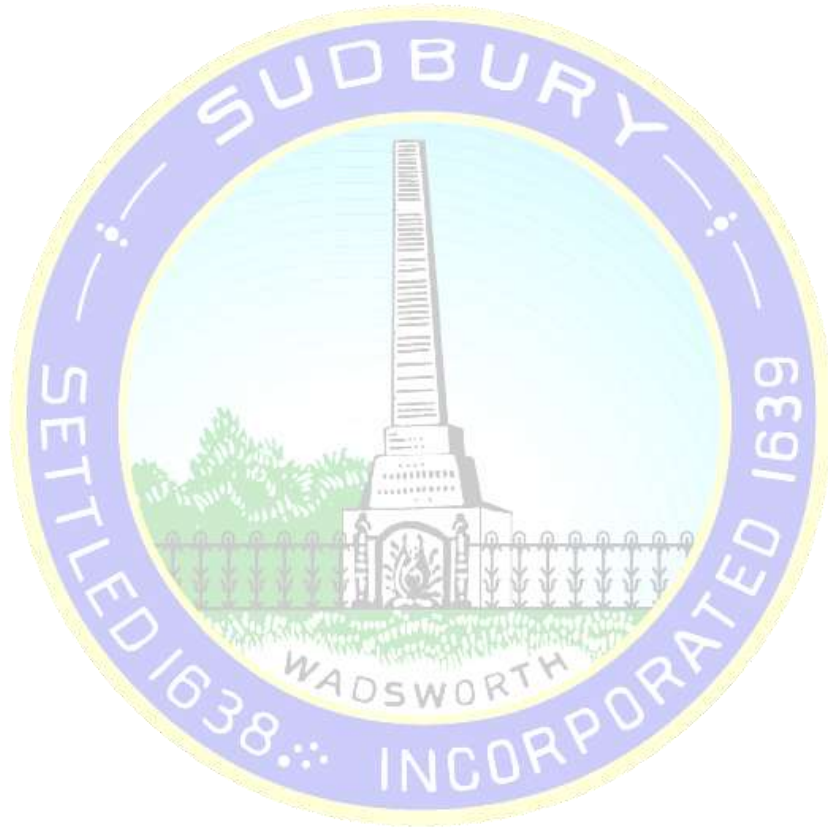
*Maureen G. Valente*

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 inputs FY09-FY12 for Town Departments

### Costs:

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
General Government	2,117,424	2,207,011	2,284,281	2,325,635
Public Safety	6,330,016	6,297,069	6,767,557	7,016,935
Public Works	3,406,588	3,364,252	3,299,349	3,304,146
Human Services	515,673	520,208	538,651	534,239
Culture & Recreation	1,080,329	1,112,286	1,149,824	1,166,009
Unclassified & Transfer Accounts	113,643	106,619	434,505	401,148
Town Employee Benefits & Insurances	4,153,667	3,964,802	4,224,185	4,536,538
Subtotal	17,717,340	17,572,248	18,698,352	19,284,649
Town Offsets	(230,342)	(381,600)	(468,369)	(658,428)
Total Town Services	17,486,998	17,190,648	18,229,983	18,626,221
Town Personal Service*	9,725,213	9,846,422	10,427,549	10,597,421
Town Benefits	4,153,667	3,964,802	4,224,185	4,536,538
Town Expenses	3,102,840	3,089,075	3,537,663	3,631,640
Town Capital	94,300	94,300	94,300	94,300
Town Snow & Ice	641,320	577,649	414,655	424,750
Town Offsets	(230,342)	(381,600)	(468,369)	(658,428)
	17,486,998	17,190,648	18,229,983	18,626,221
* Incl. Contingency Reserve				

### Workforce:

<b>EMPLOYEE HEADCOUNT (Full Time Equivalents)</b>					
<b>Cost Center</b>	<b>FY08 Actual</b>	<b>FY09 Actual</b>	<b>FY10 Actual</b>	<b>FY11 Actual</b>	<b>FY12 Budget</b>
Public Safety	80.75	79.25	76.97	76.97	76.97
Public Works	33.70	32.70	31.86	31.28	31.28
General Government	32.50	31.80	30.50	30.50	30.50
Human Services	7.20	7.20	6.20	6.20	6.20
Culture & Recreation	18.11	18.11	16.63	16.12	16.12
<b>Total Town Operating</b>	<b>172.26</b>	<b>169.06</b>	<b>162.16</b>	<b>161.07</b>	<b>161.07</b>
		-1.9%	-4.1%	-0.7%	0.0%



# General Government Services



## Summary of inputs FY09-FY12 for General Government

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>GENERAL GOVERNMENT</b>				
Selectmen/Town Manager	287,644	302,816	310,964	313,805
ATM/Personnel	105,295	111,463	129,362	120,157
Law	175,353	189,712	159,793	160,666
Finance Committee	1,313	1,456	2,003	2,055
Accounting	235,393	245,834	263,102	273,557
Assessors	258,185	261,078	278,677	284,447
Treasurer/Collector	270,963	285,780	291,435	301,405
Information Systems	302,080	312,367	322,451	330,171
Town Clerk & Registrars	219,973	231,684	239,473	241,763
Conservation	105,180	107,266	109,912	114,668
Planning & Board of Appeals	156,045	157,555	177,109	182,940
<b>Total General Government</b>	<b>2,117,424</b>	<b>2,207,011</b>	<b>2,284,281</b>	<b>2,325,635</b>
Personal Services	1,732,588	1,811,486	1,918,501	1,966,171
Expenses	384,836	395,525	365,780	359,464
Total General Government	2,117,424	2,207,011	2,284,281	2,325,635
Salary	1,698,263	1,774,142	1,880,484	1,924,849
Overtime	4,541	2,860	3,016	1,500
Temporary/Seasonal	13,007	10,586	10,969	10,969
Other payroll-related compensation	16,777	23,897	24,032	28,852
	1,732,588	1,811,486	1,918,501	1,966,171

## GENERAL GOVERNMENT: Selectmen/Town Manager

### MISSION OF THE OFFICE

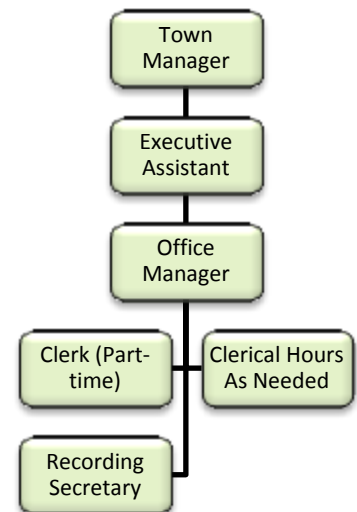
The Board of Selectmen and Town Manager provide executive leadership for the Town of Sudbury. Together, we pursue collaborative processes, ethical, and professional procedures to insure that Town resources are directed to providing the best services possible to protect public safety, public assets and 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	Type	FY10	FY11	Projected FY12
General fund receipts fees/license/etc.	Output	157,513	154,000	154,500
Selectmen's Meetings	Output	30	33	31
Town Meeting Articles prepared	Output	32	47	39

Appointments/Re-appointments processed	Output	182	185	190
Hearings conducted	Output	10	11	11
Licenses issued (alcohol, entertainment, taxi), one-day alcohol, common victualler, Motor Veh. – Class I, II & III and Billiards)	Output	77	78	78
Departments represented during goal setting	Effectiveness	100%	100%	100%
Town Departments met with during FY budget hearings	Effectiveness	100%	100%	100%
Revenue deficits	Effectiveness	None	None	None
Receive Unqualified Audit Opinion	Effectiveness	Yes	Yes	Yes
Town Department Operating Growth	Efficiency	1.75%	1.18%	2.17%
Town % Total Operating Budget	Efficiency	25.8%	25.7%	23.6%
Maintain AAA Credit Rating	Efficiency	Yes	Yes	Yes

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>SELECTMEN/TOWN MANAGER</b>				
Town Manager	144,459	150,211	148,657	158,158
Administration	59,876	63,733	66,691	70,124
Overtime	1,545	0	1,516	0
Clerical	55,300	59,009	68,392	67,222
Executive Incentive Program	7,200	7,028	8,000	0
Non-accountable Travel	5,000	5,500	5,500	5,500
Sick Leave Buy Back	257	3,131	1,558	2,131
<b>Sub Total: Personal Services</b>	<b>273,637</b>	<b>288,611</b>	<b>300,314</b>	<b>303,135</b>
General Expense	11,141	13,379	8,850	9,170
Equipment Maint	154	161	200	200
Travel	162	54	250	250
Out of State Travel	0	610	750	750
Contracted Services	2,550	0	600	300
<b>Sub Total: Expenses</b>	<b>14,007</b>	<b>14,205</b>	<b>10,650</b>	<b>10,670</b>
<b>Total: Selectmen</b>	<b>287,644</b>	<b>302,816</b>	<b>310,964</b>	<b>313,805</b>

## BUDGET ISSUES

*Personal Services* - The FY12 Budget is increasing by \$2,821, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees of the Town, including all employees of this office will receive a 1% wage COLA. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY12 Budget is increasing by \$20, compared to the FY11 budget. As in FY11, 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.

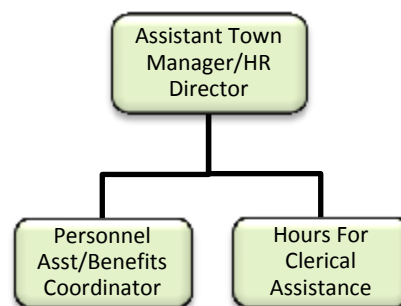
### **DESCRIPTION OF SERVICES**

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	Type	FY10	FY11	Projected FY12
Personnel Action Forms Processed	Output	302	309	300
Employment Applications received	Output	83	182	100
Positions Filled	Output	27	31	20
Retirees covered by Town Health Insurance	Output	287	296	301
No. of medical plans maintained	Output		4	6
Benefits fairs, meetings	Output	7	14	15
% Turnover Rate of Employees (all separations)	Effectiveness		3%	3%
Town employees receiving In-House Training	Effectiveness		175	50
Ratio of HR staff to 100 workforce employees	Effectiveness		.008	.008
Employee Benefits expense growth	Efficiency	4.17%	-6%	4.72%
Health benefits cost per active employee	Efficiency		\$12,145	\$12,979

*Indicators exclude seasonal employees/positions*

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>ASSIST. TOWN MGR./HUMAN RESOURCES</b>				
Human Resources Director	67,828	81,700	100,759	88,628
Benefits Coordinator	20,358	21,207	21,360	22,473
Clerical	14,994	5,420	3,093	4,907
<b>Sub Total: Personal Services</b>	<b>103,180</b>	<b>108,328</b>	<b>125,212</b>	<b>116,007</b>
General Expense	651	1,854	1,750	1,750
Travel	326	154	400	400
Contracted Services	600	500	1,250	1,250
Employee Profess. Develop.	538	628	750	750
<b>Sub Total: Expenses</b>	<b>2,115</b>	<b>3,136</b>	<b>4,150</b>	<b>4,150</b>

## BUDGET ISSUES

*Personal Services* – The FY12 budget is decreasing by \$12,131, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees of the Town, including all employees of this office will receive a 1% wage COLA. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY12 budget will remain the same, compared to the FY11 budget. As In FY11, 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

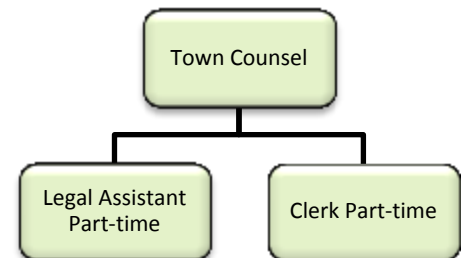
To support the Board of Selectmen, the Town Manager and the Town's departments and committees by providing legal advice and activities which sustain a Town organization that always acts ethically and professionally and avoids unnecessary and costly consequences.

### 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	Type	FY10	FY11	Projected FY12
Town legal expenses	Output	\$105,140	\$95,593	\$100,000
Departments & Committees given legal opinions or assistance	Output	20	20	25
Assistance with RFP's/RFQ's	Output	20+	20+	20+
Review contracts for TM signature	Effectiveness	100%	100%	100%
Article drafts and/or review	Effectiveness	100%	100%	100%
% Legal expenses to total Town operating	Efficiency	.61%	.52%	.50%

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>LAW</b>				
Town Counsel	42,452	43,511	43,829	43,829
Clerical	31,053	36,607	40,827	41,700
<b>Sub Total: Personal Services</b>	<b>73,505</b>	<b>80,119</b>	<b>84,656</b>	<b>85,529</b>
General Expense	4,405	4,454	5,230	5,230
Legal Expense	97,443	105,140	69,907	69,907
<b>Sub Total: Expenses</b>	<b>101,848</b>	<b>109,594</b>	<b>75,137</b>	<b>75,137</b>
<b>Total: Law</b>	<b>175,353</b>	<b>189,712</b>	<b>159,793</b>	<b>160,666</b>

## 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 FY12 budget is increasing by \$873, compared to the FY11 budget. This budget provides for the same level of personnel as the FY10 budget.

*Expenses* - The FY12 budget will remain the same, compared to the FY11 budget. It is difficult to predict costs for litigation and particularly for collective bargaining during FY12. 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. They serve without compensation. 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	Type	FY10	FY11	Projected FY12
Public hearings/meetings held	Output	19	19	22
New member selections	Output	3	2	1
Monied articles at Town Meeting requiring FinCom position	Output	15	15	18
% Hearings for all financial articles	Effectiveness	100%	99%	100%
Reporting issued on schedule	Effectiveness	100%	100%	100%
Staff hours used for meetings	Efficiency	7 hrs./mo.	7 hrs./mo.	7 hrs./mo.

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>FINANCE COMMITTEE</b>				
Clerical	1,196	1,220	1,763	1,851
<b>Sub Total: Personal Services</b>	<b>1,196</b>	<b>1,220</b>	<b>1,763</b>	<b>1,851</b>
General Expense	117	236	240	204
<b>Sub Total: Expenses</b>	<b>117</b>	<b>236</b>	<b>240</b>	<b>204</b>
<b>Total: Finance Committee</b>	<b>1,313</b>	<b>1,456</b>	<b>2,003</b>	<b>2,055</b>

#### BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$88, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. Finance Department staff heavily support FinCom activities particularly relating to the budget and Town Warrant publications.

*Expenses* - The FY12 budget is decreasing by \$36, compared to the FY11 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

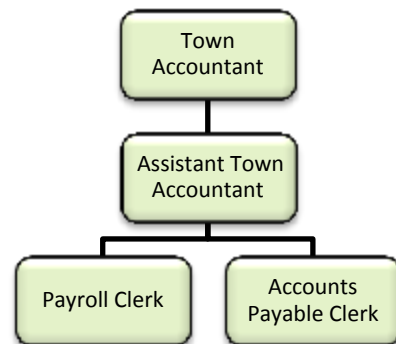
The Mission of the Town Accountant's Office is to protect the Town's financial interests and ensure that Town resources are expended and received according to local bylaws, General Laws of the Commonwealth and sound accounting practices. Charged with maintaining and examining all financial records, the 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	Type	FY10	FY11	Projected FY12
Accrual Records Created	Output	2,000	2,232	2,232
Invoices Paid	Output	18,500	18,500	18,500
Payroll & Direct Deposits Processed	Output	17,850	17,850	19,134
Journal entries & transfers	Output	525	510	510
Public information requests compliance	Effectiveness	100%	100%	100%
DOR/DLS reporting compliance	Effectiveness	100%	100%	100%
Annual audit reporting and compliance	Effectiveness	100%	100%	100%
Management points cleared	Effectiveness	99%	99%	99%
Received Unqualified Audit Opinion	Effectiveness	Yes	Yes	Yes
Reports issued on schedule	Effectiveness	100%	100%	100%
Payroll processing cost per 100 employee	Efficiency		\$8,600	\$8,600
Annual audit cost per major fund	Efficiency		\$8,900	\$9,700

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>ACCOUNTING</b>				
Town Accountant	72,827	78,055	81,032	85,010
Salaries	123,563	130,461	140,026	146,251
Sick Leave Buy Back	1,658	2,014	3,095	3,216
Overtime	1,201	506	0	0
<b>Sub Total: Personal Services</b>	<b>199,249</b>	<b>211,035</b>	<b>224,153</b>	<b>234,477</b>
General Expense	5,065	4,236	4,775	4,750
Computer	29,739	28,901	32,028	32,680
Equipment Maint	696	696	1,496	1,000
Travel	644	966	650	650
<b>Sub Total: Expenses</b>	<b>36,144</b>	<b>34,799</b>	<b>38,949</b>	<b>39,080</b>
<b>Total: Accounting</b>	<b>235,393</b>	<b>245,834</b>	<b>263,102</b>	<b>273,557</b>

## BUDGET ISSUES

This office provides accounting and payroll services for both the Sudbury Public Schools (SPS) 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 FY12 Budget is increasing by \$10,324, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees of the Town, including all employees of this office will receive a 1% wage COLA. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* – The FY12 Budget is increasing by \$131, compared to the FY11 budget. This budget seeks to maintain adequate supply of consumables such as check stock, envelopes and print toners used to carry out this department’s mission. Computer maintenance is required for the Town’s integrated accounting systems. Travel includes the cost for annual certification classes for both the Town Accountant and Assistant Town Accountant.

## GENERAL GOVERNMENT: Finance Department – Assessors

### MISSION OF THE OFFICE

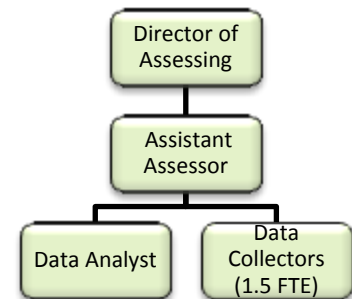
To ensure an equitable share of the tax burden to all taxable real and personal property entities, by regular review and analysis.

### 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	Type	FY10	FY11	Projected FY12
Real & Personal Property values maintained	Output	6,942	6,965	6,997
Property re-inspections completed	Output	558	716	500
Permits, valued, measured and listed	Output	444	561	475
All Exemptions & Deferrals Processed	Output	573	630	580
DOR/DLS/BOA reporting within required deadlines and completeness	Effectiveness	100%	100%	100%
Appellate cases settled or pending	Effectiveness	16	15	15
Tax rate certification approved by DLS	Effectiveness	1/27/2010	12/15/2010	12/15/2011
Abatements per \$100,000 assessed value	Efficiency	36.57	14.61	26
Average value reduction per abatement	Efficiency	73,142:50	50,393:29	61,800:40
Re-inspections per inspection staff	Efficiency	616.67:1.5	647.33:1.5	650:1.5
Staff per 100,000 assessed value	Efficiency	4.5:42,749.49	4.5:41,380.01	4.5:41,533

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>ASSESSORS</b>				
Assessor	82,606	84,869	86,741	89,453
Clerical	159,971	165,172	169,519	174,409
Stipend	1,000	1,000	1,000	1,000
Sick Buy Back	1,818	3,084	3,418	4,373
<b>Sub Total: Personal Services</b>	<b>245,395</b>	<b>254,125</b>	<b>260,678</b>	<b>269,235</b>
General Expense	7,590	5,353	4,999	4,999
Contracted Services	5,200	1,600	13,000	10,213
<b>Sub Total: Expenses</b>	<b>12,790</b>	<b>6,953</b>	<b>17,999</b>	<b>15,212</b>
<b>Total: Assessors</b>	<b>258,185</b>	<b>261,078</b>	<b>278,677</b>	<b>284,447</b>

## 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 FY12 budget is increasing by \$8,557, compared to the FY11 budget. This budget provides for the same level of personnel as the FY10 budget. All non-union employees and the one employee of this department which is part of the Supervisory Union Association, will receive a 1% wage COLA. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY11 budget is decreasing by \$2,787, compared to the FY11 budget. The department will 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

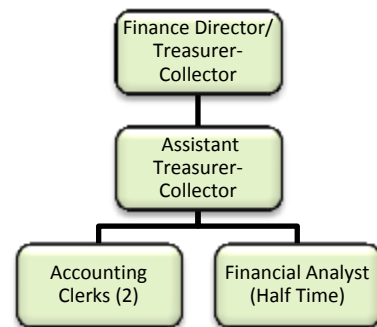
To provide collection, deposit, investment and financial reporting for all funds due to the Town in an efficient and effective manner. To provide all financial custodial services for the Town in compliance with all State and local regulations, in a manner that that best meets the needs of the individual 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	Type	FY10	FY11	Projected FY12
<b>Collections Activities</b>				
Number of regular tax bills issued (FY)	Output	24,593	23,256	24,000
Municipal lien certificates processed	Output	825	850	825
Tax levy collected	Effectiveness	99.1%	99%	98%
% collected as of June 30, year-end	Effectiveness	98.4%	98%	98%
Response to tax document requests in Business Days	Efficiency	<1 day	< 1day	<1day
Subscribers to Tax email listserver	Efficiency	880	1,100	1,300
<b>Treasury Activities</b>				
Revenues processed	Output	\$91M	\$93M	\$96M
Department Revenue Turn-In's processed	Output	1,350	1,350	1,500
DOR/DLS and all other reporting within required deadlines and completeness	Effectiveness	100%	100%	100%
Monthly reconciliation of all cash & investments, days after month-end	Effectiveness	2 weeks	3 weeks	2 weeks
General Fund Earnings	Effectiveness	51,286	21,000	25,000
Accuracy of General Fund Revenues	Effectiveness	100%	100%	100%
<b>Passport Activities</b>				
Processing Satisfaction	Effectiveness	100%	100%	100%
Applications processed	Output	500	550	600
<b>Budget/Finance Activities</b>				
Bond issues/borrowings	Output	2	2	2
Bond Credit Rating (S&P)	Effectiveness	AAA	AAA	AAA
Bonded Debt per Capita	Efficiency	3.84%	3.82%	3.81%
Consolidated Budget Rating	Effectiveness	GFOA	GFOA	GFOA

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>TREASURER/COLLECTOR</b>				
Fin. Director/Treas.-Collector	92,743	97,315	103,242	108,547
Clerical	132,900	140,356	152,908	159,225
Stipends	2,500	2,500	2,500	2,500
Sick Buy Back		139		1,265
<b>Sub Total: Personal Services</b>	<b>228,143</b>	<b>240,310</b>	<b>258,650</b>	<b>271,536</b>
General Expense	9,743	27,342	8,000	8,000
Equipment Maint	2,020	2,997	1,840	1,800
Travel	1,045	1,069	1,045	1,069
Tax Collection	22,018	14,063	18,900	16,000
Tax Title Expense	7,994	0	3,000	3,000
<b>Sub Total: Expenses</b>	<b>42,820</b>	<b>45,470</b>	<b>32,785</b>	<b>29,869</b>
<b>Total: Treasurer-Collector</b>	<b>270,963</b>	<b>285,780</b>	<b>291,435</b>	<b>301,405</b>

## 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 FY12 budget is increasing by \$12,886, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees of the Town, including the employees of this office will receive a 1% wage COLA. Additionally, most employees in this department will receive a step increase in FY12.

*Expenses* - The FY12 budget is decreasing by \$2,916, compared to the FY11 budget. This budget may not be sufficient to maintain operations, particularly with respect to tax billing and collections. Tax title expense includes legal services and other collection costs relating to pending and ongoing foreclosure cases.

## GENERAL GOVERNMENT: Finance Department – Information Systems

### MISSION OF THE OFFICE

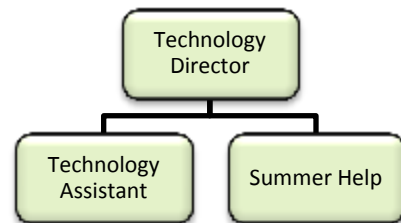
The mission of the Information Systems Office is to increase productivity by streamlining the flow of information through the Town's internal and external network, website and document stores, and provide technical support and training to all Town offices.

### 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	Type	FY10	FY11	Projected FY12
Staff Computers	Output	229	230	230
Computer User Accounts	Output	253	255	274
Email Accounts / Email Distribution Groups	Output	2577/130	2575/132	3327/133
Total Website Hits Per Year	Output	8,046,598	9,546,757	11,000,000
Network availability during business hours	Effectiveness	100%	100%	100%
Software application availability	Effectiveness	100%	100%	100%
Internet website operational	Effectiveness		99.74%	99.74%
Email system operational	Effectiveness		99.84%	99.84%
VPN access operational	Effectiveness		99.97%	99.97%
Ratio system maintenance to equipment costs	Efficiency		1:102	1:102
Emergency notification system utilization	Output		31 calls	50 calls

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>INFORMATION SYSTEMS</b>				
Technology Administrator	85,538	87,891	89,839	92,474
Non-clerical	59,771	61,232	63,050	64,523
Sick Leave Buy Back	1,932	1,961	1,996	3,790
Summer Help	13,007	10,586	10,969	10,969
<b>Sub Total: Personal Services</b>	<b>160,248</b>	<b>161,671</b>	<b>165,854</b>	<b>171,755</b>
General Expense	3,437	2,829	4,497	4,000
Software	38,875	52,756	45,000	47,391
Equipment Maint	11,541	10,570	8,000	7,000
Travel	649	64	400	400
Contracted Services	24,707	26,966	29,600	36,200
Equipment	379	44,585	40,900	41,000
Professional Development	40,505	1,226	3,700	2,750
WAN/Telephone Connections	11,740	4,491	10,500	7,500
Network	3,471	2,856	5,000	4,175
Internet	6,529	4,353	9,000	8,000
<b>Sub Total: Expenses</b>	<b>141,832</b>	<b>150,696</b>	<b>156,597</b>	<b>158,416</b>
<b>Total: Information Systems</b>	<b>302,080</b>	<b>312,367</b>	<b>322,451</b>	<b>330,171</b>

## 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 FY12 budget is increasing by \$5,901, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees and the one employee of this department which is part of the Supervisory Union Association, will receive a 1% wage COLA. Additionally, one employee in this department will receive a step increase in FY12.

*Expenses* - The FY11 budget is increasing by \$1,819, compared to the FY11 budget. 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**

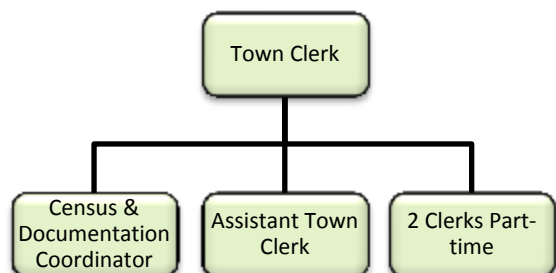
The Town Clerk is the official keeper of the Town Seal and the Town's Oath Book. The Town Clerk oversees and ensures statutory and by-law required functions are performed correctly and efficiently. In conjunction with the Board of Selectmen's Administrative Assistant, Town Moderator and Town Counsel, 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	Type	FY10	FY11	Projected FY12
Certified Vital Records and Burial Permits	Output	995	1152	1100
Business Certificates Issued	Output	147	141	145
Yearly Census Generated & Mailed	Output	6293	6140	6200
Number of New Registered Voters	Output	582	583	800
Current Number of Voters	Output	11,893	11,803	11,850
Absentee Ballot Applications Received	Output	1128	1199	1200
Official Population	Output	18,015	18,160	18,190
Registered Dogs	Output	2,147	2186	2190
Census returned and processed	Effectiveness	96.9%	96.7%	97%
Meeting postings received/posted	Effectiveness	100%	100%	100%
Absentee Ballot Applications processed	Effectiveness	100%	100%	100%
Average Election Costs	Efficiency	\$9,950	\$10,100	\$10,100
Staff per 1000 population served	Efficiency	.2	.2	.2

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>TOWN CLERK &amp; REGISTRARS</b>				
Town Clerk	58,905	62,890	65,489	68,725
Overtime	1,795	2,354	1,500	1,500
Clerical	119,896	124,934	129,777	135,555
Election Workers	12,731	14,047	16,000	13,000
Registrars	882	882	932	932
<b>Sub Total: Personal Services</b>	<b>194,209</b>	<b>205,107</b>	<b>213,698</b>	<b>219,712</b>
General Expense	9,881	8,213	11,550	8,201
Equipment Maint	0	0	875	0
Travel	653	1,031	850	850
Tuition	858	543	500	500
Elections	14,372	16,791	12,000	12,500
<b>Sub Total: Expenses</b>	<b>25,764</b>	<b>26,577</b>	<b>25,775</b>	<b>22,051</b>
<b>Total: Town Clerk &amp; Registrars</b>	<b>219,973</b>	<b>231,684</b>	<b>239,473</b>	<b>241,763</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$6,014, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees and the one employee of this department which is part of the Supervisory Union Association, will receive a 1% wage COLA. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY12 budget is decreasing by \$3,724, compared to the FY11 budget. 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

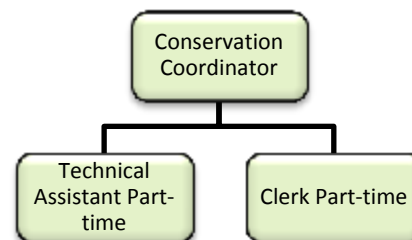
The Sudbury Conservation Commission was established in 1962 to protect local natural resources and features and to act as stewards of the Town's conservation properties. The Conservation Commission's primary mission is to protect the ecological integrity of Sudbury's wetlands and the surrounding landscape.

### 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	Type	FY10	FY11	Projected FY12
Permit Applications	Output	55	55	50
Permit Hearings Held	Output	66	75	70

Site Inspections/Call Responses performed	Output		240	250
Trail Sections maintained (other than clearing)	Output			5
Commission meetings	Output			30
Community walks/events	Output			10
Grants received	Effectiveness			2
Regulatory enforcement actions	Effectiveness			30

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>CONSERVATION</b>				
Conservation Coordinator	70,658	72,607	74,994	77,191
Non Clerical	18,117	19,302	20,206	21,205
Clerical	10,776	10,933	11,453	11,568
Sick Leave Buy Back	1,612	1,637	1,707	1,775
<b>Sub Total: Personal Services</b>	<b>101,163</b>	<b>104,479</b>	<b>108,360</b>	<b>111,738</b>
General Expense	2,631	657	150	2,000
Clothing	458	450	450	450
Trail Equipment Maint	0	922	711	240
Travel	928	758	241	240
<b>Sub Total: Expenses</b>	<b>4,017</b>	<b>2,787</b>	<b>1,552</b>	<b>2,930</b>
<b>Total: Conservation</b>	<b>105,180</b>	<b>107,266</b>	<b>109,912</b>	<b>114,668</b>

## 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 FY12 budget is increasing by \$3,378, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees and the one employee of this department which is part of the Supervisory Union Association, will receive a 1% wage COLA.

*Expenses* - The FY12 budget is increasing by \$1,378, compared to the FY11 budget. All of the money in the general expense category will be used to pay for newly required stormwater testing. The remainder does not adequately fund for trail maintenance or travel for onsite review. As such, this 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

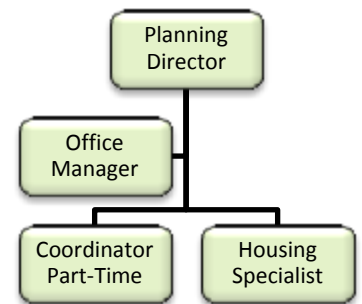
The mission of the department is to provide technical advisory services and coordination of Town officials, committees, and commissions on issues involving planning, zoning, land management, development/re-development and affordable housing.

### 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 application, 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	Type	FY10	FY11	Projected FY12
Total ZBA Applications Filed	Output	27	35	40
ZBA Special Permit Renewals	Output	13	17	20
Sign Applications Filed	Output	18	17	25
Number of CPC Applications Submitted and Reviewed	Output	14	14	10
Subdivisions Filed	Output	0	1	1
ANR Plans Filed	Output	11	6	10
Stormwater Permit Applications Filed	Output	15	17	20
Scenic Road Applications Filed	Output	4	1	5
Number of Committees Served by members of the PCD	Effectiveness	13	13	16
Linear feet new sidewalks	Effectiveness		500	700
Additional Affordable Housing Stock	Effectiveness	6 (FY08-10)	1	72
# of Grant proposals successfully funded	Effectiveness	0	2	1
Staff per applications/plans filed	Efficiency	37	45	54

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>PLANNING &amp; COMMUNITY DEVELOPMENT</b>				
Planning Director	93,064	95,801	100,909	103,817
Clerical	58,599	57,749	70,996	74,074
Stipend	1,000	1,000	1,000	1,000
Sick Leave Buy Back	-	1,932	2,258	2,303
<b>Sub Total: Personal Services</b>	<b>152,663</b>	<b>156,482</b>	<b>175,163</b>	<b>181,195</b>
General Expense	2,680	801	1,121	1,120
Professional Development	577	272	700	500
Clothing Allowance	125	0	125	125
<b>Sub Total: Expenses</b>	<b>3,382</b>	<b>1,073</b>	<b>1,946</b>	<b>1,745</b>
<b>Total: Planning</b>	<b>156,045</b>	<b>157,555</b>	<b>177,109</b>	<b>182,940</b>

#### **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 \$6,032, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees of the Town, including all employees of this office will receive a 1% wage COLA. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY11 budget is decreasing by \$201, compared to the FY11 budget. Aside from maintaining a modest budget for professional development, this department operates with a minimal amount of supplies and other office consumables.

# Public Safety Services



**Sudbury Fire  
Headquarters**



**Sudbury Police  
Station**

## Summary of inputs FY09-FY12 for Public Safety

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>PUBLIC SAFETY</b>				
Police	2,626,498	2,505,324	2,756,869	2,784,137
Fire	2,823,482	2,945,144	3,065,135	3,224,037
Building Department	880,036	846,601	945,553	1,008,760
<b>Total Public Safety</b>	<b>6,330,016</b>	<b>6,297,069</b>	<b>6,767,557</b>	<b>7,016,935</b>
Personal Services	5,214,211	5,241,809	5,539,407	5,717,784
Expenses	1,021,505	960,960	1,133,850	1,204,851
Capital	94,300	94,300	94,300	94,300
Total Public Safety	6,330,016	6,297,069	6,767,557	7,016,935
Salary	4,333,068	4,291,495	4,722,330	4,747,605
Overtime	751,986	826,106	646,976	703,227
Other payroll-related compensation	129,157	124,209	170,101	266,952
	5,214,211	5,241,809	5,539,407	5,717,784

## PUBLIC SAFETY: Police Department

### MISSION OF THE DEPARTMENT

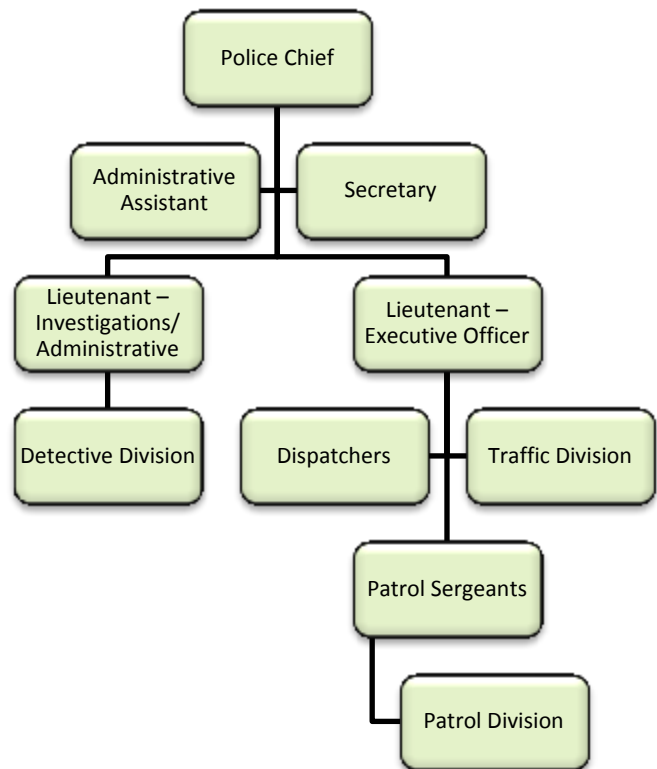
The mission of the Sudbury Police Department is to work with all residents of the community to create a positive partnership emphasizing equality, fairness, integrity and professionalism. Our objective is to provide the most responsive and highest quality police services possible by working in a collaborative 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	Type	FY10	FY11	Projected FY12
Calls for Service	Output	18,812	17,716	18,602
Arrests	Output	178	148	155
Criminal Complaint Applications	Output	425	294	309
911 Calls Received	Output	3,501	3,711	3,897
Alarms	Output	805	804	844



Response to motor vehicle accidents	Output	526	606	636
Medical Aids	Output	855	881	925
Average response to emergency call (in min)	Effectiveness	2:25	2:25	2:25
Training costs per police recruit	Efficiency			\$26,995
Calls for service per Sworn Personnel	Efficiency	672	633	664
Officers per 1,000 population	Efficiency	1.55	1.55	1.55
Direct Service costs /\$1,000 RE tax	Efficiency	\$0.57	\$0.60	\$0.65

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>POLICE</b>				
Police Chief	133,382	116,615	121,149	128,026
Lieutenant	181,800	121,200	188,862	215,918
Patrol Officers	1,417,949	1,445,354	1,524,747	1,489,491
Night Differential	22,093	24,657	25,760	25,760
Overtime	230,682	252,868	232,900	255,000
Clerical	97,603	93,349	96,511	100,292
Dispatchers	155,685	116,204	174,113	178,254
Sick Leave Buy Back	9,043	3,062	9,714	9,714
Holiday Pay	13,347	12,333	15,329	15,329
Non-accountable Clothing	11,375	10,975	12,180	11,760
Stipend	32,081	32,308	33,375	30,625
<b>Sub Total: Personal Service</b>	<b>2,305,040</b>	<b>2,228,925</b>	<b>2,434,640</b>	<b>2,460,169</b>
General Expense	53,743	50,793	49,708	52,208
Maintenance	62,280	56,883	58,580	60,080
Travel	1,380	1,932	3,000	3,000
Clothing	19,727	18,754	19,180	20,880
Tuition	5,299	2,708	9,000	9,000
Equipment	8,435	2,785	7,500	7,500
Gasoline	76,294	48,244	80,961	77,000
<b>Sub Total: Expenses</b>	<b>227,158</b>	<b>182,099</b>	<b>227,929</b>	<b>229,668</b>
Police Cruisers	94,300	94,300	94,300	94,300
<b>Sub Total: Capital</b>	<b>94,300</b>	<b>94,300</b>	<b>94,300</b>	<b>94,300</b>
<b>Total: Police</b>	<b>2,626,498</b>	<b>2,505,324</b>	<b>2,756,869</b>	<b>2,784,137</b>
<b>OFFSET Dispatch Grant</b>	-	-	(25,000)	(25,000)
<b>Net Police</b>	<b>2,626,498</b>	<b>2,505,324</b>	<b>2,731,869</b>	<b>2,759,137</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$25,529, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. Police Union employees will not be receiving a cost of living adjustment increase in FY12. However, several employees in this department will receive a step increase. The overtime budget has been restored in FY12 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 FY12 budget is increasing by \$1,739, compared to the FY11 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 FY12. 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 FY12 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.

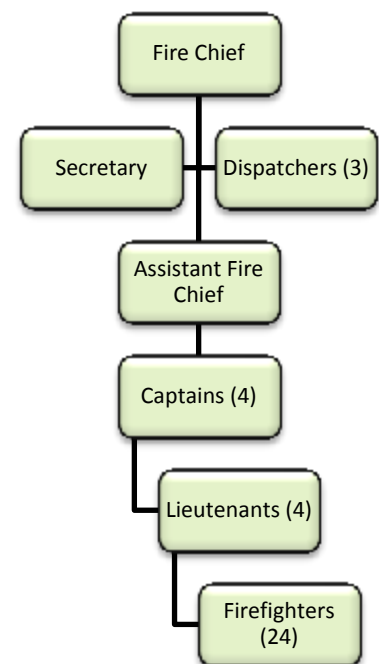
### DESCRIPTION OF SERVICES

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	Type	FY10	FY11	Projected FY12
Calls for Assistance	Output	2,026	2,071	2,071

Structure Fire Responses	Output	10	10	10
Emergency Medical Responses	Output	1,106	1,151	1,151
Permits Issued	Output	500	500	500
Burning Permits	Output	950	1,000	1,000
Average response to emergency call (in min)	Effectiveness	6:33	4:55	5:44
Reported EMS calls per 1,000 population	Effectiveness	66.5	67.4	72.8
Firefighter/EMS per 1,000 population	Efficiency	1.7	1.7	1.7
Calls for service per firefighter/EMS	Efficiency	73.2	66.4	71.7
Training costs per firefighter/EMS recruit	Efficiency	\$13,341	\$13,341	\$13,694
Direct Service costs /\$1,000 RE tax	Efficiency	\$0.67	\$0.67	\$0.70

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>FIRE</b>				
Fire Chief	116,861	126,772	132,903	111,935
Deputy Chief	94,399	100,803	106,771	91,285
Firefighters/EMTs	1,655,324	1,666,194	1,852,822	1,901,971
Overtime	521,304	573,238	409,076	443,227
Weekend Differential	0	0	5,220	5,220
Clerical	34,446	36,783	38,442	40,345
Dispatchers	108,956	107,013	114,081	107,467
Non-accountable Clothing	22,713	22,014	28,300	25,400
Sick Buy Back	6,147	6,240	7,199	8,209
Fire Stipends	10,936	11,175	31,522	78,050
<b>Sub Total: Personal Service</b>	<b>2,571,086</b>	<b>2,650,232</b>	<b>2,726,336</b>	<b>2,813,109</b>
General Expense	34,308	33,883	42,687	53,562
Maintenance	54,606	64,828	63,771	64,828
Alarm Maint.	2,513	4,373	3,000	4,373
Travel	1,298	1,001	2,130	2,130
Utilities	45,878	42,998	52,770	52,770
Clothing	3,014	7,996	19,020	19,020
Tuition	4,508	11,768	10,000	35,768
Contracted Services	38,371	87,406	84,817	107,873
Equipment	29,216	17,738	28,750	38,750
Gasoline/Diesel Fuel	38,684	22,921	31,854	31,854
<b>Sub Total: Expenses</b>	<b>252,396</b>	<b>294,912</b>	<b>338,799</b>	<b>410,928</b>
<b>Total: Fire</b>	<b>2,823,482</b>	<b>2,945,144</b>	<b>3,065,135</b>	<b>3,224,037</b>
<b>OFFSET Ambulance Fund</b>	<b>(230,342)</b>	<b>(381,600)</b>	<b>(429,089)</b>	<b>(587,592)</b>
<b>Net Fire</b>	<b>2,593,140</b>	<b>2,563,544</b>	<b>2,636,046</b>	<b>2,636,445</b>

## **BUDGET ISSUES**

*Personal Services* - The FY12 budget is increasing by \$86,773, compared to the FY11 budget. All Fire Union employees will receive 1% wage COLA in FY12. Additionally, several employees in this department will receive a step increase. The overtime budget has been increased in FY12 to better reflect the needs for shift and emergency coverage based on the last two years of actual activities. Weekend differential has been recorded separately starting in FY11. However, this is not a new payroll item.

*Expenses* - The FY12 budget is increasing by \$72,129, compared to the FY11 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.

*Ambulance Services Offset* - The FY11 budget is increasing by \$158,503, compared to the FY11 budget. This line item will be used to offset payroll and general expenses relating to the Town's enhanced ambulance services.

<b>PUBLIC SAFETY: Building Department</b>
---

### **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**

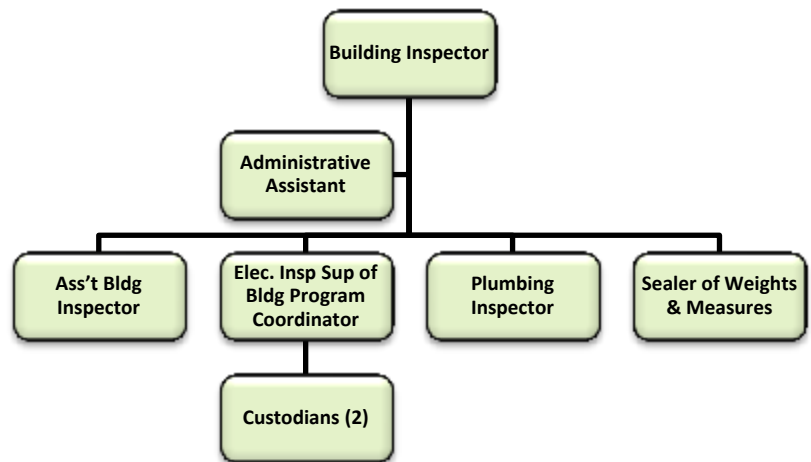
The Building Department staff enforces State building, electrical, plumbing, gas and mechanical codes, as well as local zoning by-laws and Architectural Access Board Regulations. The Commonwealth of Massachusetts, including enforcement and implementation of the State building code, the State-zoning act, 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, secure 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	Type	FY10	FY11	Projected FY12
New Residents Permits	Output	17	22	25
Tear down and Reconstructions	Output	8	7	10
Non-Residential Permits	Output	41	46	50
Additions/Renovations	Output	272	297	300
Building Inspections	Output	1217	1,211	1,400
Electrical Inspections	Output	835	741	750
Plumbing & Gas Inspections	Output	724	739	750

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>BUILDING INSPECTION</b>				
Building Inspector	81,738	83,982	85,438	88,499
Supv. of Town Bldgs.	63,358	64,746	66,673	68,613
Asst. Bldg Inspector	48,564	56,533	59,166	62,097
Combined Facilities Director	0	0	0	55,337
Clerical	38,289	49,202	50,544	52,006
Deputy Inspector	1,958	1,440	2,500	2,000
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	87,556	90,106	92,408	94,205
Sick Buyback	1,422	1,444	1,502	1,548
<b>Sub Total: Personal Service</b>	<b>338,085</b>	<b>362,652</b>	<b>378,431</b>	<b>444,505</b>
General Expense	3,428	8,811	7,500	7,500
Town Bldg. Utilities	303,695	263,528	337,900	329,647
Town Bldg. Maint.	179,300	161,241	164,347	164,347
Vehicle Maintenance	938	1,631	2,500	2,500
Contracted services	47,877	44,381	49,900	55,286
Clothing allowance	1,475	1,475	1,475	1,475
In-State Travel	5,238	2,883	3,500	3,500
<b>Sub Total: Expenses</b>	<b>541,951</b>	<b>483,949</b>	<b>567,122</b>	<b>564,255</b>
<b>Total: Building</b>	<b>880,036</b>	<b>846,601</b>	<b>945,553</b>	<b>1,008,760</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$66,074, compared to the FY11 budget. The majority of the increase represents the Town's shared cost (50% with SPS) of a new Combined Facilities Director. All non-union employees of the Town and two employees of this department that are members of the Supervisory Association, will receive a 1% wage COLA in FY12. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY12 budget is decreasing by \$2,867, compared to the FY11 budget. Utilities are expected to decrease by \$8,253 due to efficiencies and favorable pricing. Most of the savings from this line item will be used to restore contracted services to pre-FY08 levels. If actual maintenance costs for FY12 exceed budget, a reserve fund transfer may be needed.

# Public Works Department



**Public Works  
Building**

## Summary of inputs FY09-FY12 for Public Works

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>PUBLIC WORKS</b>				
Engineering	385,821	316,116	396,661	410,986
Streets & Roads	2,396,024	2,434,193	2,326,247	2,382,393
Trees and Cemetery	337,111	335,913	337,674	337,985
Parks and Grounds	287,632	278,030	238,767	172,782
<b>Total Public Works</b>	<b>3,406,588</b>	<b>3,364,252</b>	<b>3,299,349</b>	<b>3,304,146</b>
<i>% Change from Prior FY</i>	<i>-1.5%</i>	<i>-1.2%</i>	<i>-1.9%</i>	<i>0.1%</i>
Personal Services	1,671,027	1,677,233	1,755,917	1,750,564
Expenses	1,094,241	1,109,370	1,128,777	1,128,832
Snow & Ice	641,320	577,649	414,655	424,750
Total Public Works	3,406,588	3,364,252	3,299,349	3,304,146
Salary	1,618,959	1,615,377	1,678,524	1,677,133
Overtime (excl'd snow & ice)	29,489	35,496	36,060	34,455
Temporary/Seasonal	16,162	21,104	18,093	18,043
Other payroll-related compensation	6,417	5,257	23,240	20,933
	1,671,027	1,677,233	1,755,917	1,750,564

## **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.

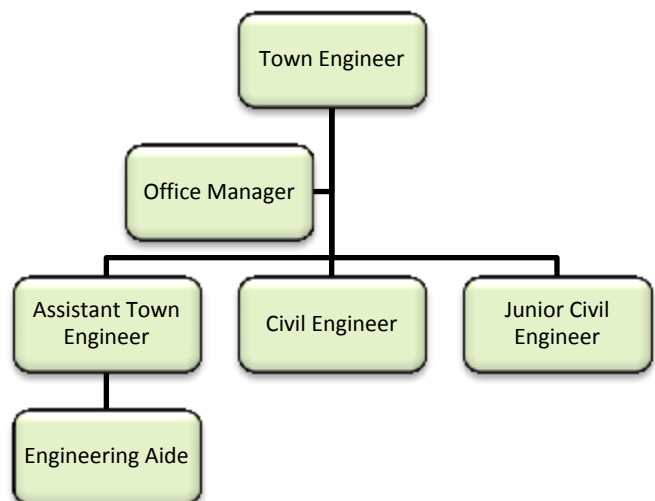
### **DESCRIPTION OF SERVICES**

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 \$3.3 million in appropriations, 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, part-time Assistant Town Engineer, 1 Civil Engineer, 1 Junior Civil Engineer, 1 Engineering Aide, and an Office Manager.





## PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	Projected FY12
Municipal property/project designs	Output	69	56	56
Driveway Permits	Output	17	16	16
Depository of property plans	Output	5,425	5,450	5,475
Street opening application approval within 5 days	Effectiveness	81	32	40
Linear feet roadways constructed/maintained	Effectiveness	140 miles	140 miles	140 miles
Municipal property/project designs per Engineer staff	Efficiency	69:1.5	56:1.5	56:2
Plans maintained per property parcels	Efficiency	.78	.78	.78

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>ENGINEERING DEPARTMENT</b>				
Dir. of Public Works	112,039	113,586	116,701	120,082
Non-Clerical	206,703	134,484	214,320	223,749
Clerical	48,169	49,352	50,694	52,158
Sick Leave Buy Back	4,297	4,399	2,560	2,611
<b>Sub Total: Personal Services</b>	<b>371,208</b>	<b>301,821</b>	<b>384,275</b>	<b>398,600</b>
General Expense	9,447	10,735	7,161	7,161
Maintenance	2,000	1,113	1,500	1,500
Travel	22	16	100	100
Clothing	3,144	2,431	3,625	3,625
<b>Sub Total: Expenses</b>	<b>14,613</b>	<b>14,295</b>	<b>12,386</b>	<b>12,386</b>
<b>Total: Engineering</b>	<b>385,821</b>	<b>316,116</b>	<b>396,661</b>	<b>410,986</b>

## BUDGET ISSUES

*Personal Services* – The FY12 budget is increasing by \$14,325, compared to the FY11 budget. Engineering Union employees will not receive a wage COLA in FY12. However, several union and non-union employees in this department are expected to receive a step increase in FY12.

*Expenses* – The FY12 budget will remain the same, compared to the FY11 budget. It is important to note that this department like many others continues to operate at a level substantially lower than FY08 spending. This means less purchasing power in FY12 for a wide variety of supplies and services used to operate this department.

## PUBLIC WORKS: Streets and Roads

### MISSION OF THE OFFICE

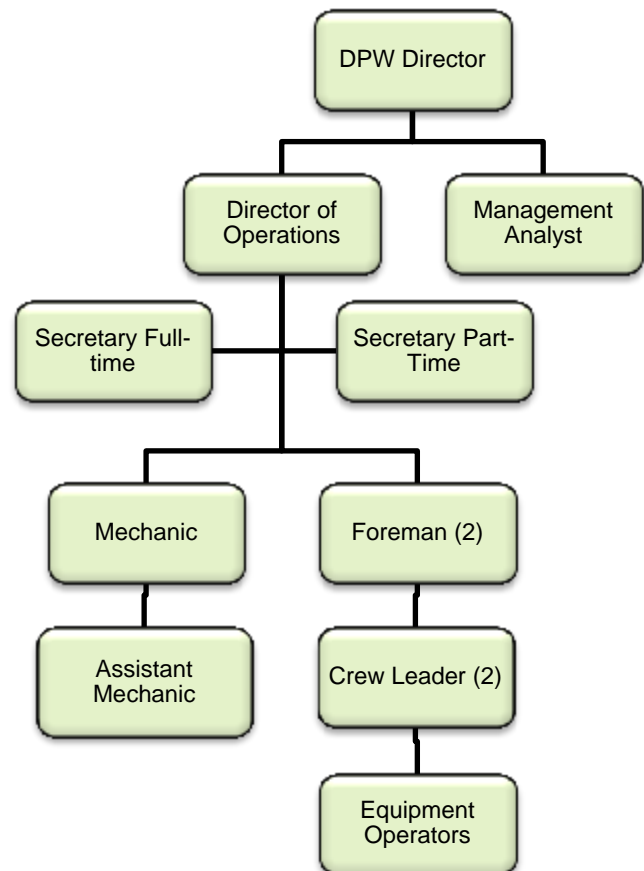
The mission of the Streets and Roads Division is to protect the safety, health and welfare of the Town Residents by maintaining the Town streets, walkways and storm water system in a safe and clean condition. This department also provides for the safe movement of vehicular traffic by performing minor 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**

<b>Indicator</b>	<b>Type</b>	<b>FY10</b>	<b>FY11</b>	<b>Projected FY12</b>
Miles of Roads Maintained	Output	141	141	141
Drainage Structures Repaired	Output	45	35	35
Guard Rail Installed (ln. ft.)	Output	700	700	700
Walkway constructed (ln. ft.)	Output	5,000	5,000	5,000
Walkway re-constructed (ln. ft.)	Output	2,000	2,000	2,000

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>STREETS &amp; ROADS</b>				
Highway Dir. of Operations	73,993	79,015	81,596	84,188
Management Analyst	73,777	75,704	77,755	80,001
Non-Clerical	599,096	640,594	643,432	673,661
Overtime	19,117	23,380	22,605	22,000
Clerical	48,620	51,226	54,703	57,050
Stipends	0	0	8,190	8,190
Summer Temp. Labor	0	5,668	5,068	5,068
Sick Leave Buy Back	1,085	858	1,810	1,942
<b>Sub Total: Personal Services</b>	<b>815,688</b>	<b>876,445</b>	<b>895,159</b>	<b>932,100</b>
General Expense	6,300	6,671	11,700	10,000
Gasoline	179,648	102,372	127,000	145,037
Bldg. Maintenance	12,741	14,836	16,000	16,000
Vehicle Maintenance	161,266	165,357	175,500	175,500
Utilities	13,818	12,047	17,150	15,150
Street Lighting	53,216	54,814	65,405	57,858
Travel	254	376	300	300
Clothing	15,020	14,621	17,045	18,000
Tuition	0	0	1,500	1,500
Police detail	38,534	42,314	38,000	38,000
Roadwork	458,219	566,691	546,833	548,198
<b>Sub Total: Expenses</b>	<b>939,016</b>	<b>980,099</b>	<b>1,016,433</b>	<b>1,025,543</b>
Snow & Ice Overtime	195,311	144,584	117,407	120,750
Snow & Ice Contractors	157,130	139,239	106,520	109,000
Snow & Ice Materials	288,879	293,826	190,728	195,000
<b>Sub Total: Snow &amp; Ice</b>	<b>641,320</b>	<b>577,649</b>	<b>414,655</b>	<b>424,750</b>
<b>Total: Streets &amp; Roads</b>	<b>2,396,024</b>	<b>2,434,193</b>	<b>2,326,247</b>	<b>2,382,393</b>

## **BUDGET ISSUES**

*Personal Services* - The FY12 budget is increasing by \$36,941, compared to the FY11 budget. This budget provides for the same level of staffing as FY11. Public Works Union employees will not receive a wage COLA in FY12. However, several union and non-union employees in this department are expected to receive a step increase in FY12.

*Expenses* - The FY12 budget is increasing by \$9,110, compared to the FY11 budget. Under this budget request, more is added to adequately fund the gasoline and roadwork line items. Roadwork has been underfunded over the last few years especially, resulting in this account being depleted long before the end of the fiscal year. The cost of gasoline is expected to rise in FY12. All other line items are kept level or have been somewhat reduced to fund other areas.

Snow and ice accounts are increasing slightly by \$10,095, compared to the FY11 original budget appropriation. Snow and ice expense is one of the more complicated aspects of municipal budgeting, given the unpredictability of winter weather. 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 FY11, actual snow and ice expenditures exceeded appropriations by nearly \$300,000. Funds were transferred from the Reserve fund and other areas to cover the overage so that no deficit spending was required.

<b>PUBLIC WORKS: Trees and Cemetery</b>
---

### **MISSION OF THE DIVISION**

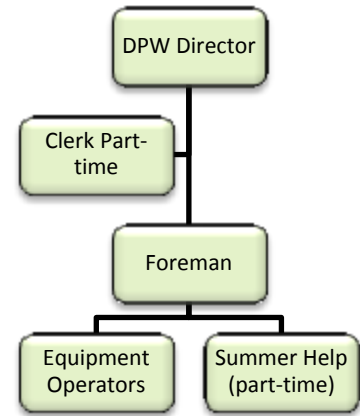
The Mission of this division is twofold: to protect and keep in a healthy state an important public asset of the Town – the beautiful shade trees that are found in the Town's public ways and that staff provide compassionate, courteous and professional service to bereaved families and strive to maintain 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	Type	FY10	FY11	Projected FY12
Tree Removals	Output	30	30	15
Interments	Output	50	50	50
Cemetery Maintenance acres	Output	27.2	27.2	27.2

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>TREES &amp; CEMETERY</b>				
Non-Clerical	235,874	245,834	244,952	257,444
Overtime	6,937	9,924	9,000	8,000
Clerical	12,315	12,859	16,473	15,050
Stipends	0	0	4,095	4,095
Summer help	4,767	3,174	5,068	5,018
<b>Sub Total: Personal Services</b>	<b>259,893</b>	<b>271,792</b>	<b>279,588</b>	<b>289,607</b>
Cemetery Materials	15,218	11,059	18,000	16,500
Tree Contractors	62,000	53,063	40,086	31,878
<b>Sub-Total: Expenses</b>	<b>77,218</b>	<b>64,121</b>	<b>58,086</b>	<b>48,378</b>
<b>Total: Trees &amp; Cemetery</b>	<b>337,111</b>	<b>335,913</b>	<b>337,674</b>	<b>337,985</b>

**BUDGET ISSUES**

*Personal Services* - The FY12 budget is increasing by \$10,019, compared to the FY11 budget. This budget provides for the same level of staffing as FY11. Public Works Union employees will not receive a wage COLA in FY12. However, several employees in this department are expected to receive a step increase in FY12.

*Expenses* - The FY12 budget is decreasing by \$9,708, compared to the FY11 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**

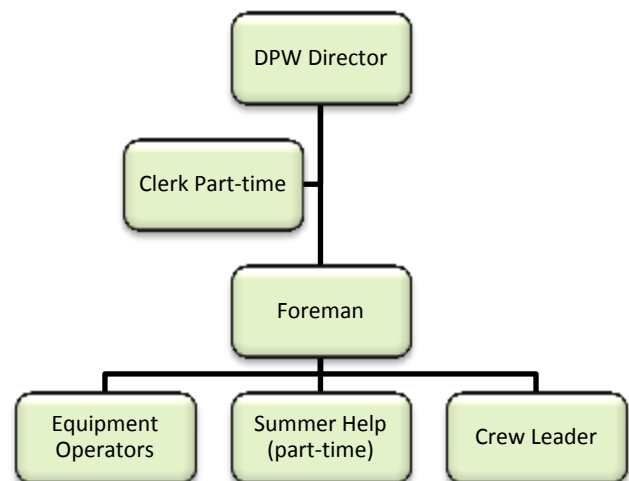
The Mission of this division is to maintain landscaping throughout the Town in park and field areas, public right-of-ways and around all public buildings and school grounds.

### **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	Type	FY10	FY11	Projected FY12
Mowing Conservation Land acres	Output	81.0	81.0	60
Public Land acres	Output	94.5	94.5	94.5
Public Schools acres	Output	33.6	33.6	33.6

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>PARKS &amp; GROUNDS</b>				
Non-Clerical	200,811	204,452	169,432	104,866
Overtime	3,435	2,192	4,455	4,455
Clerical	7,562	8,269	8,466	8,884
Stipends	0	0	4,065	4,095
Summer help	11,395	12,261	7,957	7,957
Sick Leave Buy Back	1,035	0	2,520	0
<b>Sub Total: Personal Services</b>	<b>224,238</b>	<b>227,175</b>	<b>196,895</b>	<b>130,257</b>
Maintenance	60,537	48,056	38,872	39,325
Clothing	2,857	2,799	3,000	3,200
<b>Sub Total: Expenses</b>	<b>63,394</b>	<b>50,855</b>	<b>41,872</b>	<b>42,525</b>
<b>Total: Parks &amp; Grounds</b>	<b>287,632</b>	<b>278,030</b>	<b>238,767</b>	<b>172,782</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is decreasing by \$66,638, compared to the FY11 budget. This budget provides for the same level of staffing as FY11 but also increases the amount of personnel and benefits costs to be allocated to the Recreational Field Maintenance Enterprise fund. Public Works Union employees will not receive a wage COLA in FY12. However, several employees in this department are expected to receive a step increase in FY12.

*Expenses* – The FY12 budget is increasing by \$653, compared to the FY11 budget. This will provide for 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**

## Summary of inputs FY09-FY12 for Human Services

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>HUMAN SERVICES</b>				
Board of Health	365,236	370,083	374,534	377,636
Council on Aging	135,241	134,301	146,702	139,187
Veterans Affairs	15,196	15,825	17,415	17,415
<b>Total Human Services</b>	<b>515,673</b>	<b>520,208</b>	<b>538,651</b>	<b>534,239</b>
<i>% Change from Prior FY</i>	<i>-3.5%</i>	<i>0.9%</i>	<i>3.5%</i>	<i>-0.8%</i>
Personal Services	353,965	361,213	380,684	363,947
Expenses	161,708	158,995	157,967	170,292
Total Human Services	515,673	520,208	538,651	534,239
Salary	352,048	359,267	378,699	361,842
Other payroll-related compensation	1,917	1,946	1,985	2,105
	353,965	361,213	380,684	363,947



## HUMAN SERVICES: Board of Health

### MISSION OF THE OFFICE

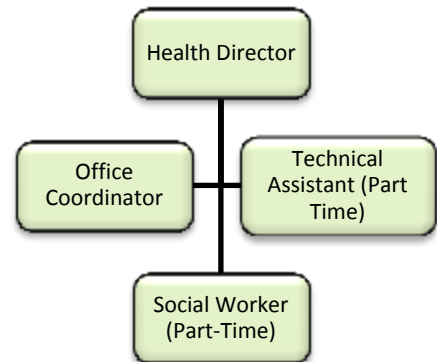
Mission of this office is to assess and address the health needs of the community and to contribute to the safety and quality of life through a variety of health programs, public outreach, services and enforcement of Town and State public health regulations.

### 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, 1 part-time social worker, 1 part-time technical assistant shared with the Conservation Department, and a full-time office coordinator.



### PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	Projected FY12
Sewerage Permit Receipts	Output	15,200	14,702	15,000
Installer Permit Receipts	Output	4,750	3,750	3,775
Food Service Permit Receipts	Output	8,700	9,175	9,175
Well Permit Receipts	Output	400	1,400	900
Garbage/Hauler Permit Receipts	Output	1,800	1,350	1,250
Trench Permit Receipts	Output	2,700	2,200	2,000
\$ Community/Senior Outreach per pop	Effectiveness	\$1.53	\$1.31	\$1.40

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>BOARD OF HEALTH</b>				
Director	84,661	86,998	89,129	91,744
Town Social Worker	85,251	86,819	71,520	58,958
Non-Clerical	0	0	20,206	21,205
Clerical	41,197	43,016	43,527	44,782
Sick Buy Back	1,917	1,946	1,985	2,105
<b>Sub Total: Personal Services</b>	<b>213,026</b>	<b>218,779</b>	<b>226,367</b>	<b>218,794</b>
General Expense	3,938	2,861	3,700	4,100
Maintenance	1,102	215	0	0
Mental Health	10,900	10,240	9,400	10,400
Nursing Services	51,347	51,347	51,347	51,347
Contracted Services	3,990	2,580	4,100	11,300
Lab Expense	70	0	0	0
Mosquito Control	45,415	45,415	45,415	45,415
Animal/ Rabies Control	8,550	8,365	8,600	8,800
Animal Inspector	1,909	2,501	1,725	2,000
Senior Outreach	23,900	26,625	21,680	23,680
Community Outreach Prog	1,089	1,154	2,200	1,800
<b>Sub Total: Expenses</b>	<b>152,210</b>	<b>151,303</b>	<b>148,167</b>	<b>158,842</b>
<b>Total: Board of Health</b>	<b>365,236</b>	<b>370,083</b>	<b>374,534</b>	<b>377,636</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is decreasing by \$7,573, compared to the FY11 budget. This budget provides for only one part-time social worker in FY12. All non-union employees and the one employee of this department which is part of the Supervisory Union Association, will receive a 1% wage COLA in FY12. Additionally, some employees in this department will receive a step increase in FY12.

*Expenses* - The FY12 budget is increasing by \$10,675, compared to the FY11 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. General maintenance and lab expenses remain unfunded. The significant increase in contracted services is required to supplement the loss in social worker hours previously provided by Town employees.

## HUMAN SERVICES: Council on Aging

### MISSION OF THE DEPARTMENT

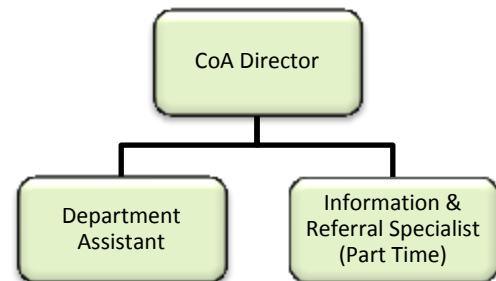
The mission of the Council on Aging (COA) is dedicated to serving the social, recreational, health and educational needs of older adults in the community. The Sudbury Senior Center has been a fully accredited center since December 2003, (one of only seven in Massachusetts).

### 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	Type	FY10	FY11	Projected FY12
Value of Volunteer Services	Output	15,000	15,000	15,000
Dollar equivalent (per EOE formula)	Output	210,000	210,000	210,000
Program Attendance	Output	2000	2,150	2,150
Newsletter Subscribers	Output	1,850	1,850	1,850
Provide enhanced information	Output	325	300	300
Provide referrals	Output	130	110	110
Days van services provided	Effectiveness	249	249	249

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>COUNCIL ON AGING</b>				
Director	69,674	67,721	77,522	66,752
Clerical	39,046	41,573	43,527	44,782
Information/Reference	20,942	21,603	21,653	21,653
<b>Sub Total: Personal Services</b>	<b>129,662</b>	<b>130,897</b>	<b>142,702</b>	<b>133,187</b>
General Expense	4,202	3,404	4,000	6,000
Contracted Services	1,377	0	0	0
<b>Sub Total: Expenses</b>	<b>5,579</b>	<b>3,404</b>	<b>4,000</b>	<b>6,000</b>
<b>Total: Council on Aging</b>	<b>135,241</b>	<b>134,301</b>	<b>146,702</b>	<b>139,187</b>

#### **BUDGET ISSUES**

*Personal Services* - The FY12 budget is decreasing by \$10,770, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees and the one employee of this department which is part of the Supervisory Union Association, will receive a 1% wage COLA in FY12. Additionally, some employees in this department will receive a step increase.

*Expenses* – The FY12 budget is increasing by \$2,000, compared to the FY11 budget. This budget helps restore this department’s purchasing power for a variety of supplies used to operate and advertise the Center’s many programs and reference services.

### **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 currently 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	Type	FY10	FY11	Projected FY12
Veterans Served	Output	1,221	1220	1,220
Chapter 115 Claims	Output	2	1	1
Outreach Visits	Output	88	100	100
Benefits Seminars	Output	2	2	2
VA Claims	Output	18	20	20
Veterans Receiving VA Benefits	Output	92	99	99
Total Benefits Received	Output	411,229	430,000	430,000
Applications are forwarded within statutory timeframe	Effectiveness	100%	100%	100%
Reimbursement requests are forwarded within statutory timeframe	Effectiveness	100%	100%	100%
Operating costs per population served	Efficiency	\$12.96	\$14.27	\$14.27

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>VETERANS AFFAIRS</b>				
Veteran Agent	11,277	11,537	11,615	11,965
<b>Sub Total: Personal Services</b>	<b>11,277</b>	<b>11,537</b>	<b>11,615</b>	<b>11,965</b>
General Expense	181	137	900	550
Veteran's Grave Markers	984	876	900	900
Veteran's Benefits	2,754	3,274	4,000	4,000
<b>Sub Total: Expenses</b>	<b>3,919</b>	<b>4,288</b>	<b>5,800</b>	<b>5,450</b>
<b>Total: Veterans Affairs</b>	<b>15,196</b>	<b>15,825</b>	<b>17,415</b>	<b>17,415</b>

## BUDGET ISSUES

This budget provides for approximately the same level of part-time personnel and expenses as the FY11 budget. Veteran's benefits can be difficult to predict. If actual benefits paid during FY12 exceeds budget, a transfer from the reserve fund or elsewhere may be needed.

# Culture & Recreational Services



**Goodnow Library**



**Hosmer House**

## Summary of inputs FY09-FY12 for Culture & Recreational Services

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>CULTURE &amp; RECREATION</b>				
Goodnow Library	953,787	971,918	1,003,633	1,015,308
Recreation	118,468	132,729	138,190	142,641
Historical Commission	5,356	5,386	5,309	5,309
Historic Districts Commission	2,718	2,253	2,692	2,751
<b>Total Culture &amp; Recreation</b>	<b>1,080,329</b>	<b>1,112,286</b>	<b>1,149,824</b>	<b>1,166,009</b>
Personal Services	753,422	754,680	781,055	788,891
Expenses	326,907	357,606	368,769	377,118
<b>Total Culture &amp; Recreation</b>	<b>1,080,329</b>	<b>1,112,286</b>	<b>1,149,824</b>	<b>1,166,009</b>
Salary	750,244	752,141	765,452	775,066
Overtime	0	0	12,525	13,825
Other payroll-related compensation	3,178	2,540	3,078	0
	753,422	754,680	781,055	788,891

## CULTURE & RECREATION: Goodnow Library

### MISSION OF THE DEPARTMENT

The Goodnow library 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.

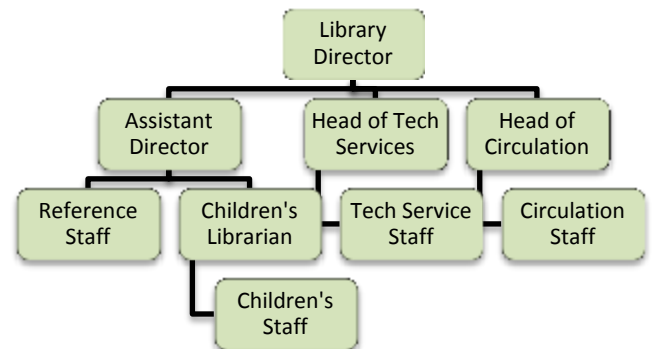
### DESCRIPTION OF SERVICES

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	Type	FY10	FY11	Projected FY12
Circulation	Output	397,113	408,000	395,000
Children's Programs	Output	299	300	300
Children's Program Attendance	Output	4,788	4,900	3,500
Meeting Rooms Use	Output			
Meetings		354	350	300
Attendance		6,625	6,600	5,000
Library Visitors (approx.)	Output	75,000	75,000	75,000
Resource Sharing	Output	93,899	139,789	140,000
Reference/Advisory Questions (approx.)	Output	19,000	19,000	21,000
Circulation per capita	Effectiveness	22	21	22
Library Visitors per capita	Effectiveness	14	4	5
Operating costs / circulation ratio	Efficiency	\$2.57	\$2.66	\$2.70
Operating costs per capita	Efficiency	\$56.17	\$56.17	\$56

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>GOODNOW LIBRARY</b>				
Library Director	92,409	94,223	97,055	82,368
Non-Clerical	541,351	568,499	573,795	595,480
Overtime	0	0	12,525	13,825
Sick Leave Buy Back	3,178	2,540	3,078	0
<b>Sub Total: Personal Services</b>	<b>636,938</b>	<b>665,262</b>	<b>686,453</b>	<b>691,673</b>
General Expense	8,429	7,049	8,500	8,500
Automation	43,919	42,716	42,000	43,560
Books and Materials	125,910	124,501	128,800	131,600
Maintenance	24,600	19,404	22,610	23,340
Utilities	77,110	74,282	79,370	79,570
Travel	226	97	400	270
Contracted Services	36,654	38,607	35,500	36,795
<b>Sub Total: Expenses</b>	<b>316,849</b>	<b>306,656</b>	<b>317,180</b>	<b>323,635</b>
<b>Total: Goodnow Library</b>	<b>953,787</b>	<b>971,918</b>	<b>1,003,633</b>	<b>1,015,308</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$5,220, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget. All non-union employees and the one employee of this department which is part of the Supervisory Union



Association, will receive a 1% wage COLA in FY12. Additionally, some employees in this department will receive a step increase.

*Expenses* – The FY12 budget is increasing by \$6,455, compared to the FY11 budget. This will allow the library a little more purchasing power to maintain operations, than what has been afforded during the last several budget cycles.

## **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. The Department strives 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:

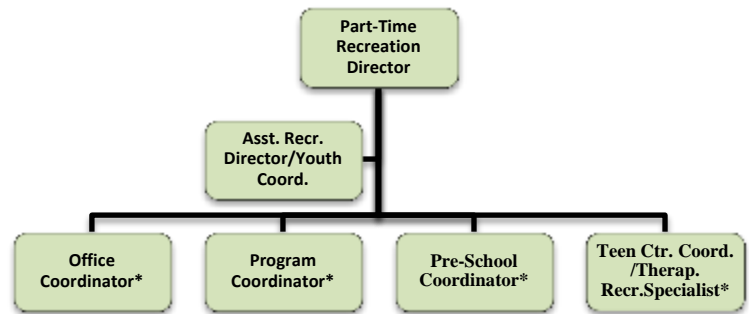
- Summer Camp
- Pre-school Pals continue
- After school programs
- Youth services and activities for teens
- Community service for all age groups
- \*New\* adapted recreation, and Paralympics development recreational programs for children and adults within the town

### **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	Type	FY10	FY11	Projected FY12
Park & Recreation Programs Offered	Output	660	680	700
Activity Participants	Output	7300	7600	7700
6 <sup>th</sup> Grade Pool Party attendees	Output	120	120	120
Vacation Programs	Output	60	60	60
Programs per days	Effectiveness	4	4	4
Sudbury Adventure Program	Output	137	140	145
Programs per days	Effectiveness	4	4	4
Wild Wednesdays Program	Output	130	200	200
Participants per program	Effectiveness	12	13	13
% Cost recovery (Revolving fund)	Efficiency	100%	100%	100%

	FY09	FY10	FY11	FY12
	Actual	Actual	Budget	Appropriated
<b>RECREATION</b>				
Recreation Director	28,133	0	0	0
Assistant Director/Youth Serv	0	49,308	49,814	52,482
Youth/Teen Coordinator	40,085	0	0	0
Non-Clerical	7,149	0	0	0
Program Coordinator	21,135	19,806	23,734	23,069
Clerical	17,419	18,136	18,517	19,202
<b>Sub Total: Personal Services</b>	<b>113,921</b>	<b>87,250</b>	<b>92,065</b>	<b>94,753</b>
General Expense	0	264	0	0
Recr. Director Contract Serv	3,580	45,000	46,125	47,888
Youth Services Expense	967	0	0	0
Clothing	0	215	0	0
<b>Sub Total: Expenses</b>	<b>4,547</b>	<b>45,479</b>	<b>46,125</b>	<b>47,888</b>
<b>Total: Recreation</b>	<b>118,468</b>	<b>132,729</b>	<b>138,190</b>	<b>142,641</b>

## BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$2,688, compared to the FY11 budget. This budget provides for the same level of personnel charged against the tax levy, as the FY11 budget. All non-union employees of the Town will receive 1% wage COLA in FY12. Additionally, some employees within this department will receive a step increase.

*Expenses* - The FY12 budget is increasing by \$1,763, compared to the FY11 budget. This budget provides for the increased costs for the Department's contracted services (for the part-time Director). All other 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	Type	FY10	FY11	Projected FY12
CPA projects approved	Output	\$247,000	\$50,000	\$5,000
Properties under SHC jurisdiction	Output	7	7	10
Protected Landmarks	Output	6	6	32
Public meetings held	Output	14	14	15
Hosmer House open to public (days)	Output	19	19	20
Hosmer House visitors	Output	2,000	2,000	3,500
Visitors per event	Effectiveness	105	105	370
Expenses per landmark/buildings	Efficiency	412	408	5,309

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>HISTORICAL COMMISSION</b>				
General Expenses	5,356	5,386	5,309	5,309
<b>Sub Total: Expenses</b>	<b>5,356</b>	<b>5,386</b>	<b>5,309</b>	<b>5,309</b>
<b>Total: Historical Commission</b>	<b>5,356</b>	<b>5,386</b>	<b>5,309</b>	<b>5,309</b>

### BUDGET ISSUES

This budget is level funded for FY12.

### 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

<b>Indicator</b>	<b>Type</b>	<b>FY10</b>	<b>FY11</b>	<b>Projected FY12</b>
Districts under HDC jurisdiction	Output	5	5	5
Streets* under HDC jurisdiction	Output	30	30	30
Applications or cases reviewed	Output	23	18	20
Application or case resolved	Output	23	18	20
Public hearings held	Output	26	21	20
Certificates of Appropriateness Issued	Output	23	18	18
Staff hours used	Efficiency	93 hrs./yr.	93 hrs./yr.	95 hrs./yr.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>HISTORIC DISTRICTS COMMISSION</b>				
Clerical	2,563	2,168	2,537	2,465
<b>Sub Total: Personal Services</b>	<b>2,563</b>	<b>2,168</b>	<b>2,537</b>	<b>2,465</b>
General Expenses	155	85	155	286
<b>Sub Total: Expenses</b>	<b>155</b>	<b>85</b>	<b>155</b>	<b>286</b>
<b>Total: Hist Dist Commission</b>	<b>2,718</b>	<b>2,253</b>	<b>2,692</b>	<b>2,751</b>

#### BUDGET ISSUES

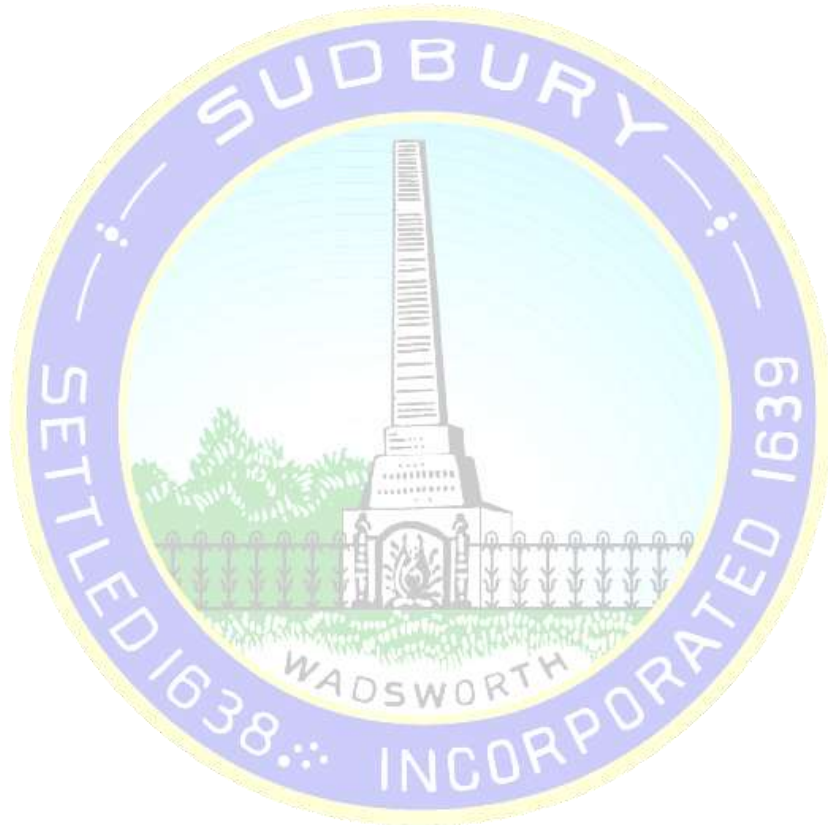
The FY12 budget is increasing in total by \$59, compared to the FY11 Budget. This budget provides for the same level of personnel and general expense levels.



## Section Six

### **Budget Detail – Education**

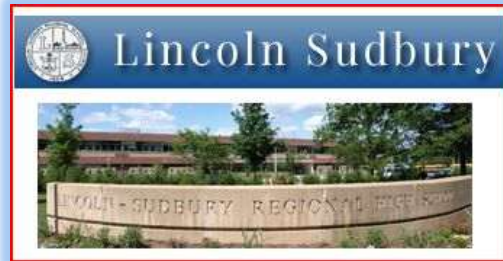
**Budget requests for all education cost centers**



# Education



**Sudbury Public  
Schools**



**Lincoln-Sudbury  
Regional High School**



**Minuteman Regional  
High School**

## Summary of inputs FY09-FY12 for all Education Cost Centers

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>Schools</b>				
SPS Operating Expenses	33,032,172	34,019,971	34,654,472	35,407,571
LSRH Operating Assessments	16,334,541	16,805,045	17,577,379	18,079,955
Minuteman Assessment	237,788	298,098	228,794	321,590
Other Vocational Assessments	43,212	0	0	0
<b>Total Schools</b>	<b>49,647,713</b>	<b>51,123,114</b>	<b>52,460,645</b>	<b>53,809,116</b>



# 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 380.07)**

Staffing consists of the following:

	Actual	Actual	Actual	Budget
	FY2009	FY2010	FY2011	FY2012
Summary - FTEs				
System Administration	11.41	12.10	14.00	14.00
Elementary Instruction	146.05	154.82	155.83	146.33
Middle School Instruction	77.08	78.38	78.38	76.78
Curriculum, Instruction, Technology	7.60	7.00	7.00	7.00
Special Ed Instruction	105.90	103.20	100.50	100.50
Health, Transportation & Cafeteria	25.85	21.81	19.86	19.86
Plant Maintenance	16.00	16.00	15.00	15.60
Total:	389.89	393.31	390.57	380.07

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

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Appropriated</b>	<b>Appropriated</b>
<b>Summary - Salaries</b>				
System Administration	757,512	756,778	893,059	910,503
Elementary Instruction	8,735,024	8,867,186	9,382,476	9,953,424
Middle School Instruction	4,831,072	4,914,598	4,980,436	5,242,543
Curriculum, Library, Media	548,011	465,558	529,672	529,363
PS/Special Education Instruction	4,267,181	4,331,802	4,994,629	5,293,624
Health & Transportation	487,769	365,718	643,965	649,534
Plant Maintenance	777,882	780,895	801,251	883,905
Other	432,944	527,051	614,263	614,263
<b>Total Salaries:</b>	20,837,395	21,009,586	22,839,751	24,077,159
<b>Salary Offsets:</b>			(1,328,863)	(1,611,335)
<b>Net Salaries:</b>	20,837,395	21,009,586	21,510,888	22,465,824
<b>Summary - Expenses</b>				
System Administration	454,554	541,065	394,915	303,762
Elementary Instruction	322,849	350,672	323,778	333,491
Middle School Instruction	181,894	147,667	167,609	172,637
Curriculum, Library, Media	219,847	261,160	300,743	329,785
PS/Special Education Instruction	2,486,820	3,242,841	3,964,845	3,621,118
Health & Transportation	368,946	660,289	1,060,289	1,092,098
Utilities	945,413	932,320	1,191,882	1,191,882
Plant Maintenance	513,886	670,097	441,395	454,637
<b>Total Expenses:</b>	5,494,209	6,806,111	7,845,456	7,499,411
<b>Expense Offsets:</b>			(1,152,000)	(1,230,440)
<b>Net Expenses:</b>	5,494,209	6,806,111	6,693,456	6,268,971
<b>Total Expense &amp; Salary:</b>	26,331,604	27,815,697	30,685,207	31,576,569
<b>Less: Total Offsets</b>	0	0	(2,480,863)	(2,841,775)
<b>Total Net Operating Budget:</b>	26,331,604	27,815,697	28,204,344	28,734,794
<b>Benefits:</b>	6,700,568	6,204,274	6,450,128	6,672,777
	33,032,172	34,019,971	34,654,472	35,407,571

## BUDGET ISSUES

*Salaries & Wages (net)*-The FY12 budget is increasing by \$954,936, compared to the FY11 budget. This budget level requires a reduction of 10.5 FTE's. All Teachers Union employees of SPS will receive a 1% wage COLA in FY12. Additionally, 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](#).

*Expenses (net)* - The FY12 budget is decreasing by \$424,485, compared to the FY11 budget. The majority of this decrease is within PS/Special Education Instruction. For further details regarding this budget grouping, see [SPS budget information located on their website](#).

*Offsets* - The FY12 budget is increasing by \$360,912, compared to the FY11 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](#).

*Benefits and Insurances (net)* - The FY12 budget is increasing by \$222,649, compared to the FY11 budget. Town and SPS share all benefits and insurance programs. For further details regarding this budget grouping, see [Section 9](#).

## 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 194.29)**

Staffing consists of the following:

<b>TOTAL STAFFING (FTE's)</b>				
<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	
9.20	8.20	8.00	8.00	Administration
145.03	139.85	137.78	125.28	Teaching
1.00	1.00	1.00	1.00	Admin Support
16.374	15.43	14.94	14.23	Admin Assistants
27.18	25.83	26.98	25.00	Educational Support
11.30	10.80	10.80	9.80	Buildings & Grounds
<b>210.08</b>	<b>201.11</b>	<b>199.50</b>	<b>183.31</b>	<b>Subtotal</b>
9.93	10.43	13.68	10.98	Grants
<b>220.01</b>	<b>211.54</b>	<b>213.18</b>	<b>194.29</b>	<b>Total</b>

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)**

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>LINCOLN-SUDBURY REGIONAL HS</b>				
Sudbury Apportionment	<b>84.81%</b>	<b>84.51%</b>	<b>84.36%</b>	<b>84.88%</b>
LSRHS Benefits Assessment	3,074,361	3,142,491	3,206,376	3,506,669
LSRHS Oper. Assessment	16,515,458	16,854,852	17,011,347	17,333,368
LSRHS Oper. Offsets	(3,255,278)	(3,192,298)	(2,640,344)	(2,760,082)
	16,334,541	16,805,045	17,577,379	18,079,955
LSRHS Debt Assessment	2,394,071	2,298,949	2,237,147	2,193,072
<b>Total LSRHS (Sudbury Portion)</b>	<b>18,728,612</b>	<b>19,103,994</b>	<b>19,814,526</b>	<b>20,273,027</b>

**BUDGET ISSUES**

*Benefits Assessment* - The FY12 budget is increasing by \$300,293, compared to the FY11 budget. This represents Sudbury's share of benefits costs for the District.

*Operating Assessment* - The FY12 budget is increasing by \$322,021, compared to the FY11 budget. This represents Sudbury's share of all other operating expenses for the District.

*Assessment Offsets* - The FY11 budget is increasing by \$119,738, compared to the FY11 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 FY12 budget is decreasing by \$44,075, compared to the FY11 budget. This represents Sudbury's share of all debt service for the District.

## **TOTAL LSRHS DISTRICT BUDGET**

This summary represents all operating expenses for the District prior to assessment allocation to members (Sudbury and Lincoln) and net of all offsets.

	<b>FY09 Actual</b>	<b>FY10 Actual</b>	<b>FY11 Appropriated</b>	<b>FY12 Appropriated</b>
Salaries & Other Cash Compensation	14,602,100	14,594,514	14,794,473	14,136,888
Expenses	4,973,412	5,589,946	5,677,264	6,348,541
Benefits & Insurances	3,334,269	3,010,362	3,494,269	4,066,924
<b>Total LSRHS Operating Expenses</b>	<b>22,909,781</b>	<b>23,194,822</b>	<b>23,966,006</b>	<b>24,552,353</b>

## **BUDGET ISSUES**

*Salaries & Wages* - The FY12 budget is increasing by \$657,585, compared to the FY11 budget. This budget level requires a reduction of 18.89 FTE's (including grant positions). All Teacher Union employees of LSRHSD will receive a 2% wage COLA in FY12. Additionally, 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 FY12 budget is increasing by \$572,655, compared to the FY11 budget. For further details regarding this budget grouping, see [LSRHSD budget information located on their website](#).

*Expenses* - The FY12 budget is increasing by \$671,277, compared to the FY11 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](#).

## Minuteman Regional Vocational Technical High School Assessment

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>MINUTEMAN VOCATIONAL</b>				
Operating Assessment	237,788	298,098	228,794	321,590
<b>Total: Minuteman Vocational</b>	<b>237,788</b>	<b>298,098</b>	<b>228,794</b>	<b>321,590</b>

### BUDGET ISSUES

The FY12 budget assessment for Sudbury is decreasing in total by \$92,796, compared to the FY11 budget. The total FY12 operating budget for Minuteman increasing by \$176,794 above the FY11 budget. The increase in assessment for Sudbury is due to changes in enrollment. Sudbury student enrollment at Minuteman is expected to increase from 10 to 16 students in FY12. For further details regarding this budget grouping, see [MRVTHS budget information located on their website](#).

## Other Regional High School Assessment

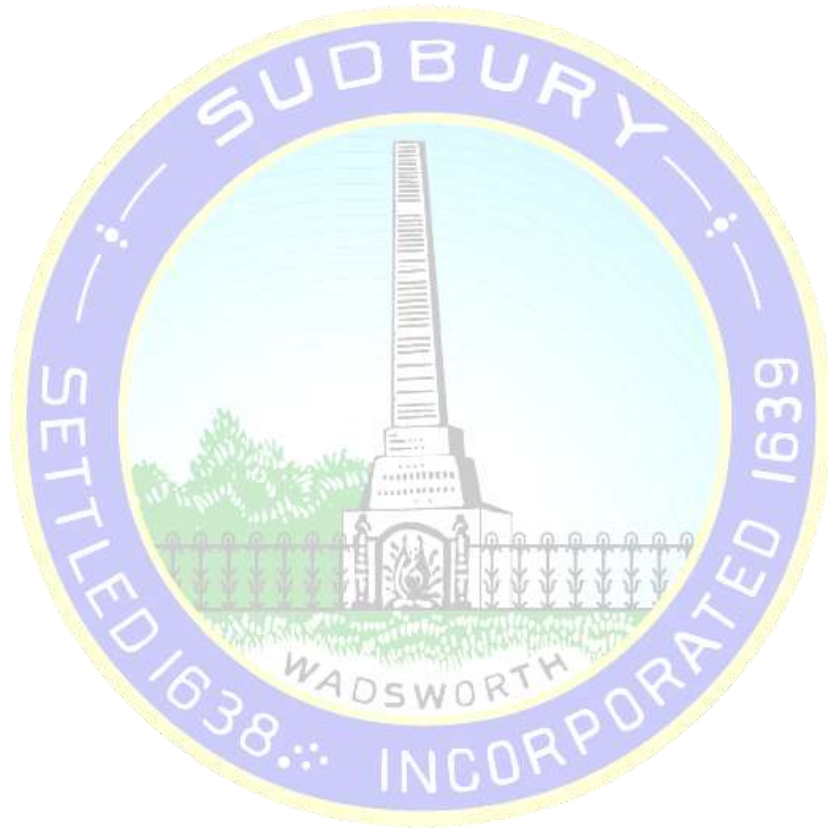
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>OTHER EDUCATIONAL ASSESSMENTS</b>				
Operating Assessment	43,212	0	0	0
<b>Total: Other Regional</b>	<b>43,212</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 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. The Town does not have any students that will attend other regional vocational schools in FY12.

## Section Seven

# **Capital Investment Budget**



## FY12 CAPITAL BUDGET

### MISSION OF THE PROGRAM

For the Town of Sudbury to accomplish its mission the Town and School departments need to acquire, maintain and replace large items such as infrastructure, buildings, equipment and technology. A significant portion of the Town's net assets (more than \$65 million in total) reflects its investment in capital assets less any related outstanding debt used to acquire those assets. 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.

### 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 to complement the capital bylaw. For further details see [Appendix G for all](#) Selectmen's budgeting and financial management policies.

### STAFFING

The Town's Finance Director is an ex-officio member of the **Capital Improvement Planning Committee**, and the Assistant Town Manager provides technical advice and support to the committee. The committee consists of seven voting members who serve without compensation. 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>Capital</b>				
Town Buildings	109,500	70,000	116,771	59,607
General Government	12,200	22,622	11,955	0
Public Safety	21,400	25,000	10,000	72,396
Public Works	354,942	325,761	298,328	316,944
Culture & Recreation	15,000	80,000	42,000	0
Sudbury Public Schools	0	0	50,000	90,000
<b>Total: Operating Expenses</b>	<b>513,042</b>	<b>523,383</b>	<b>529,054</b>	<b>538,947</b>



FY12 PROJECT DETAIL	
Projects	FY12 Appropriated
<b>Ongoing Project Leases:</b>	
Unit # 35: Kobuta Tractor	15,664
Unit #54: Elgin Pelican Sweeper	33,236
Unit #8: 2009 John Deere loader	27,315
Unit #14: 2009 Chevy pick-up	6,715
Unit #20: 2009 6-Wheel Dump Truck	25,595
Unit #22: 2009 John Deere Backhoe	25,183
Unit # 27: 2007 Mack 10-Wheel	27,390
Unit #33: 2009 Multipurpose Tractor	25,231
Unit #5: 2008 10-Wheel Dump Truck	23,977
Unit #24: 2008 6-Wheel Dump Truck	28,053
Unit #23: 6-Wheel Dump Truck	18,535
Unit #PR-6: Landscape Tractor w/Bucket	4,560
Ongoing Leases	261,454
<b>DPW:</b>	
10 Wheel Dump Truck (#10)	36,290
One Ton Pickup Truck (#37)	10,500
	46,790
<b>Parks &amp; Grounds:</b>	
One Ton Dump Truck with Plow (#PR-2)	8,700
<b>Town Building Department:</b>	
Various building improvements	59,607
Replace Pickup Truck	22,396
	82,003
<b>School Buildings:</b>	
Nixon Addressable Fire Alarm Panel	90,000
<b>Public Safety:</b>	
Car 3 Replacement (Fire)	40,000
Div of Occupational Safety Items (Fire)	10,000
	50,000
<b>Total FY12 Projects</b>	<b>538,947</b>

## BUDGET ISSUES

The FY12 Budget is increasing by \$9,893, compared to the FY11 budget. Individual project costs range from starting annual lease payments of approximately \$4,560 to building equipment upgrades of \$90,000. Combined, all FY12 capital expenditures represent less than 1% of total General fund operating costs.

Public Works and Parks & Grounds: 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. The CIPC also recommended a new lease for equipment for Parks & Grounds.

**Town Building Improvements:** Most of the buildings that house our town offices, such as the Flynn Building and the Town Hall 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 toward safety and efficiency. The Committee feels it is important to make an ongoing annual commitment to completing these long-delayed projects.

**Sudbury Public Schools:** This funding will upgrade the existing Nixon fire alarm panel to an addressable fire alarm panel and devices. At the time of the Nixon renovation, the existing fire alarm panel was not upgraded to an addressable fire alarm panel. As of now, there is no way to tell which fire sensor in the building was activated to set off the alarm. This is a safety issue. A fire is located much faster with an addressable fire alarm panel. The smoke detectors, etc. are old and also need replacing.

**Public Safety:** This funding will pay for the replacement of a Fire Department vehicle and for implementing needed improvements at outstations identified by the Division of Occupational Safety.

Other project details may be found in Community Preservation Act fund [Section 12](#). Also, it should be noted that the Town invests a significant amount of capital each year for various roadway and infrastructure improvements. We are able to do so with an annual allotment of State infrastructure funding (Chapter 90 grant program). In FY12, the Chapter 90 apportionment for Sudbury is \$774,715. These funds may only be used for "Capital Improvement Projects for Highway Construction, Preservation and Improvement Projects that create or extend the life of" our roadways.

## **ALL-CAPITAL MATRIX FOR FY12**

The matrix on the following page lists all the capital-related FY12 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 FY12 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 **FY2012 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 FY12 will generate any material cost savings or new revenues for the Town.

## All Capital Matrix for FY12

CLUSTER	DESCRIPTION	FY2012 COST	FUNDING SOURCE	FUNDING HORIZON	TAX LEVY	OPERATIONAL COSTS (INCREMENTAL) *
Buildings	Various Bldg Improvements	\$ 59,607	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Buildings	Replace Pickup Truck	\$ 22,396	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Schools	Fire Alarm Addressable Panel	\$ 90,000	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Public Safety	Replace Fire Car 3	\$ 40,000	GF-Cash	1 yr	Yes	None, replacement of existing item. No add'l maintenance.
Public Works	Existing equipment leases	\$ 261,454	GF-Cash	1-4 yrs	Yes	Replaced existing units. No new rolling stock <sup>2</sup>
Public Safety	Implement Outstation Safety Items	\$ 10,000	GF-Cash	1 yrs	Yes	None.
Public Works	Ten Wheel Dump Truck (#10)	\$ 36,290	GF-Cash	5 yrs	Yes	Replaces existing units. No new rolling stock <sup>2</sup>
Public Works	One Ton Pickup Truck (#37)	\$ 10,500	GF-Cash	5 yrs	Yes	Replaces existing units. No new rolling stock <sup>2</sup>
Park & Rec	One Ton Dump Truck w/Plow (#PR-2)	\$ 8,700	GF-Cash	1 yrs	Yes	None, improves structure and removes asbestos.
	Capital Program Budget Sub-total	\$ 538,947				
Public Safety	Police Cruisers <sup>1</sup>	\$ 94,300	GF-Cash	1 yr	Yes	None, replacement of existing cruisers.
	Operating Budget Sub-total	\$ 94,300				
CPA	Town Clerk Historic Document Preservation	\$ 117,000	CPA-Cash	1 yr	No	None. Some cost may be reimbursed by outside source.
CPA	Historic Buildings & Sites Restoration	\$ 37,000	CPA-Cash	1 yr	No	None.
CPA	New Walkway Construction	\$ 100,000	CPA-Cash	1 yr	No	None. Additional plowing negligible cost given location.
CPA	CPA Budget Sub-total	\$ 254,000	CPA-Cash	1 yr	No	None, units purchased and sold.
	Total Capital Related Budget Items FY 10	\$ 887,247				

\*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).

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

<sup>2</sup> DPW operating budget includes maintenance costs for entire fleet at \$175,500. DPW responsible for all maintenance costs incld. capital leases.

## 5-YEAR SUMMARY OF CAPITAL PROJECTS

The tables on the following pages show 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 \$80 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 FY12 have been postponed to FY13 or beyond. Most items are considered vital replacements or improvements and therefore find their way back into the capital request system year after year. 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 outright large asset/infrastructure development.

<b>Town of Sudbury</b> <b>Five Year Capital Improvement Request Summary</b> <b>Department Totals</b>						
<b>Department</b>	<b>Total Cost</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>	<b>FY15</b>	<b>FY16</b>
Building	2,433,000	82,003	922,114	534,149	495,647	583,302
Fire	3,540,000	50,000	1,975,000	215,000	850,000	450,000
Info Systems	16,500	-	16,500	-	-	-
Library	122,000	-	122,000	-	-	-
Parks & Grounds	378,000	13,260	139,600	51,600	60,100	62,200
Planning	2,250,000	-	50,000	200,000	-	200,000
Police	99,112	-	99,112	-	-	-
Recreation	1,456,700	-	393,000	338,700	225,000	500,000
Selectmen	12,402	-	12,402	-	-	-
Streets & Roads	3,330,264	303,684	483,818	411,014	403,789	427,890
Sudbury Public Schools	4,313,791	90,000	808,546	1,077,000	125,000	25,000
Town Clerk	519,000	-	-	-	-	-
<b>Total</b>	<b>\$ 18,470,769</b>	<b>\$ 538,947</b>	<b>\$ 5,022,092</b>	<b>\$ 2,827,463</b>	<b>\$ 2,159,536</b>	<b>\$ 2,248,392</b>

<b>Other Large Pending Projects</b> <b>Schedules Yet To Be Determined</b>			
<b>Description</b>	<b>Total Cost</b>	<b>Last Estimated</b>	<b>Previous Target Date</b>
Town Hall Renovations	\$ 8,200,000	FY10	FY12
New Police Headquarters	\$ 6,120,000	FY11	FY10
Rte 20 Wastewater Treatment	\$ 15,000,000	FY11	FY12

Tables on the following pages provide a detailed listing of projects requested for the next five years. FY12 items have been approved by the Town and subsequently appropriated at the May 2011 Town Meeting. Items listed for FY13-FY16 have only been bookmarked for consideration at a later date. None of these projects have been approved.

Town of Sudbury									
Five-Year Capital Improvement Request Listing									
CIP No.	Project Description	W/R	Just. Code	Total Cost	Appropriated FY12	Requested for			
					Building Department	FY13	FY14	FY15	FY16
03-021	Police Station Roof	NR	B	\$ 47,840		\$ 47,840			
03-108	Town Hall Bathrooms	NR	B	\$ 30,000				\$ 30,000	
03-023	Town Hall Boiler Replacement	NR	B	\$ 40,000		\$ 40,000			
05-015	Atkinson Pool Roof & gutters	NR	B	\$ 214,003			\$ 214,003		
05-016	Town Hall Roof Repairs	NR	B	\$ 55,600		\$ 15,600		\$ 18,250	\$ 21,350
06-019	Fairbank Window Replacement	NR	D	\$ 30,000					\$ 30,000
07-01	Various Building Improvements	R	B	\$ 35,000	\$ 59,607	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
07-03	Town Hall Fire Alarm/Sprinkler	NR	B	\$ 125,000					\$ 125,000
07-05	Town Hall Painting	R	B	\$ 36,000				\$ 36,000	
07-07	Town Hall Windows (1st floor)	NR	B	\$ 108,000					\$ 108,000
08-01	Keypad for Flynn Entrance	NR	D	\$ 6,000					\$ 6,000
08-02	Town Hall - Clerk's Bathroom	NR	D	\$ 38,000					\$ 38,000
08-03	Interior Painting of DPW	NR	B	\$ 18,000				\$ 18,000	
08-05	Fairbank Center - Flat Roof	R	B	\$ 491,100		\$ 491,100			
09-01	Paint Exterior Fairbanks Center	R	B	\$ 20,000				\$ 20,000	
09-02	Flynn Bldg - 2nd floor bathroom	NR	D	\$ 30,000			\$ 30,000		
09-03	Fairbank Roof/HVAC (gym)	NR	B	\$ 65,000				\$ 65,000	
09-04	Flynn Building Exterior Paint	R	B	\$ 36,000			\$ 36,000		
09-06	Police Station Window Replace	NR	B	\$ 15,000		\$ 15,000			
10-02	Solar Panel Installation	NR	D	\$ 50,000		\$ 50,000			
10-03	Sr Ctr Carpet/Tile Replacement	O	B	\$ 18,000		\$ 18,000			
11-01	Loring Personage Painting	R	B	\$ 16,000					\$ 16,000
11-02	Police State Painting	R	B	\$ 11,000			\$ 11,000		
11-03	Fire Station Painting	R	B	\$ 28,000				\$ 28,000	
11-04	Town Hall Insulation	NR	B	\$ 18,000			\$ 18,000		
11-05	Senior Center Painting	R	B	\$ 10,000				\$ 10,000	
11-06	Carding Mill House Painting	R	B	\$ 15,000				\$ 15,000	
11-07	Town Hall Generator	NR	B	\$ 15,000			\$ 15,000		
11-08	Flynn Building HVAC	NR	B	\$ 180,000				\$ 180,000	
11-09	Fairbanks - School Dept. HVAC	NR	B	\$ 30,000			\$ 30,000		
11-10	Haynes Meadow House - boiler	NR	B	\$ 10,000		\$ 10,000			
11-12	Fairbank Center - HVAC controls	NR	C	\$ 120,000		\$ 40,000	\$ 40,000	\$ 40,000	
12-01	Hosmer House Roof	NR	B	\$ 36,400		\$ 36,400			
12-02	DPW Garage Roof	NR	B	\$ 38,330		\$ 20,080			\$ 18,250
12-03	Goodnow Library Roof	NR	B	\$ 38,890		\$ 17,548			\$ 21,350
12-04	DPW Hiway Garage Roof	NR	B	\$ 124,743		\$ 101,346		\$ 23,397	

Town of Sudbury Five-Year Capital Improvement Request Listing									
CIP No.	Project Description	R/NR	Just. Code	Total Cost	Appropriated FY12	FY13	FY14	FY15	FY16
12-05	Fynn Building Roof	NR	B	\$ 33,746			\$ 33,746		
12-06	South Fire Station Roof	NR	B	\$ 41,057					\$ 41,057
12-07	Main Fire Station Roof	NR	B	\$ 90,295					\$ 90,295
12-08	Pick Up Truck	NR	A	\$ 22,396	\$ 22,396				
12-09	Carding Mill House Roof	NR	B	\$ 15,600		\$ 15,600			
12-10	DPW Office HVAC	NR	B	\$ 30,000			\$ 30,000		
<b>Building Department Subtotals</b>				<b>\$ 2,433,000</b>	<b>\$ 82,003</b>	<b>\$ 922,114</b>	<b>\$ 534,149</b>	<b>\$ 495,647</b>	<b>\$ 583,302</b>
<b>Fire Department</b>									
	Ambulance Replacement	R	A	\$ 215,000			\$ 215,000		
	not from tax revenues								
	Ladder truck replacement	R	A	\$ 850,000				\$ 850,000	
	Female dormitories St 2 and 3			\$ 300,000					
	Goodman Hill radio site generator	NR	A	\$ 20,000		\$ 300,000			
	HQ Emergency Operations Center	NR	A	\$ 1,500,000		\$ 20,000			
	HQ Roof	NR	B	\$ 60,000		\$ 1,500,000			
	DOSS Safety listed items	NR	A	\$ 25,000	\$ 10,000	\$ 15,000			
	Station 2 Traffic Light	NR	A	\$ 40,000		\$ 40,000			
	Engine 4 replacement	NR	A	\$ 450,000					\$ 450,000
	Car 2 replacement	NR	A	\$ 40,000		\$ 40,000			
	Car 3 replacement	NR	A	\$ 40,000	\$ 40,000				
<b>Fire Department Subtotals</b>				<b>\$ 3,540,000</b>	<b>\$ 50,000</b>	<b>\$ 1,975,000</b>	<b>\$ 215,000</b>	<b>\$ 850,000</b>	<b>\$ 450,000</b>
<b>Information Systems</b>									
1	Email Archiving	NR		\$ 16,500		\$ 16,500			
<b>Information Systems Subtotals</b>				<b>\$ 16,500</b>	<b>\$ -</b>	<b>\$ 16,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Goodnow Library</b>									
	Recarpeting Library	R	B	\$80,000 [?]		\$80,000 [?]			
	Painting Interior	R	B	\$30,000 [?]		\$30,000 [?]			
	Regrade Portion Exit Drive	NR		\$12,000		\$12,000			
<b>Goodnow Library Subtotals</b>				<b>\$122,000</b>	<b>\$ -</b>	<b>\$122,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Parks &amp; Grounds</b>									
	Two Bay Storage Building	NR	D	\$80,000		\$80,000			
	6-Wheel Dump Truck	R	B	\$46,000		\$46,000			
	3/4 Ton Pick-Up	R	B	\$38,000			\$38,000		
	3/4 Ton Pick-Up	R	B	\$38,000				\$39,000	
	6-Wheel Dump Truck	R	B	\$46,000					\$46,000
	1 Ton Dump 4 x 4 with Plow	R	B	\$43,500	\$8,700	\$8,700	\$8,700	\$8,700	\$8,700
	Gangmower	R	B	\$37,500				\$7,500	\$7,500

Town of Sudbury Five-Year Capital Improvement Request Listing										
CIP No	Project Description	M/NS	Just. Code	Total Cost	Appropriated FY12	FY13	FY14	FY15	FY16	
	Landscaping Tractor w/Bucket	R	B	\$49,000	\$4,560	\$4,900	\$4,900	\$4,900	\$0	
<b>Parks &amp; Grounds Subtotals</b>				<b>\$378,000</b>	<b>\$13,260</b>	<b>\$139,600</b>	<b>\$51,600</b>	<b>\$60,100</b>	<b>\$62,200</b>	
<b>Planning &amp; Community Development</b>										
1	Route 20 Scenic Project-Design	NR	Code	\$1,000,000	\$	\$	\$	\$	\$	
2	Town Center Traffic Improvements	NR	A/D	\$1,000,000	\$	\$	\$	\$	\$	
3	Town-wide Walkways	R	A	\$200,000	\$	\$	\$200,000	\$	\$200,000	
4	Town Hall Design Study	NR	B	\$30,000	\$	\$50,000	\$	\$	\$	
<b>Planning &amp; Community Dev Subtotals</b>				<b>\$2,250,000</b>	<b>\$</b>	<b>\$50,000</b>	<b>\$200,000</b>	<b>\$</b>	<b>\$200,000</b>	
<b>Police Department</b>										
	Replace Dispatch Console	NR	A	\$99,112	\$	\$99,112	\$	\$	\$	
	Dispatch Position	NR		\$	\$	\$99,112	\$	\$	\$	
<b>Police Department Subtotals</b>				<b>\$99,112</b>	<b>\$</b>	<b>\$99,112</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<b>Recreation Department</b>										
	Women's Showers - Atkinson Pool	NR	B	\$	\$	\$	\$	\$	\$	
	Install handsoap operator push button activation for doors	NR	A	\$23,000	\$	\$23,000	\$	\$	\$	
	Insulate Gym Roof, replace teen center	NR	D	\$20,000	\$	\$20,000	\$	\$	\$	
	Replace plexy glass windows on old install central air, including pool lobby	NR	B	\$150,000	\$	\$150,000	\$	\$	\$	
	Resurface Featherland Tennis courts	NR	B	\$200,000	\$	\$200,000	\$	\$	\$	
	Resurface Feederley Tennis courts	NR	B	\$300,000	\$	\$300,000	\$	\$	\$	
	Pool rehabilitation project	NR	A,B	\$38,700	\$	\$38,700	\$	\$200,000	\$	
	replace roof top air handler for pool recovery model; utilize renewable energy for DHW and pre-heat pool water	NR	B	\$200,000	\$	\$	\$	\$	\$	
	Building Expansion- Feasibility Study	NR	D	\$25,000	\$	\$	\$	\$25,000	\$	
	Building Expansion	NR	A,C	\$500,000	\$	\$	\$	\$	\$	
<b>Recreation Department Subtotals</b>				<b>\$1,456,700</b>	<b>\$</b>	<b>\$393,000</b>	<b>\$338,700</b>	<b>\$225,000</b>	<b>\$500,000</b>	
<b>Selectmen</b>										
1	Cannon IR 5005 B&W copier, scanner, fax machine	NR	A	\$12,402	\$	\$12,402	\$	\$	\$	
<b>Selectmen Subtotals</b>				<b>\$12,402</b>	<b>\$</b>	<b>\$12,402</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	
<b>Streets &amp; Roads</b>										
	Bandier Body for Unit #34	NR	B	\$30,000	\$	\$30,000	\$	\$	\$	
	Tagalong Trailer - 25 Ton	R	B	\$25,000	\$	\$25,000	\$	\$	\$	
	2006 Chevy Silverado Pick Up	R	B	\$36,000	\$	\$36,000	\$	\$	\$	



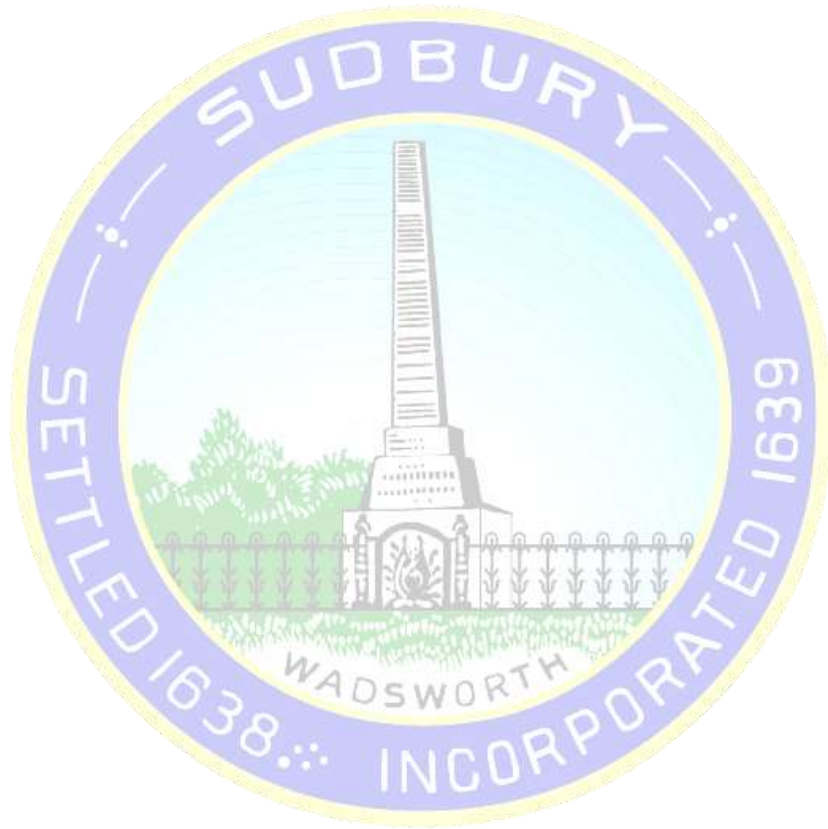
Town of Sudbury Five-Year Capital Improvement Request Listing										
CIP No.	Project Description	R/RR	Just. Code	Total Cost	Appropriated FY12	FY13	FY14	FY15	FY16	
	2001 Chevy Silverado 1 Ton	R	B	\$ 46,000		\$ 46,000				
	2006 Chevy Silverado Pick-Up	R	B	\$ 36,500			\$ 36,500			
	2001 Chevy Silverado 1 Ton	R	B	\$ 48,000			\$ 48,000			
	2005 Chevy Pick Up	R	B	\$ 41,000				\$ 41,000		
	2002 Chevy 1 Ton P/U	R	B	\$ 48,000				\$ 48,000		
	2002 Chevy Silverado - 1 Ton	R	B	\$ 50,000					\$ 50,000	
	2003 Bobcat or Equivalent	R	B	\$ 50,000					\$ 50,000	
	1985 Mack 10-Wheel Dump/Sander	R	B	\$ 181,450	\$ 36,290	\$ 36,290	\$ 36,290	\$ 36,290	\$ 36,290	
	1988 Bombardier Tractor	R	B	\$ 140,000	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	
	2001 Chevy 1 Ton	R	B	\$ 52,500						
	1988 Mack Sander 6-Wheel	R	B	\$ 140,000			\$ 28,000	\$ 28,000	\$ 28,000	
	1991 Mack Dump 6-Wheel	R	B	\$ 138,500		\$ 27,700	\$ 27,700	\$ 27,700	\$ 27,700	
	1999 John Deere Backhoe	R	B	\$ 150,000		\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	
	1991 GMC Top Kick	R	B	\$ 100,000			\$ 20,000	\$ 20,000	\$ 20,000	
	2000 Volvo Loader	R	B	\$ 142,500			\$ 28,500	\$ 28,500	\$ 28,500	
	2000 Chevy 1 Ton Dump Truck	R	B	\$ 45,000			\$ 9,000	\$ 9,000	\$ 9,000	
	2005 Chevy Silverado 1 Ton	R	B	\$ 37,500				\$ 7,500	\$ 7,500	
	1984 Bombardier	R	B	\$ 122,000				\$ 24,400	\$ 24,400	
	2004 GM 2400 Utility Truck	R	B	\$ 42,500				\$ 8,500	\$ 8,500	
	1997 Bandit Chipper	R	B	\$ 37,500				\$ 7,500	\$ 7,500	
	2004 Mack 6 Wheel Dump Truck	R	B	\$ 130,000					\$ 26,000	
	2004 Mack 6 Wheel Dump Truck	R	B	\$ 130,000					\$ 26,000	
	Sidewalk Sweeper	R	B	\$ 50,000					\$ 10,000	
	Kubota Tractor/Boom Flail Mower	R	B	\$ 78,318	\$ 15,664	\$ 15,664	\$ 15,664	\$ 15,664		
	Elgin Pelican Sweeper	R	B	\$ 166,178	\$ 33,236	\$ 33,236	\$ 33,236	\$ 33,236		
	2009 John Deere 544K Loader	R	B	\$ 136,573	\$ 27,315	\$ 27,315	\$ 27,315	\$ 27,315		
	2009 Chevy Pick-Up (Not Yet Recvd)	R	B	\$ 33,577	\$ 6,715	\$ 6,715	\$ 6,715	\$ 6,715		
	2009 6-Wheel Dump Truck (Not Yet)	R	B	\$ 127,974	\$ 25,595	\$ 25,595	\$ 25,595	\$ 25,595		
	2009 John Deere Backhoe	R	B	\$ 125,915	\$ 25,183	\$ 25,183				
	2007 Mack 10-Wheel	R	B	\$ 136,950	\$ 27,390	\$ 27,390				
	2009 MB Multi-Purpose Tractor	R	B	\$ 122,000	\$ 25,231	\$ 25,231				
	2008 Volvo 10-Wheel Dump Truck	R	B	\$ 119,887	\$ 23,977					
	2008 International 7500 6-Wheel Dump	R	B	\$ 140,266	\$ 28,053					
	2008 International 7300 6-Wheel Dump	R	B	\$ 92,676	\$ 18,535					
<b>Streets &amp; Roads Subtotals</b>				<b>\$ 3,330,264</b>	<b>\$ 303,684</b>	<b>\$ 483,818</b>	<b>\$ 411,014</b>	<b>\$ 403,789</b>	<b>\$ 427,890</b>	
<b>Sudbury Public Schools</b>										
	Roofs Replacement	R	B	\$ 1,096,245	Bonded					

Town of Sudbury										
Five-Year Capital Improvement Request Listing										
CIP No.	Project Description	R/YR	Just. Code	Total Cost	Appropriated FY12	FY13	FY14	FY15	FY16	
	Noyes Boiler Replacement	R	B	\$ 432,000	Bonded					
	Noyes Window Replacement	NR	B, C	\$ 670,000	Bonded					
	Nixon-Addressable Fire Alarm Panel & Devices	NR	A	\$ 90,000	\$ 90,000					
	Noyes Switch Gear Replacement	NR	B	\$ 60,000		\$ 60,000				
	Curtis, Nixon, & Loring Parking Lot & Walk-way patching & repair	R	A, B	\$ 100,000		\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	
	Haynes Water Heater Replacement	R	A, C	\$ 15,000		\$ 15,000				
	Curtis Outside Door Replacement	R	A, B	\$ 10,000		\$ 10,000				
	Curtis, Nixon, Loring, & Haynes Flooring Repair	R	A, B	\$ 40,000		\$ 40,000				
	Curtis Water Heater #2 replacement	R	A, C	\$ 15,000			\$ 15,000			
	Nixon Roof Replacement	R	B	\$ 524,546		\$ 524,546				
	Haynes, Nixon, & Noyes Heating System Control Upgrade	NR	C	\$ 60,000		\$ 60,000				
	Curtis Univent for Room 148 Replace	NR	D	\$ 12,000		\$ 12,000				
	Nixon Water Heater Replacement	R	A, C	\$ 15,000		\$ 15,000				
	Loring Water Heater Replacement	R	A, C	\$ 15,000			\$ 15,000			
	Haynes Roof Replacement	R	B	\$ 975,000		\$ 26,000	\$ 975,000			
	Loring Roof Repair	R	B	\$ 26,000		\$ 21,000				
	Curtis Roof Repair	R	B	\$ 21,000						
	Haynes Circulating Pump	NR	A	\$ 25,000		\$ 25,000				
	Haynes Heat Exchanger for Computer	NR	A	\$ 12,000		\$ 12,000				
	Loring Boiler Control w/Johnson DDC & modulating boiler control	NR	C	\$ 100,000				\$ 100,000		
	Nixon Septic Repair	R	A, B	Unknown						X
	Noyes Septic System	R	A, B	Unknown						X
	5 School Phone System (Compatible w/ Town)	NR	D	Unknown						X
<b>Sudbury Public Schools Subtotals</b>				<b>\$ 4,313,791</b>	<b>\$ 90,000</b>	<b>\$ 808,546</b>	<b>\$ 1,077,000</b>	<b>\$ 125,000</b>	<b>\$ 25,000</b>	
<b>Town Clerk</b>										
	New Vault Dept/Comm. Records	NR	B	\$ 402,000	Other Funding					
	Historic Records Conservation	NR	B	\$ 117,000	Other Funding					
<b>Town Clerk Subtotals</b>				<b>\$ 519,000</b>						
<b>GRAND TOTAL*</b>				<b>\$ 18,470,769</b>	<b>\$ 338,947</b>	<b>\$ 5,022,092</b>	<b>\$ 2,827,463</b>	<b>\$ 2,159,536</b>	<b>\$ 2,248,392</b>	

\*Excludes Unknown or Other Funding Values

## 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 4<sup>th</sup> parade.

### STAFFING

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

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>TOWN-WIDE OPERATING EXPENSES</b>				
Copier Supplies & Service	7,277	7,600	7,500	12,500
Postage	30,485	34,143	38,900	38,900
Town Audit Fees	43,000	30,000	48,500	48,500
Telephone	17,754	15,310	25,000	20,000
Town Report Printing	750	0	0	0
Town Meetings and Elections	8,677	13,866	16,500	16,500
Memorial Day	1,700	1,700	1,700	1,700
July 4th Celebration	4,000	4,000	4,000	4,000
<b>Total: Operating Expenses</b>	<b>113,643</b>	<b>106,619</b>	<b>142,100</b>	<b>142,100</b>

### BUDGET ISSUES

The FY12 budget is the same, compared to the FY11 budget. This budget includes a slight increase for Copier Supplies and services to be covered by an identical decrease in telephone expense. 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 (1-2% 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>Transfer Accounts</b>				
Reserve Fund	0	0	240,420	248,983
Salary Contingency	0	0	51,985	10,065
<b>Total Transfer Accounts</b>	<b>0</b>	<b>0</b>	<b>292,405</b>	<b>259,048</b>

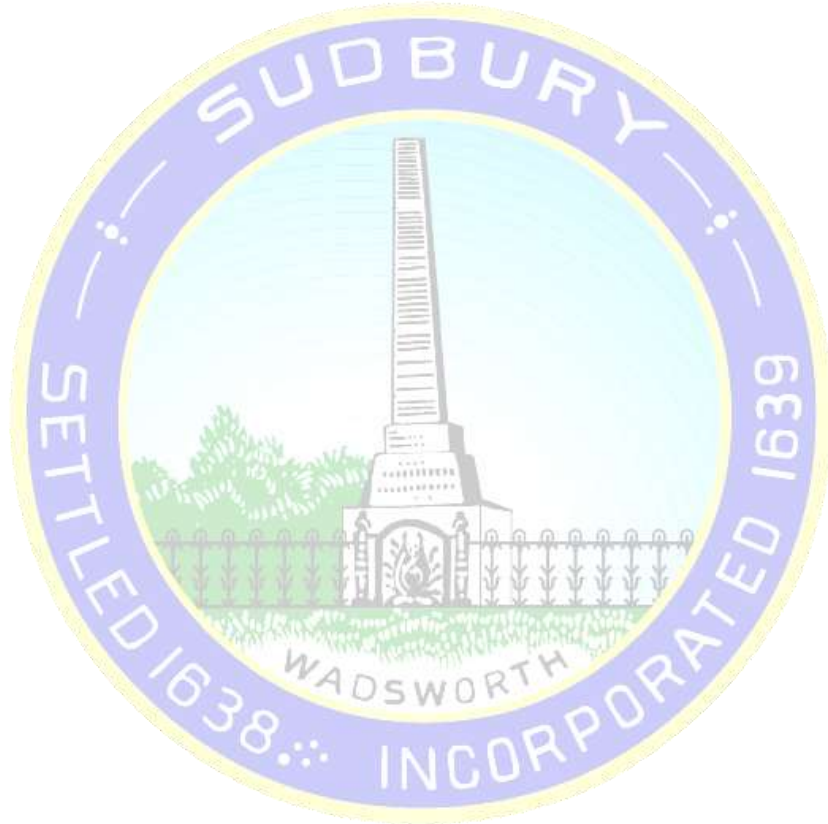
### BUDGET ISSUES

**Reserve Fund** - The FY12 budget is increasing in total by \$8,563, compared to the original budget for FY11. (As reserves are used during the year, budget transfers are posted from the reserve account to the expense line items requiring additional funding. In FY11, the Town required all monies in Reserve fund 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 \$8,563 requested for FY12, 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** - FY12 is the second year for the current three-year contracts for Public Works and Engineering collective bargaining groups. The amount of funding requested in the FY12 budget allows for minor unforeseen contract adjustments. 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 FY11 will close out at the end of the year as unused.

## Section Nine

# **Shared Programs & Costs**



	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>SHARED PROGRAMS &amp; COSTS</b>				
Debt Service	6,741,131	6,568,173	6,417,501	6,076,932
Town/SPS Benefits & Insurance	10,854,235	10,169,076	10,660,033	11,163,479
<b>Total Shared Programs &amp; Costs</b>	<b>983,524</b>	<b>16,737,248</b>	<b>17,077,534</b>	<b>17,240,411</b>

## 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, 2011, the Town's permanent debt outstanding was \$34,180,000 (including CPA debt, which is also guaranteed by the Town) or only 16% 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 \$18,295,000 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 took place in FY11 producing approximately \$200,000 over the next 10 years.

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 started to decline 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>DEBT SERVICE</b>				
Short-term Loan Interest	0	7,620	0	0
Long Term Bond Int.	1,277,060	1,151,604	1,025,354	893,860
Long Term Bond Principal	3,070,000	3,110,000	3,155,000	2,990,000
New issues for capital items	0	0	0	0
LSRHS Debt Service, Sudbury Portion	2,394,071	2,298,949	2,237,147	2,193,072
<b>Total: Debt Service</b>	<b>6,741,131</b>	<b>6,568,173</b>	<b>6,417,501</b>	<b>6,076,932</b>
<b>NON-EXEMPT DEBT/ADJUSTMENTS</b>				
Non-Exempt Debt Issues	-	(7,620)	-	-
Premium on Bonds	(8,408)	(7,007)	(5,605)	(3,737)
SBAB Debt Reimbursement	(1,702,596)	(1,702,596)	(1,702,596)	(1,702,596)
DE-1 Tax Recap Adjustments	-	-	-	-
<b>Sub-Total: Non-exempt debt adjustment</b>	<b>(1,711,004)</b>	<b>(1,717,223)</b>	<b>(1,708,201)</b>	<b>(1,706,333)</b>
<b>Total Exempt Debt to be raised</b>	<b>5,030,127</b>	<b>4,850,950</b>	<b>4,709,300</b>	<b>4,370,599</b>

## BUDGET ISSUES

Total debt service including Sudbury's share of LSRHS debt continues to decline. The FY12 budget is decreasing in total by \$340,569, compared to the FY11 budget. This represents the amount of debt service (principal and interest) that Sudbury has to pay in FY12. The FY12 exempt debt calculation represents the net taxes to be raised (in addition to proposition 2 ½). The *tax levy* for debt service for FY12 will also decline by approximately \$20,000 commensurate with the MSBA's net reimbursement savings for the recent debt refunding. The final FY12 budget for debt (and debt reimbursement revenue) will be adjusted downward after July 1<sup>st</sup> when we receive confirmation from the MSBA. 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>EMPLOYEE BENEFITS</b>				
Workers' Compensation	<b>27,009</b>	<b>25,090</b>	<b>30,690</b>	<b>41,055</b>
Town:	13,505	12,545	15,345	13,138
School:	13,505	12,545	15,345	27,917
Unemploy. Compensation	<b>52,610</b>	<b>41,730</b>	<b>46,738</b>	<b>121,905</b>
Town:	10,522	8,346	9,348	17,238
School:	42,088	33,384	37,390	104,667
Medicare Tax	<b>413,942</b>	<b>421,241</b>	<b>487,166</b>	<b>483,624</b>
Town:	120,043	130,585	151,022	146,150
School:	293,899	290,656	336,144	337,474
Life Insurance	<b>3,700</b>	<b>3,620</b>	<b>5,600</b>	<b>4,343</b>
Town:	1,073	1,194	1,848	1,650
School:	2,627	2,425	3,752	2,693
Employee Medical Premiums	<b>6,747,497</b>	<b>5,977,403</b>	<b>6,079,405</b>	<b>6,177,606</b>
Town:	2,115,203	1,868,155	1,894,310	2,101,910
Town Offsets:	-		(14,280)	(45,836)
School:	4,632,294	4,109,248	4,199,375	4,121,532
Retiree Medical Premiums/ OPEB	<b>771,852</b>	<b>782,694</b>	<b>883,488</b>	<b>1,021,396</b>
Town:	290,988	295,076	334,731	385,081
School:	480,864	487,618	548,757	636,315
Employee Benefits Reserve	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,812</b>
Town:	0	0	0	24,725
School:	0	0	0	43,087
Retirement Assessment	<b>2,621,713</b>	<b>2,717,879</b>	<b>2,851,124</b>	<b>2,961,642</b>
Town:	1,494,376	1,549,191	1,679,670	1,704,598
School:	1,127,337	1,168,688	1,171,454	1,257,044
Property/Liab. Insurance	<b>215,912</b>	<b>199,420</b>	<b>275,822</b>	<b>284,096</b>
Town:	107,956	99,710	137,911	142,048
School:	107,956	99,710	137,911	142,048
<b>Total: Employee Benefits</b>	<b>10,854,235</b>	<b>10,169,076</b>	<b>10,660,033</b>	<b>11,163,479</b>
Town:	4,153,667	3,964,802	4,224,185	4,536,538
Town Offset	0	0	-14,280	-45,836
School:	6,700,568	6,204,274	6,450,128	6,672,777

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>BENEFITS &amp; INSURANCE</b>				
Workers' Compensation	27,009	25,090	30,690	41,055
Unemployment Compensation	52,610	41,730	46,738	121,905
Medicare Tax	413,942	421,241	487,166	483,624
Life Insurance	3,700	3,620	5,600	4,343
Employee Medical Premiums	6,747,497	5,977,403	6,093,685	6,223,442
Retiree Medical Premiums/ OPEB	771,852	782,694	883,488	1,021,396
Retirement Assessment	2,621,713	2,717,879	2,851,124	2,961,642
Property/Liab. Insurance	215,912	199,420	275,822	284,096
Benefits Offsets	-	-	(14,280)	(45,836)
<b>Total: Employee Benefits</b>	<b>10,854,235</b>	<b>10,169,076</b>	<b>10,660,033</b>	<b>11,163,479</b>
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>BENEFITS &amp; INSURANCE</b>				
Town	4,153,667	3,964,802	4,209,905	4,490,702
Schools	6,700,568	6,204,274	6,450,128	6,672,777
	<b>10,854,235</b>	<b>10,169,076</b>	<b>10,660,033</b>	<b>11,163,479</b>

## BUDGET ISSUES

*Workers' Compensation* – The FY12 budget is increasing by \$71,745, compared to the FY11 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 FY12 budget is decreasing by \$1,257, compared to the FY11 budget.

*Unemployment* – The FY12 budget is increasing by a total of \$75,167, compared to the FY11 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 FY12 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 FY12 budget is decreasing by \$3,542, compared to the FY11 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/OPEB* – The FY12 budget is increasing by \$236,109, compared to the FY11 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.

*Employee Benefits Reserve* - The FY12 budget for this temporary reserve is increasing by \$67,812, compared to the FY11 budget. In FY12, the Town and SPS are setting aside this amount in reserve, which represents potential savings in health insurance and other benefit programs. This balance in reserve will go towards paying for various benefit categories, or else may be transferred elsewhere within the Town and SPS, respectively.

*Retirement Program* – The FY12 budget is increasing in by \$110,518, compared to the FY11 budget. 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. 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.

*Property/Liability Insurance* – The FY12 budget is increasing by \$8,274, compared to the FY11 budget. 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>STABILIZATION FUND</b>				
Additions to Fund	0	0	0	0
<b>Total Stabilization Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

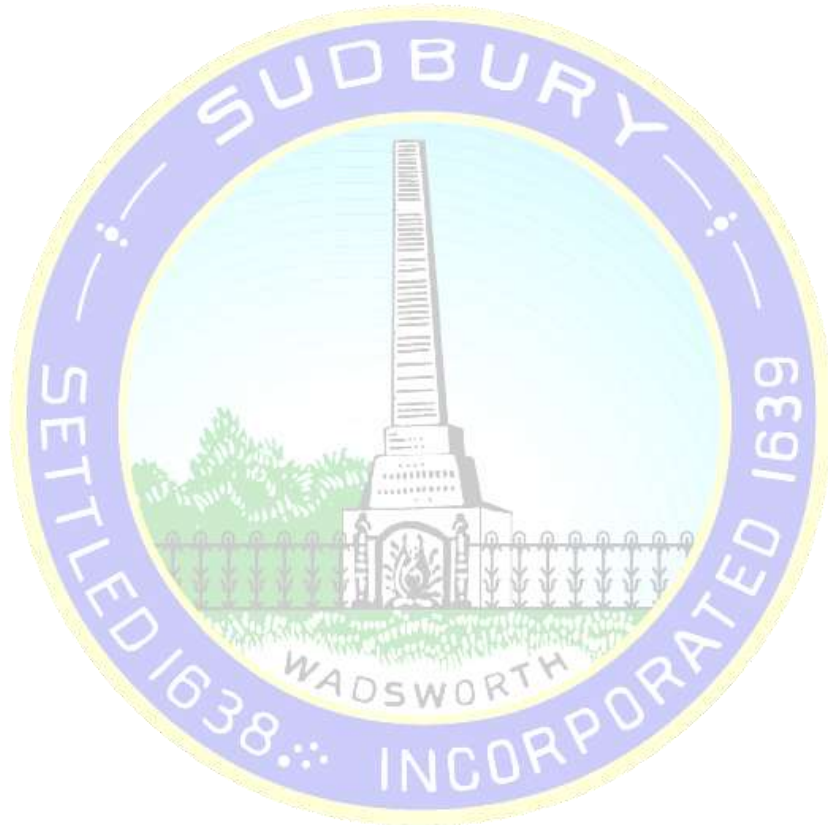
### BUDGET ISSUES

The FY12 budget (to add to the Stabilization fund in FY12) 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 the 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>Other amounts to be raised</b>				
Cherry Sheet Assessments	167,313	164,445	211,556	183,605
Cherry Sheet Offsets	37,763	32,413	32,992	24,324
Abatements & Exemptions	708,949	533,388	400,000	400,000
Recap. Snow & Ice Deficits	69,499	0	100,000	100,000
<b>Total Other Charges</b>	<b>983,524</b>	<b>730,246</b>	<b>744,548</b>	<b>707,929</b>

### BUDGET ISSUES

#### Cherry Sheet Charges

**FY12 Estimate: \$183,605**

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

**FY12 Estimate: \$24,324**

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 fund 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**

**FY12 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 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).

#### **Abatements & Exemptions**

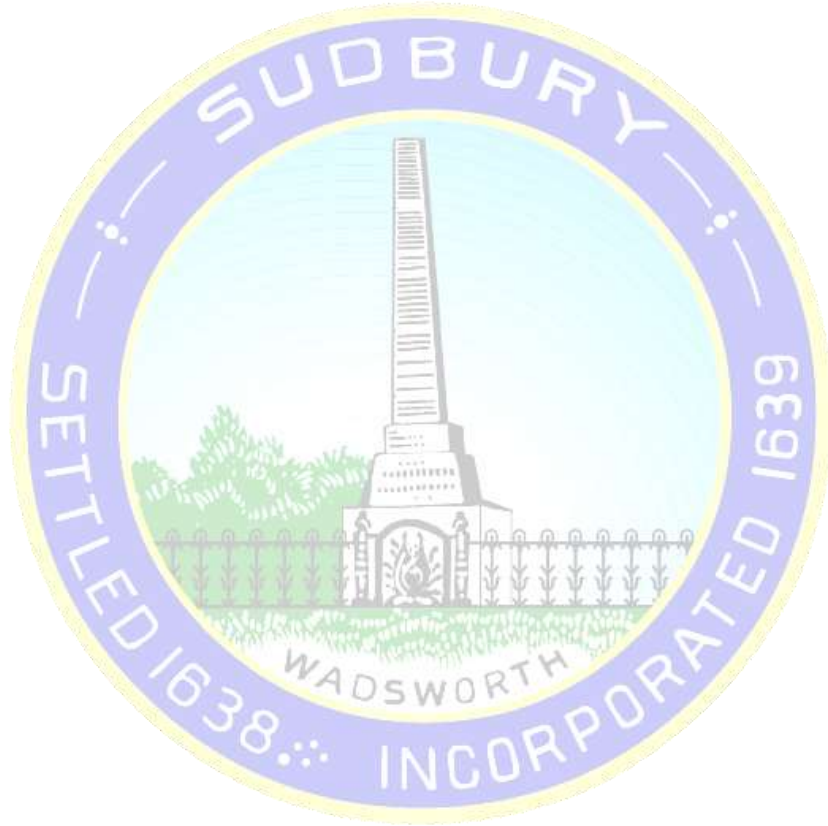
**FY12 Estimate: \$400,000**

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 tax 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).



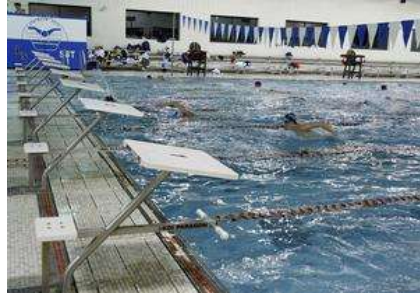
## Section Eleven

# **Enterprise Funds**





Transfer Station/Recycle Center



Atkinson Pool



Recreational Field Maintenance

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>ENTERPRISE FUND EXPENDITURES</b>				
Transfer Station	263,368	256,534	271,437	290,389
Pool	438,924	455,118	489,868	517,230
Recreation Field Maintenance	0	113,606	221,497	309,614
<b>Total Enterprises (Direct)</b>	<b>702,292</b>	<b>825,257</b>	<b>982,802</b>	<b>1,117,234</b>
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>ENTERPRISE FUND REVENUES</b>				
Transfer Station	316,432	375,277	301,032	330,000
Pool	457,842	480,692	489,868	517,230
Recreation Field Maintenance	0	170,493	221,497	309,614
<b>Total Enterprises Revenues</b>	<b>774,274</b>	<b>1,026,461</b>	<b>1,012,397</b>	<b>1,156,844</b>

## ENTERPRISE FUNDS: Transfer Station/Recycling Center

### MISSION OF THE ENTERPRISE

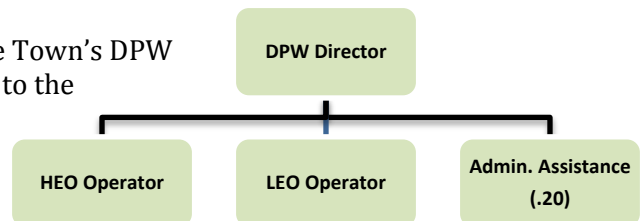
The Enterprise mission is to operate a secure, safe and environmentally friendly Transfer Facility for the residents of Sudbury to properly dispose of and/or recycle common household items and non-hazardous waste. The station provides excellent recycling opportunities in which residents can exercise 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	Type	FY10	FY11	Projected FY12
Stickers Sold	Output	1,569	1,569	1,477
Pay-Per-Throw Bags Sold	Output	55,000	55,000	55,000
Sticker Receipts	Output	145,000	145,000	165,000
Permit Receipts	Output	27,000	27,000	18,500
Tons recycled or disposed	Output	1,908	1,900	1,500
Days open per year	Effectiveness	43%	43%	43%
Users % of households	Effectiveness			21%
Recovered from recyclables tons	Efficiency	\$36.96/ton	\$3.50/ton	\$15.90/ton

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>TRANSFER STATION ENTERPRISE FUND</b>				
Non-Clerical	92,183	86,826	93,776	98,708
Overtime	5,282	7,300	7,000	7,000
Stipends	0	0	4,095	4,095
Clerical	7,562	8,269	8,466	9,086
<b>Sub Total: Personal Services</b>	<b>105,027</b>	<b>102,396</b>	<b>113,337</b>	<b>118,889</b>
General Expense	28,356	15,253	19,000	19,000
Maintenance	37,292	13,547	27,600	25,000
Hauling & Disposal	76,839	104,017	90,000	106,000
Resource Recovery	15,854	21,321	21,500	21,500
<b>Sub Total: Expenses</b>	<b>158,341</b>	<b>154,138</b>	<b>158,100</b>	<b>171,500</b>
<b>Direct Costs (Budget)</b>	<b>263,368</b>	<b>256,534</b>	<b>271,437</b>	<b>290,389</b>
INDIRECT COSTS: (Not Budget)				
Benefits/Insurance	30,912	30,953	29,595	33,146
<b>Indirect Costs*</b>	<b>30,912</b>	<b>30,953</b>	<b>29,595</b>	<b>33,146</b>
<b>TOTAL: TRANSFER STATION ENTERPRISE</b>	<b>294,280</b>	<b>287,487</b>	<b>301,032</b>	<b>323,536</b>

\* Budget within unclassified benefits budget.

## BUDGET ISSUES

*Personal Services* - The FY12 budget is increasing by \$5,552, compared to the FY11 budget. This budget provides for the same level of staffing as FY11.

*Expenses* - The FY12 budget for direct expenses is increasing by \$13,400, compared to the FY11 budget. The budget for indirect costs of \$33,146 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

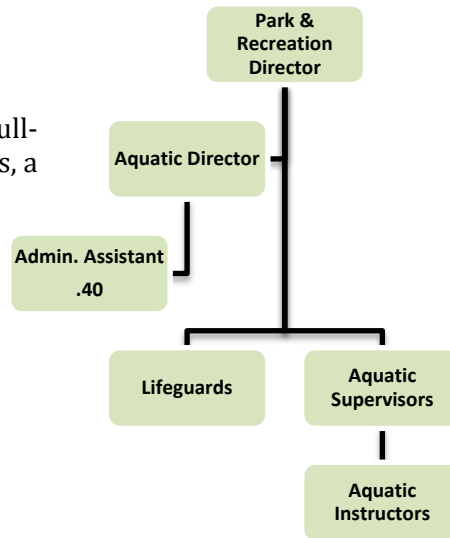
The mission of the Atkinson Pool is to provide aquatic activities, fitness swimming, and leisure services to the public. The Pool strives to enhance the quality of life for the Town of Sudbury residents by providing clean, safe and attractive aquatic facility that promotes a strong sense of community.

## 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	Type	FY10	FY11	Projected FY12
Pool Attendance	Output	84,618	83,293	84,000
Atkinson Pool Memberships	Output	1,445	1,505	1,475
Atkinson Pool Members	Output	2,945	3,299	3,230
Resident Active Members	Output	1,215	1,457	1,450
Non-Resident Active Members	Output	1,730	1,842	1,780
Resident Active Memberships	Output	527	576	575
Non-Resident Active Memberships	Output	918	929	898
Average members per membership	Effectiveness	2.04	2.19	2.18
% Residential members per household	Effectiveness	.23	.27	.27
Ratio resident/non-resident membership	Effectiveness	57%	60%	60%
Number of individuals serviced by swim lessons/exercise programs	Efficiency	1,041	1,104	1,100
Operating costs /attendance	Efficiency	\$6.11	\$6.82	\$6.82

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>POOL ENTERPRISE FUND</b>				
Non-Clerical	144,856	152,684	159,762	165,280
Head Lifeguards	34,695	35,124	36,792	37,868
Overtime	254	529	1,293	800
Clerical	17,565	17,791	18,317	18,848
Part Time Supervisors	6,296	5,712	8,092	8,092
Receptionists	22,112	21,045	24,143	24,143
WSI Lifeguards	54,041	55,975	65,644	65,644
Sick Leave Buyback		289		730
Instructors	11,090	11,367	12,825	12,825
<b>Sub Total: Personal Services</b>	<b>290,909</b>	<b>300,516</b>	<b>326,868</b>	<b>334,230</b>
General Expense	14,602	9,754	10,000	33,000
Utilities	87,762	91,871	97,000	97,000
Maintenance	40,002	49,210	46,000	23,000
Programs	5,649	3,767	6,000	6,000
Equipment	0	0	4,000	4,000
<b>Sub Total: Expenses</b>	<b>148,015</b>	<b>154,602</b>	<b>163,000</b>	<b>163,000</b>
Building improvements	0	0	0	20,000
<b>Sub Total: Capital Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,000</b>
<b>Direct Costs (Budget)</b>	<b>438,924</b>	<b>455,118</b>	<b>489,868</b>	<b>517,230</b>
<b>INDIRECT COSTS: (Not Budget)</b>				
Insurance & Benefits	65,530	61,905	55,841	62,542
<b>Indirect Costs*</b>	<b>65,530</b>	<b>61,905</b>	<b>55,841</b>	<b>62,542</b>
<b>TOTAL: POOL ENTERPRISE</b>	<b>504,454</b>	<b>517,023</b>	<b>545,709</b>	<b>579,772</b>

\* Budget within unclassified benefits budget.

## BUDGET ISSUES

*Personal Services* – The FY12 budget is increasing by \$7,362, compared to the FY11 budget. This budget provides for the same level of personnel as the FY11 budget.

*Expenses* – The FY12 budget for direct expenses is increasing by \$27,362, compared to the FY11 budget. This budget includes \$20,000 for much needed building improvements. The budget for indirect costs of \$62,542 represents benefits for enterprise employees, which are to be paid for on behalf of the Atkinson Pool Enterprise, 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	Type	FY10	FY11	Projected FY12
Hours of use per field per season	Output	1664	1664	1664
Min. and Max. of field events per field	Output	1-8	1-8	1-8
Hours spent scheduling field use	Output	128	130	130
% Days open for play per year	Effectiveness	58%	58%	58%

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
<b>RECREATION FIELD MAINTENANCE ENTERPRISE FUND</b>				
Clerical	0	0	0	23,653
Non-Clerical <sup>1</sup>	0	0	52,967	108,918
Summer Help	0	7,383	5,130	11,000
<b>Sub Total: Personal Services</b>	<b>0</b>	<b>7,383</b>	<b>58,097</b>	<b>143,571</b>
Field Maintenance	0	57,545	90,000	75,000
Park Maintenance	0	24,790	19,000	30,000
Utilities	0	13,138	41,000	20,000
Office Expense	0	0	1,500	1,500
General Expense	0	10,750	7,000	4,500
<b>Sub Total: Expenses</b>	<b>0</b>	<b>106,223</b>	<b>158,500</b>	<b>131,000</b>
Capital Expense	0	0	4,900	4,561
<b>Sub Total: Capital Expenses</b>	<b>0</b>	<b>0</b>	<b>4,900</b>	<b>4,561</b>
<b>Direct Costs (Budget)</b>	<b>0</b>	<b>113,606</b>	<b>221,497</b>	<b>279,132</b>
INDIRECT COSTS: (Not Budget)				
Insurance & Benefits	0	0	0	30,482
Indirect Costs*	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,482</b>
<b>TOTAL: RECR FIELD MAINT ENTRP</b>	<b>0</b>	<b>113,606</b>	<b>221,497</b>	<b>309,614</b>

1 All non-clerical staff wages are allocated from the Town's Parks & Grounds Department based on usage for Enterprise activities.

\*Budget within unclassified benefits budget.

## BUDGET ISSUES

*Personal Services* – The FY12 budget is increasing by \$85,474, compared to the FY11 budget. This budget provides seasonal work provided by DPW staff specifically for public recreational field maintenance. The allocation of wages for DPW personnel is expected to increase dramatically from FY11. Also, clerical wages may be incurred (or allocated) starting in FY12.

*Expenses* – The FY12 budget for direct expenses is increasing in by \$57,635, compared to the FY11 budget. 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. The budget for indirect costs of \$30,482 represents the allocation of benefits for DPW personnel, to be paid for by the Enterprise of Sudbury's unclassified benefits.

## 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>CPA Operating</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
Salaries & Wages	32,138	41,644	50,000	50,000
Administrative Expenses	47,295	27,619	30,000	35,000
Debt Service	809,455	1,119,954	1,052,034	1,226,556
<b>Total: CPA Operating Expense <sup>1</sup></b>	<b>888,888</b>	<b>1,189,217</b>	<b>1,132,034</b>	<b>1,311,556</b>
	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>CPA Capital Projects</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
Capital Project Expense	6,291,251	371,981	367,795	1,020,000
<b>Total: CPA Capital Projects <sup>2</sup></b>	<b>6,291,251</b>	<b>371,981</b>	<b>367,795</b>	<b>1,020,000</b>
Total CPA Expenses Only <sup>1</sup>	<b>7,180,139</b>	<b>1,561,198</b>	<b>1,499,829</b>	<b>2,331,556</b>
		0.00		
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 FY12 budget is level funded, compared to the FY11 budget. This budget provides the same level of staffing as FY11.

*Expenses* – The FY12 budget for other expenses is increasing by \$179,522, compared to the FY11 budget. Most of the increase is for debt service.

*Capital Project Expenditures* – The FY12 budget for capital expense is increasing by \$652,205, compared to the FY11 budget. 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>CPA Articles</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
Open/Recreational Space	6,175,000	25,000	200,000	160,000
Historic Resources	79,681	18,000	167,795	154,000
Community Housing	1,350,000	378,000	180,000	190,000
<b>Total: CPA Articles</b>	<b>7,604,681</b>	<b>421,000</b>	<b>547,795</b>	<b>504,000</b>

*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 as articles at Town Meeting. For further details on CPA capital projects and strategic planning see the CPC's website.

## 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 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.

	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
<b>SUDBURY HOUSING TRS</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Appropriated</b>
Salaries & Wages	30,789	37,247	37,246	42,000
General Expenses	374,016	227,951	312,754	358,000
<b>Total: SHT Operating Expense <sup>1</sup></b>	<b>404,805</b>	<b>265,198</b>	<b>350,000</b>	<b>400,000</b>
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 FY12 budget is increasing by \$4,754, compared to the FY11 budget.

*Expenses* – The FY12 budget for expenses is increasing in total by \$45,246, compared to the FY11 budget. Approximately \$50,000 of expenses for FY12 is budgeted for general expenses such as small home repair grants for Sudbury citizens. The remaining balance 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**

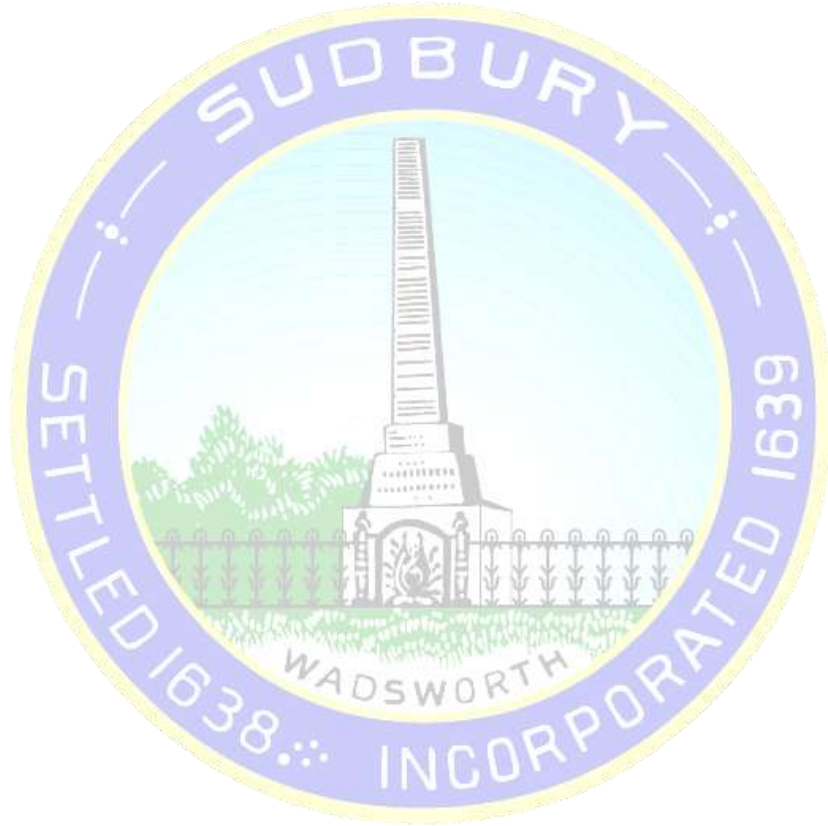
*Expenses*—The FY12 budget is zero. Should an extraordinary need arise in FY12, an article would be submitted for Annual or Special Town Meeting. The Town has not had to use any funds from Stabilization since its inception several years ago. Over the years, the Town has added small amounts to Stabilization 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.

**Bond:** A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. The term of a bond is always greater than one year.

**Bond Refunding:** A transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

**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.

**Deficit:** The excess of expenditures over revenues during an accounting period. Also refers to the excess of the liabilities of a fund over its assets.

**Deficit Spending:** Municipalities may deficit spend for emergency purposes, public safety issues such as snow & ice expenditures and tax abatements in excess of appropriation. Prior approval by the DOR is often required and/or local authorization obtained before spending may occur. Typically deficit spending must be raised on the next year's tax levy.

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

**Depreciation:** Allocating the cost of a tangible asset over its estimated useful life. Depreciation is a non-cash expense that lowers reported earnings.

**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.

**Governmental Funds:** Funds generally used to account for tax supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds and permanent funds.

**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 ICBA, 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)
BRTF	Budget Review Task Force
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
FE	Foundation Enrollment
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
OFS	Operating Funding Sources
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
PVPB	Present Value of Projected Benefits
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 Poor's
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
VoC	Vocational
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	CY 2010						CY 2011						
		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 FY12 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

### FY12 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.

#### **2010**

Sep 16	Town Manager issues capital budget letter to town departments and SPS
Oct 12	Capital requests due to Town Manager
Oct 15	CIP draft compilation report completed, distributed to department heads
Oct 19	CIP staff committee meets
Oct 26	Town Manager submits capital request report to CIPC
Oct 29	Finance Committee Budget memorandum distributed to all cost centers
Nov 5	Town Manager issues budget instructions to department heads, committee chairs
Nov 29 Director's Office	Municipal Department & Committee Operating budget requests due at Finance
Dec 8 & 10	Budget hearings with Town Manager and Finance Director

#### **2011**

Jan 5&6	CIP Committee holds hearings
Jan 12	CIP Committee votes a recommended CIPC budget/ project list
Jan 14	CIP Committee submits recommended capital budget/project list, due to Town Manager, Selectmen and Finance Committee
Jan 14	Town, Lincoln-Sudbury Regional High School, Sudbury Public Schools operating budgets due to Finance Director
Jan 31	Town Finance Director delivers comprehensive <b><i>FY2012 Proposed Budget and Financing Plan</i></b> delivered to Finance Committee, Board of Selectmen
Feb 1	CIP Committee meet with Selectmen to review submitted CIPC budget and projects list
Feb 7-Feb 28	Finance Committee holds public hearings on operating and capital budget requests
Mar 1	Finance Committee votes operating and capital budget recommendations
Mar 4	All Finance Committee reports due to Finance Director
Mar 11	All Finance Committee reports due to Selectmen's Office
April 14	Town Meeting Warrant and Report of the Finance Committee sent to residents
May 2	Town Meeting - consideration of FY12 operating and capital budget; enactment of appropriations, budget amendments to FY11 budget, if any
June	Board of Selectmen to vote to accept final FY12 Goals
July 1	FY2012 Budget takes effect

**SUDBURY FINANCE COMMITTEE**  
**FY12 Budget Hearing Schedule**

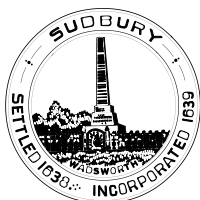
Day	Date/Time	Meeting Description	Location
Thursday	Feb 3, 2011 7:30 PM	Joint Meeting with Lincoln FinCom	Town Hall
Monday	Feb 7, 2011 7:30 PM	Minuteman, CPA & CIPC Hearings	Grange Hall
Thursday	Feb 10, 2011 7:00 PM	*Opening Remarks by FinCom Chair & Town Manager; Presentation of level staff budgets by the 3 cost centers.	Town Hall
Monday	Feb 14, 2011 7:00 PM	Presentation of the no override budgets by the 3 cost centers	Town Hall
Thursday	Feb 17, 2011 7:30 PM	Other Articles; Finance Committee deliberations	Flynn
Tuesday	Mar 1, 2011 7:45 PM 8:30 PM	Joint Board of Selectmen/Finance Committee meeting Finance Committee final votes	Town Hall Flynn
Wednesday	Mar 2, 2011 7:30 PM	Tentative in case prior evening's meeting needs to be continued	Flynn

\*FinCom Chair and Town Manager to make recorded opening remarks at 6:30 PM



## E. Budget Instructions

### SUDBURY FINANCE COMMITTEE INSTRUCTION LETTER FOR FY12



## Town of Sudbury Finance Committee

---

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

October 29, 2010

To: Board of Selectmen of the Town of Sudbury  
Dr. John R. Brackett, Superintendent of the Sudbury Public Schools  
Mr. Scott Carpenter, Superintendent of Lincoln-Sudbury Regional High School  
Mr. Mark Collins, Chair of the Lincoln Sudbury Regional School District Committee  
Ms. Susan Iuliano, Chair of the Sudbury Public School Committee  
David R. Manjarrez, Minuteman Regional High School Representative  
Ms. Maureen Valente, Town Manager for the Town of Sudbury

RE: FY 2012 Budget Guidelines

---

Dear Town and School Officials and Administrators:

The Finance Committee (the “Committee”) looks forward to working with you on the FY12 budget. The municipal budgeting process follows up a challenging FY11 process with a budget year that currently projects to be even more challenging. We thank all of you and your various committees for past efforts that put the best interests of Sudbury 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 **January 14<sup>th</sup>**, to be provided on 3-hole punched paper. For FY12, the FinCom requests that the initial budget submission be prepared assuming a “Level Staff” budget, the drivers of which are the assumptions previously reviewed during our joint-planning meeting on September 13<sup>th</sup>.

We will address the details concerning a “No Override” budget submission in a subsequent letter as certain revenue assumptions we make for such other scenarios could be impacted by the results of the upcoming elections, specifically the ballot questions related to the repeal or reduction of certain tax rates. In addition, while the Committee recognizes that the current labor agreements were negotiated within the context of a 4.5% Fixed Growth Budget, reviewing a budget scenario that assumes this level of growth seems neither realistic nor prudent given preliminary expectations regarding forecasted tax revenues.

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 (see Exhibit I enclosed) to be

reviewed at these budget liaison meetings. Moreover, as was the case 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 services provided by the Town and Schools. 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 **December 20th**. 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.

We would like to proceed with the following schedule:

By **December 6th**: 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 December 6th, 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 FY12 budget requests.

**December 20th**: 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 December 20th 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 December 20th FinCom meeting.

By **January 14th**, submission of the FY12 Level Staff budget.

By **January 31st**, the addition of FY12 Level Staff budget numbers to the FinCom spreadsheet, to be delivered in electronic form. As we gain better clarity regarding revenue forecasts for FY12 we will address the timing for the submission of a No Override budget in a follow up letter.

We hope that this process will again allow for greater input and information flow prior to formal hearings in 2011. Your cooperation is very much appreciated.

Respectfully,

Members of the Sudbury 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

### **Exhibit I: Questions and information to discuss prior to the formal budget submission**

- 1) An update on the impact of the FY11 appropriated budget, including specifics on the cuts in staff and services and the resulting budgeted average FTE count for the fiscal year.
- 2) Based upon the FY11 budget: a) the status and projected full year cost, including benefits, of all new positions hired within the budget, with specifics as to positions, b) new positions hired but not included in the budget, and c) the total number of actual and budgeted FTE's by position.
- 3) Details on grants in excess of \$5,000 received for FY11, including grantor, amount, use of these funds, and likelihood of continuation.
- 4) Details of new costs and events, which were not anticipated and are impacting the FY11 budget and their potential to impact the FY12 budget.
- 5) An update of any new cost savings/revenue enhancement programs or initiatives presented during the FY10 and FY09 budget cycles.
- 6) Any new cost savings/revenue enhancement programs or initiatives being contemplated for the FY12 budget and their projected monetary impacts.
- 7) Upcoming or recently completed insurance and benefits program renewals.
- 8) Actual student enrollment statistics vs. budgeted.
- 9) An update to the "FinCom Spreadsheet" (an electronic copy of which will be distributed separately).
- 10) An update to the compensation information on highly paid employees contained in Appendix III of the April 2010 Warrant to include FY10 data.

## F. Community Profile

### SUDBURY AT A GLANCE

SETTLED:	1638 - Incorporated 1639; 372 years old in 2011	
POPULATION 2011:	18,160	VOTERS: 11,803
AREA:	24.7 Square Miles	DENSITY: 726 per Sq. Mile
ELEVATION:	190 Feet	
FY2011 BUDGET:	Operating Budget:	\$77,108,129
	Capital Budget:	529,054
	Other items to be raised	<u>1,727,350</u>
	TOTAL BUDGET:	\$79,364,533
TAX RATES:	FY2011:	\$17.03 Residential; \$22.27 Commercial/Ind./Personal Property
	FY2010:	\$16.08 Residential; \$20.13 Commercial/Ind./Personal Property
	FY2009:	\$15.29 Residential; \$19.30 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 Emerson Medical at Sudbury
HOUSES OF WORSHIP:	Baptist, Catholic, Congregational, Episcopal, Jewish (2), Lutheran, Methodist, Presbyterian, Swedenborg Chapel, Unitarian, and non-denominational.
COLLEGES/UNIVERSITIES:	MIDDLESEX COMMUNITY COLLEGE (about 5 miles; BEDFORD, MA; Full-time enrollment: 4,501)  BRANDEIS UNIVERSITY (about 5 miles; WALTHAM, MA; FT enrollment: 4,444)  FRAMINGHAM STATE UNIVERSITY (about 5 miles; FRAMINGHAM, MA; FT enrollment: 4,185)  WELLESLEY COLLEGE (about 10 miles; WELLESLEY, MA; FT enrollment: 2,241)  MASSACHUSETTS BAY COMMUNITY COLLEGE (about 10 miles; WELLESLEY HILLS, MA; FT enrollment: 2,938)  BENTLEY UNIVERSITY (about 11 miles; WALTHAM, MA; FT enrollment: 4,651)  BOSTON COLLEGE (about 14 miles; CHESTNUT HILL, MA; FT enrollment: 13,341)
UTILITIES:	Electrical service: NSTAR Natural Gas service: Keyspan Water: Sudbury Water District Telephone service: Verizon Cable Service: Comcast of Massachusetts, Inc. and Verizon
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 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.

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.

## 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  
Elena M. Kleifges  
Nancy F. Marshall  
Kevin J. Matthews  
Patricia M. Mostue

### **Moderator**

Myron J. Fox, Esq.

### **Park and Recreation Commission**

Robert C. Beagan  
Paul Griffin  
Thaddeus Gozdeck  
James J. Marotta  
Richard C. Williamson

### **Planning Board**

Michael C. Fee  
Michael J. Hunter  
Christopher Morely  
Eric E. Poch  
Joseph J. Sziabowski

### **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  
Richard J. Robison  
Ellen S. Winer

### **Sudbury Water District Commission**

William J. Cossart  
Lee H. Goodstone  
Robert H. Sheldon

## PERMANENT TOWN BOARDS AND COMMITTEES

<b><u>Title</u></b>	<b><u>Appointed By</u></b>
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 <sup>th</sup> 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>
<b><u>United States of America</u></b>			
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 <sup>th</sup> Congressional District	Nicola S. Tsongas	Lowell	(978) 459-0101
<b><u>Commonwealth of Massachusetts</u></b>			
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 <sup>rd</sup> 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 <sup>rd</sup> 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 <sup>th</sup> 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

Property Classification	FY09 Assessed Valuation	% of Total Assessed Valuation	FY10 Assessed Valuation	% of Total Assessed Valuation	FY11 Assessed Valuation	% of Total Assessed Valuation
Residential	\$ 3,785,653,765	93.1%	\$ 3,719,642,603	92.9%	\$ 3,599,570,656	92.9%
Commercial	\$ 156,972,044	3.9%	\$ 156,881,214	3.9%	\$ 145,535,412	3.8%
Industrial	\$ 62,036,600	1.5%	\$ 64,300,000	1.6%	\$ 60,872,200	1.6%
Personal	\$ 59,772,570	1.5%	\$ 62,837,650	1.6%	\$ 68,303,560	1.8%
Total	\$ 4,064,434,979	100.0%	\$ 4,003,661,467	100.0%	\$ 3,874,281,828	100.0%

### Largest Taxpayers

Largest Taxpayers, FY11	Nature of Business	Total Assessed Valuation, FY11	Amount of Tax	Percent of Levy
RAYTHEON COMPANY	Research & Development	30,126,000	670,906	1.00%
BOSTON EDISON COMPANY	Utility	29,239,180	651,157	0.97%
VERIZON NEW ENGLAND INC	Utility	19,042,410	399,940	0.59%
PARIS TRUST LLC	Manufacturer	13,748,900	306,188	0.45%
SUDBURY CROSSING LIMITED	Shopping Center	11,933,000	248,068	0.37%
RICHARDSON CHRISTINE L TRS	Shopping Center	9,053,200	201,615	0.30%
GPT-LONGFELLOW GLENN LLC	Apartments	11,328,500	198,661	0.29%
DOWIE WILLIAM J TRUSTEE	Real Estate Holdings	10,119,400	175,732	0.26%
BOSTON GAS COMPANY	Utility	7,106,270	158,257	0.23%
RICHARD J BOSSE HOLDINGS LLC	Health Club	6,790,000	151,222	0.22%
		\$148,486,860	\$3,161,745	4.69%

### Largest Private Sector Employers

Largest Employers	Nature of Business	Approximate Current Employees
Raytheon Corporation	Defense Contractor	300
Sudbury Farms	Grocery Store	300
APC	Pest Control	200
Cavicchio Greenhouses, Inc. <sup>(2)</sup>	Wholesale Florists	200
Jones & Bartlett Publishers	Publishing	200
Lincoln-Sudbury Regional School District	Public School District	200
Staples Industrial	Packaging Materials	175
Bosse Sports	Health Club/Gymnasium	110
Methods Machine Tools	Machine Tools Wholesaler	110
Shaw's Supermarket	Grocery Store	105

Industries, per US Census Bureau 2007

Industry	Count
Professional, scientific, & technical services	117
Retail trade	70
Health care & social assistance	51
Wholesale trade*	48
Other services (except public administration)	34
Administrative, support, waste management & remediation service	24
Accommodation & food services	23
Real estate, rental & leasing*	18
Information*	16
Arts, entertainment, & recreation	11
Manufacturing *	10
Educational services	2
* from 2002 reports, more recent data not available	

Unemployment, State and Town

Location, Year	Labor Force	Unemployed	Percent
Massachusetts, FY09	3,451,480	287,402	8.3%
Massachusetts, FY10	3,495,864	284,882	8.1%
Massachusetts, April 2011	3,487,160	286,943	8.2%
Sudbury, FY09	8,564	510	6.6%
Sudbury, FY10	8,634	507	6.0%
Sudbury, April 2011	8,575	424	4.2%

Household Income Distribution

Population 2000-2009 American Community Survey		
Income for Households	Households	Percent
INCOME AND BENEFITS (IN 2009 INFLATION-ADJUSTED DOLLARS)		
Total households	5,364	
Less than \$10,000	162	3.00%
\$10,000 to \$14,999	80	1.50%
\$15,000 to \$24,999	135	2.50%
\$25,000 to \$34,999	177	3.30%
\$35,000 to \$49,999	187	3.50%
\$50,000 to \$74,999	423	7.90%
\$75,000 to \$99,999	426	7.90%
\$100,000 to \$149,999	1,128	21.00%
\$150,000 to \$199,999	948	17.70%
\$200,000 or more	1,698	31.70%
Median household income (dollars)	147,383	(X)
Mean household income (dollars)	177,390	(X)
With earnings	4,667	87.00%
Mean earnings (dollars)	178,897	(X)
With Social Security	1,243	23.20%
Mean Social Security income (dollars)	18,751	(X)
With retirement income	797	14.90%
Mean retirement income (dollars)	30,181	(X)

### Population Composition

<b>Population 2000-2009 American Community Survey</b>		
	<b>Number</b>	<b>%</b>
Male	8,178	47.40%
Female	9,066	52.60%
Under 5 years	1,050	6.10%
5 to 9 years	1,683	9.80%
10 to 14 years	1,802	10.50%
15 to 19 years	1,378	8.00%
20 to 24 years	623	3.60%
25 to 34 years	628	3.60%
35 to 44 years	2,844	16.50%
45 to 54 years	3,341	19.40%
55 to 59 years	1,171	6.80%
60 to 64 years	693	4.00%
65 to 74 years	767	4.40%
75 to 84 years	947	5.50%
85 years and over	317	1.80%
Median age (years)	41.3	(X)
18 years and over	11,661	67.60%
21 years and over	11,193	64.90%
62 years and over	2,365	13.70%
65 years and over	2,031	11.80%

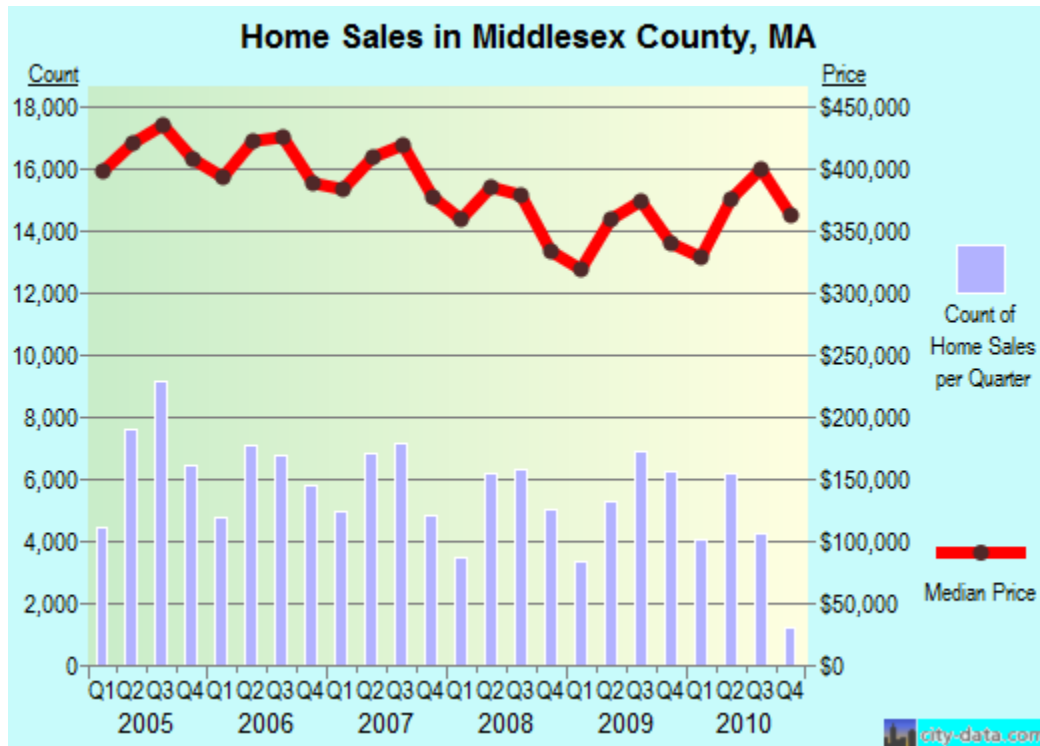
### Educational Attainment, persons 25 and older.

<b>Population 2000-2009 American Community Survey</b>		
<b>Educational Attainment</b>	<b>Number</b>	<b>Percent</b>
<b>Population 25 years and over</b>		
Less than 9th grade	49	0.50%
9th to 12th grade, no diploma	265	2.50%
High school graduate (includes equivalency)	1,078	10.10%
Some college, no degree	1,030	9.60%
Associate's degree	475	4.40%
Bachelor's degree	3,619	33.80%
Graduate or professional degree	4,192	39.10%
<b>Total</b>	<b>10,708</b>	<b>100.0%</b>
Percent high school graduate or higher	97.10%	(X)
Percent bachelor's degree or higher	72.90%	(X)

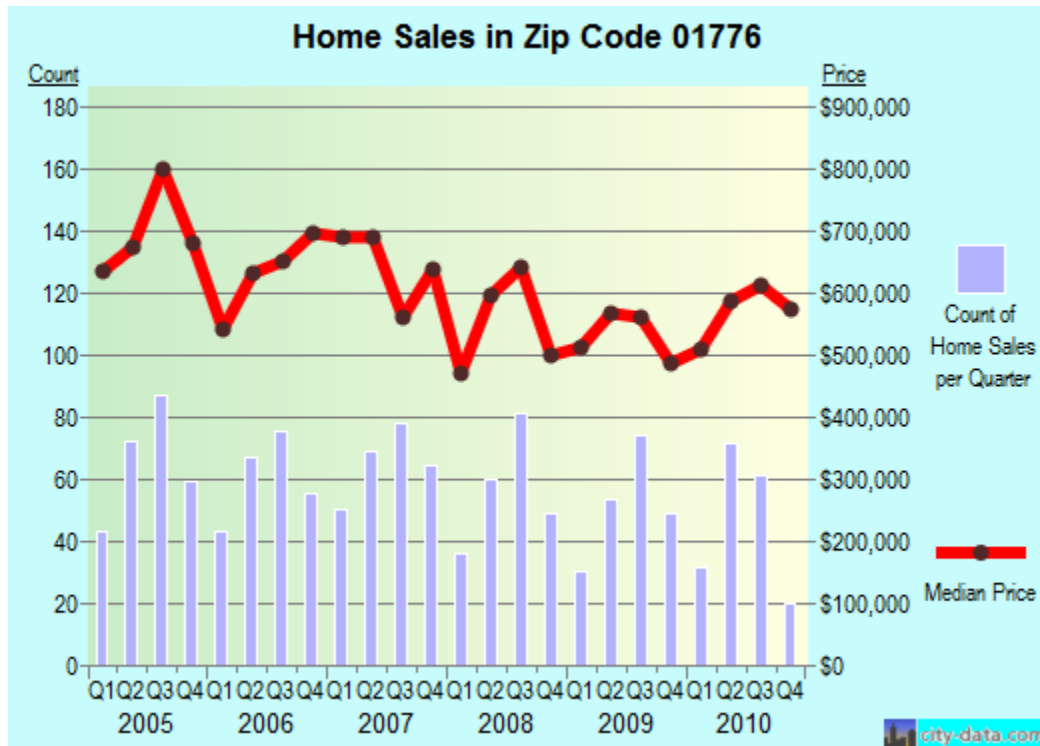
## Population Characteristics

Population 2000-2009 American Community Survey		Percent
<b><i>Race alone or in combination with one or more other races</i></b>		
White		92.40%
Black or African American		0.90%
American Indian and Alaska Native		0.10%
Asian		6.90%
Native Hawaiian and Other Pacific Islander		0.00%
Some other race		1.10%

## Home Sales, County



## Home Sales, Town



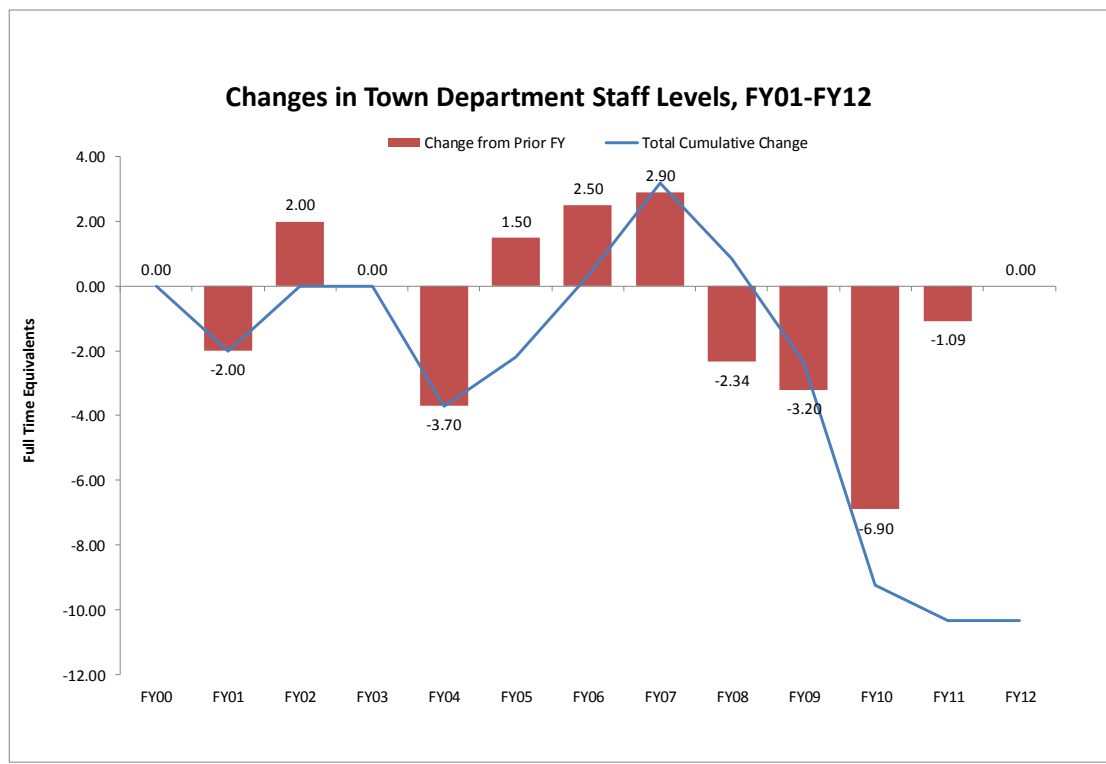
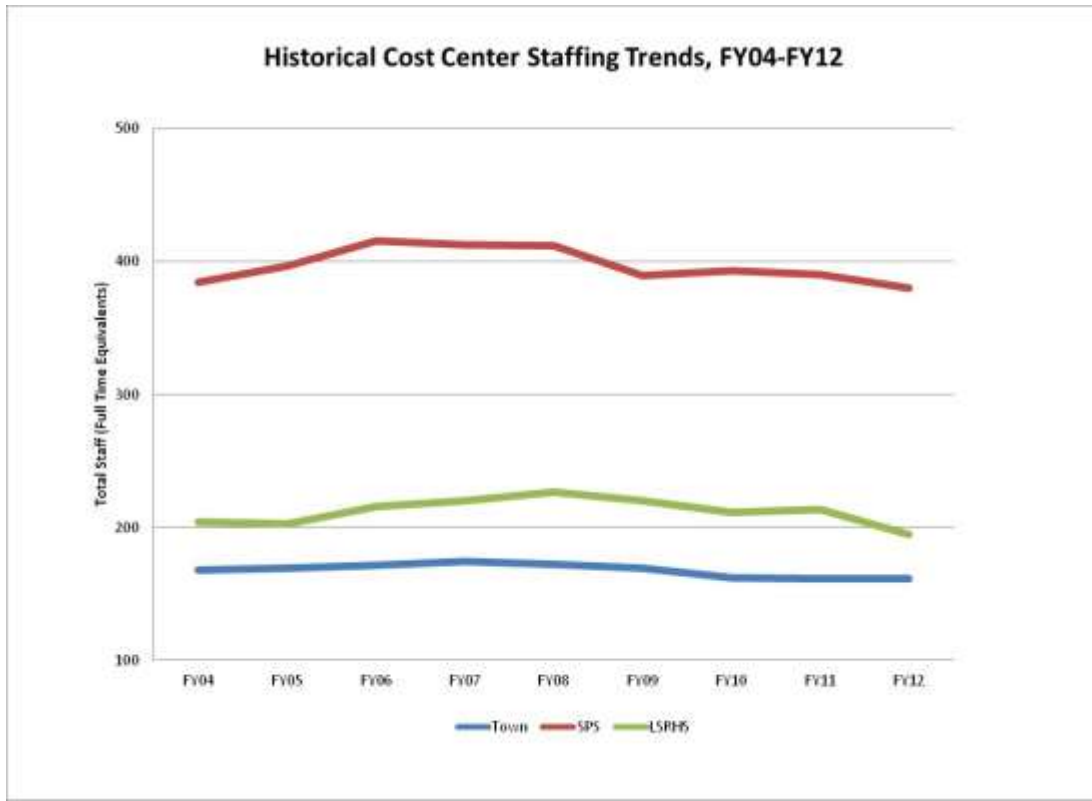
## EMPLOYEE HEADCOUNT INFORMATION

### Headcount, Recent

Cost Center	EMPLOYEE HEADCOUNT (Full Time Equivalents)			
	FY09 Actual	FY10 Actual	FY11 Actual	FY12 Appropriated
LSRHS*	220.01	211.54	213.18	194.29
		-3.8%	0.8%	-8.9%
Sudbury K-8 Schools *	389.89	393.31	390.57	380.07
		0.9%	-0.7%	-2.7%
Public Safety	79.25	76.97	76.97	76.97
Public Works	32.70	31.86	31.28	31.28
General Government	31.80	30.50	30.50	30.50
Human Services	7.20	6.20	6.20	6.20
Culture & Recreation	18.11	16.63	16.12	16.12
Town Operating Sub-total	169.06	162.16	161.07	161.07
		-4.1%	-0.7%	0.0%
Town Enterprises	9.60	9.60	10.18	10.18
		0.0%	6.0%	0.0%
<b>TOTAL</b>	<b>788.56</b>	<b>776.61</b>	<b>775.00</b>	<b>745.61</b>
% Change from Prior		-1.5%	-0.2%	-3.8%

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

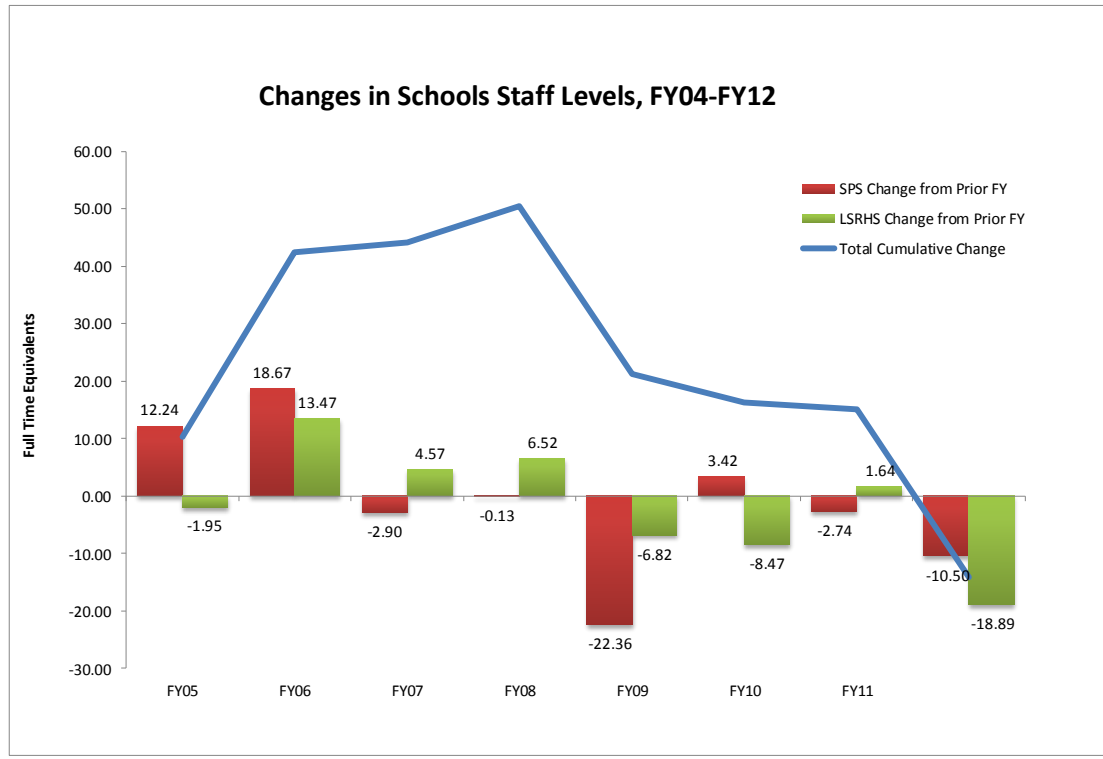
## Headcount History





**CHANGES IN TOWN DEPARTMENT STAFFING LEVELS**

<b>FISCAL</b>	<b>TOTAL</b>	<b>CHANGE</b>	
<b>YEAR</b>	<b>FTE'S</b>	<b>FROM PRIOR</b>	
		<b>YEAR</b>	<b>NOTES</b>
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		<b>NET LOS FY00 - FY11 = (10.33) POSITIONS</b>
* Excludes Town Enterprises			



**CHANGES IN LINCOLN-SUDBURY HIGH SCHOOL STAFFING LEVELS**

FISCAL YEAR	TOTAL FTE'S	CHANGE FROM PRIOR YEAR	NOTES
FY12	194.29	-18.89	<i>Eliminated: 12.50 Teachers, 3.69 all other, 2.70 grants</i>
FY11	213.18	1.64	<i>Eliminated: 2.07 Teachers, .2 Administrator, added: .66 all other, 3.25 grants</i>
FY10	211.54	-8.47	<i>Eliminated: 5.18 Teachers, 1 Headmaster, 2.79 all other, added: .50 grants</i>
FY09	220.01	-6.82	<i>Eliminated: 2.16 Teachers, 1.62 Teaching Assistants, 2.73 Clerical/Admin Support, 0.17 Nursing Services, .14 grants</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		<b>NET LOSS FY04 - FY12 = 9.93 POSITIONS</b>

CHANGES IN SUDBURY PUBLIC SCHOOLS STAFFING LEVELS

<b>FISCAL YEAR</b>	<b>TOTAL FTE'S</b>	<b>CHANGE FROM PRIOR YEAR</b>	<b>NOTES</b>
FY12	380.07	-10.50	<i>Add: 1.5 Administrator and .6 Custodian Eliminated: 10.0 K-8 teachers, 2.0 other teachers, .6 all other</i>
FY11	390.57	-2.74	<i>Add: 4.43 other teachers, Eliminated: 1.0 Administrator, 1.62 K-8 teachers, 4.55 all other</i>
FY10	393.31	3.42	<i>Add: 3 K-8 core classroom teachers, .42 admin/secretarial/maintenance</i>
FY09	389.89	-22.36	<i>Eliminated: 7.5 K-8 core classroom teachers, 4.0 K-8 other teachers, 7.55 K &amp; 1st grade teaching assistants, 3.31 admin/secretarial/maintenance</i>
FY08	412.25	-0.13	<i>Eliminated: .42 Elementary Ed, 1.56 Special Ed; Add: 1.85 Middle School Ed</i>
FY07	412.38	-2.90	<i>Eliminated: .65 Elementary Ed, .3 Curriculum Specialist, 2.87 Special Ed; Add: .3 System Admin, .62 Middle School Ed</i>
FY06	415.28	18.67	<i>Eliminated: .89 METCO; Add: 5.82 Elementary Ed, 2.1 Middle School Ed, 10.18 Special Ed, .46 Health/Transportation/Food Service, 1.0 Maintenance</i>
FY05	396.61	12.24	<i>Eliminated: 1.64 Health/Transportation/Food Service, 1.0 Maintenance; Add: 1.0 System Admin, 6.19 Elementary Ed, .34 Middle School Ed, .28 Curriculum Specialist, 5.97 Special Ed, 1.1 METCO</i>
FY04	384.37		<b>NET LOSS FY04 - FY12 = 4.30 POSITIONS</b>

## RESIDENTIAL TAX RATE HISTORY, 2000-2011

Residential Tax History Fiscal Year 2000 to 2011						
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
2011	5,392	627,988	\$17.03	10,695	2.2%	\$235

## **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.
3. **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.
4. **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.
5. **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 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 2012 marks eleven 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. **FY12 Board of Selectmen Goals.** The Board of Selectmen met with Town staff to develop new goals for FY12. 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. **FY12 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. **FY11 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. FY12 GOALS AS VOTED BY THE BOARD OF SELECTMEN**

(See [Board of Selectmen's documents section on Town website](#))

## **2. GOAL ASSIGNMENTS**

(See [Board of Selectmen's documents section on Town website](#))

### 3. PREVIOUS YEAR'S GOALS

The Board of Selectmen voted on August 24 to adopt a final list of goals for FY11, 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 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.

**PROGRESS REPORT ON CURRENT GOALS**  
(See [Board of Selectmen's documents section on Town website](#))



# Section Fourteen

## **Notes**

(Notes pages for your use)

## NOTES



## NOTES

## NOTES