

TOWN OF SUDBURY

MASSACHUSETTS



FY13 BUDGET AND FINANCING PLAN

JULY 1, 2012 – JUNE 30, 2013

Acknowledgements

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Sudbury Public Schools
Lincoln-Sudbury Regional High School

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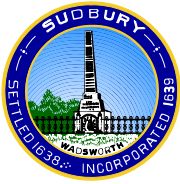
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FY13 As Appropriated



Town of Sudbury

Town Manager's Office

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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 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.

One 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. 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 look 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

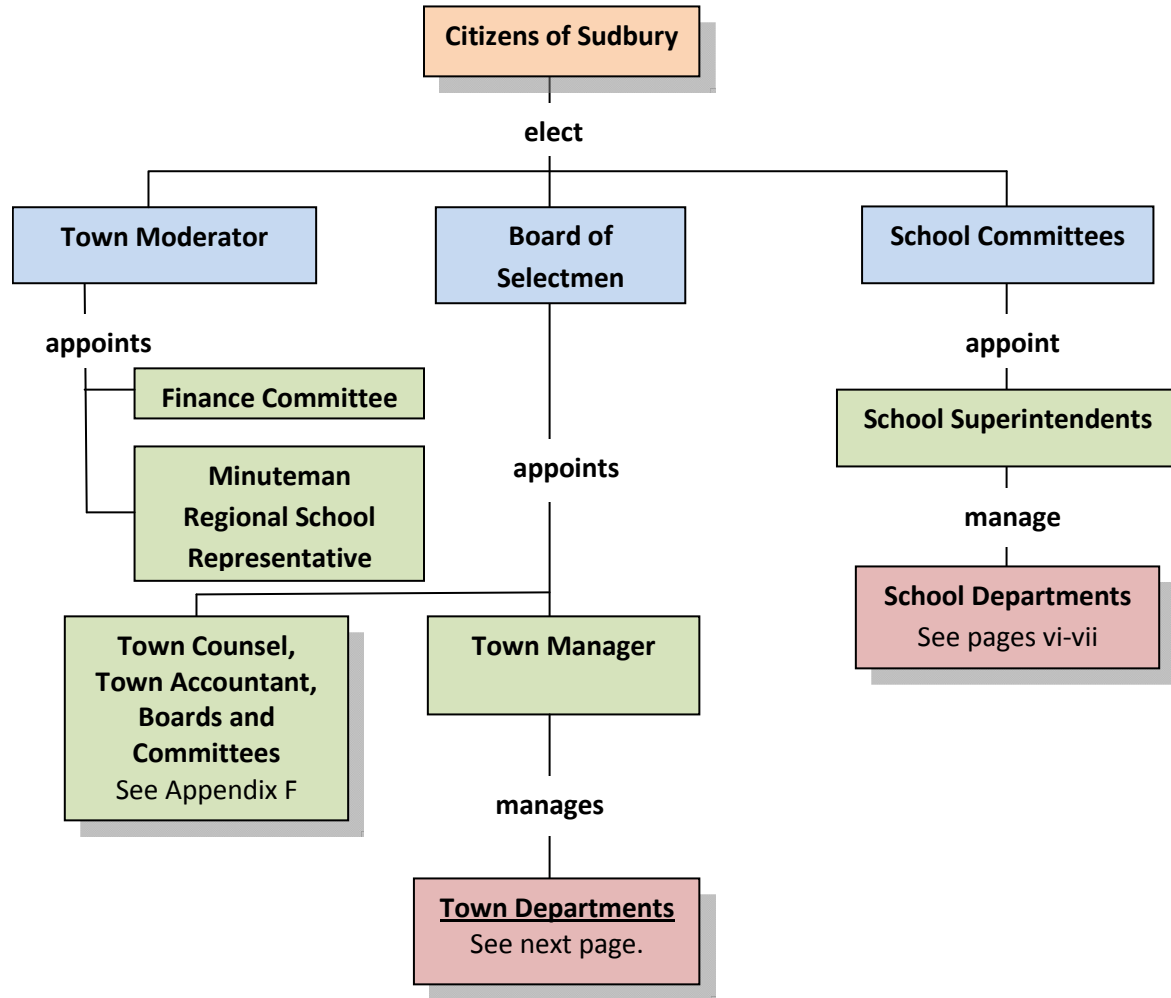
Amended and reaffirmed by the Board of Selectmen, 5/23/02, 6/1/04, and 6/10/05



Organizational Charts

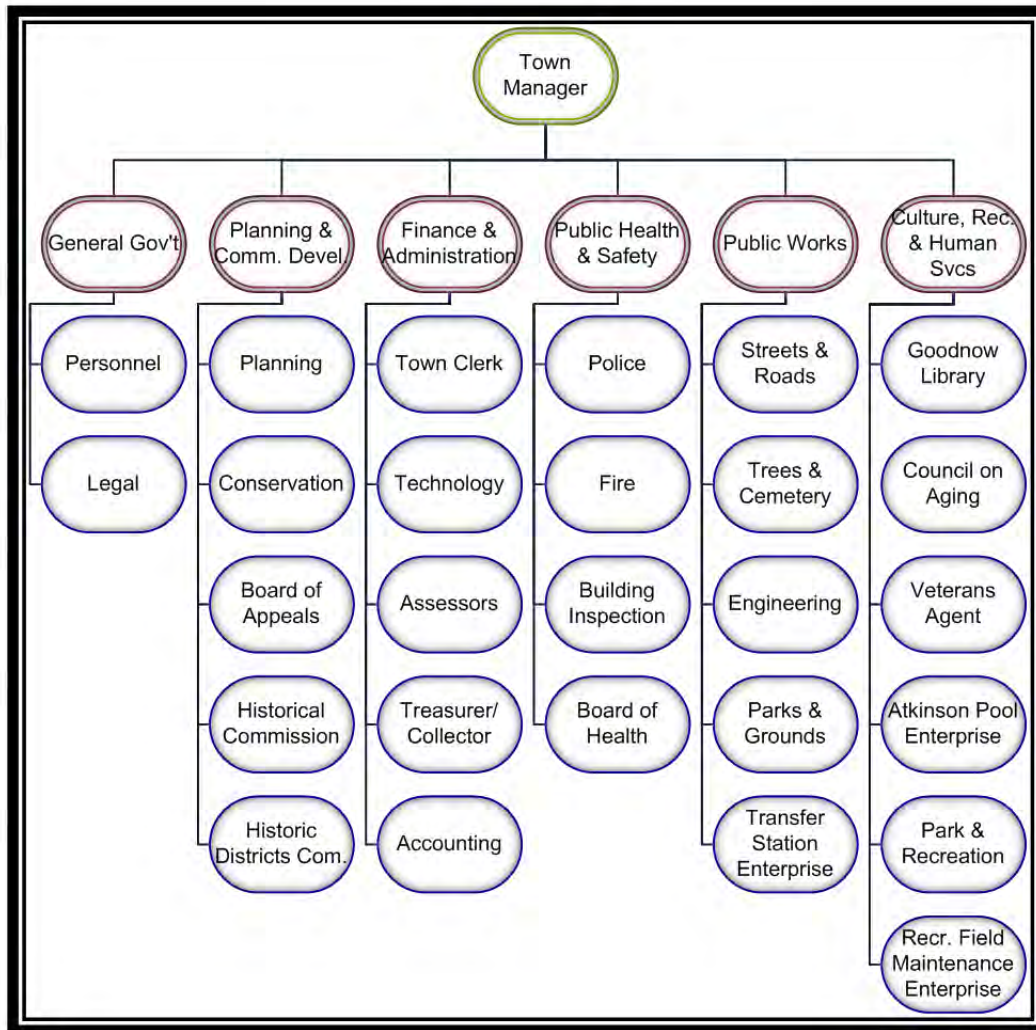
Top Level

The 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

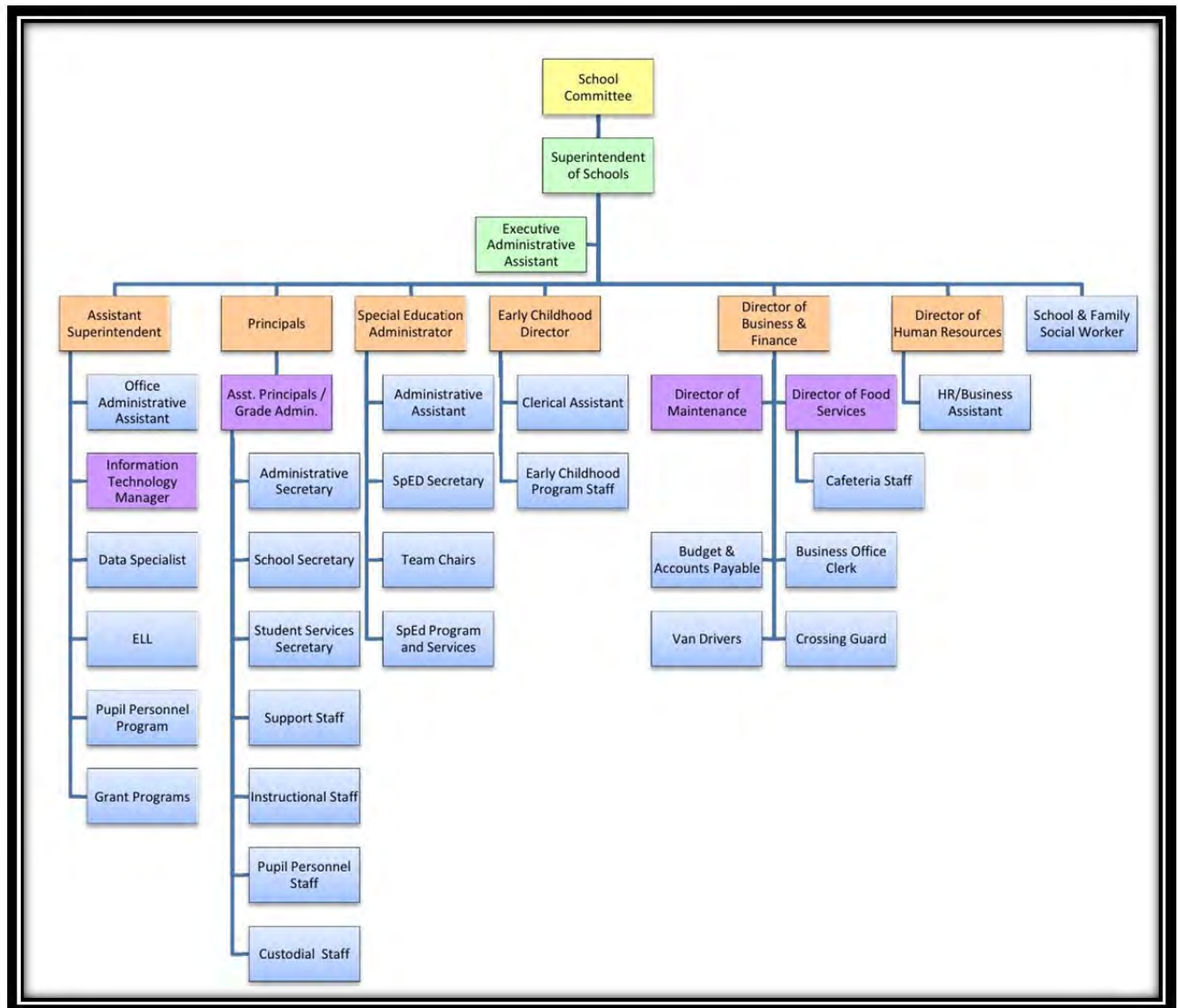
The chart below outlines the general government structure established under the Town's current charter (July 1, 1996). This charter provided for appointment of a Town Manager by the Board of Selectmen. The Town Manager oversees all town departments including three enterprise organizations.



*As of FY13, dispatch operations from both police and fire will be combined to create a separate department within the Public Safety Division.

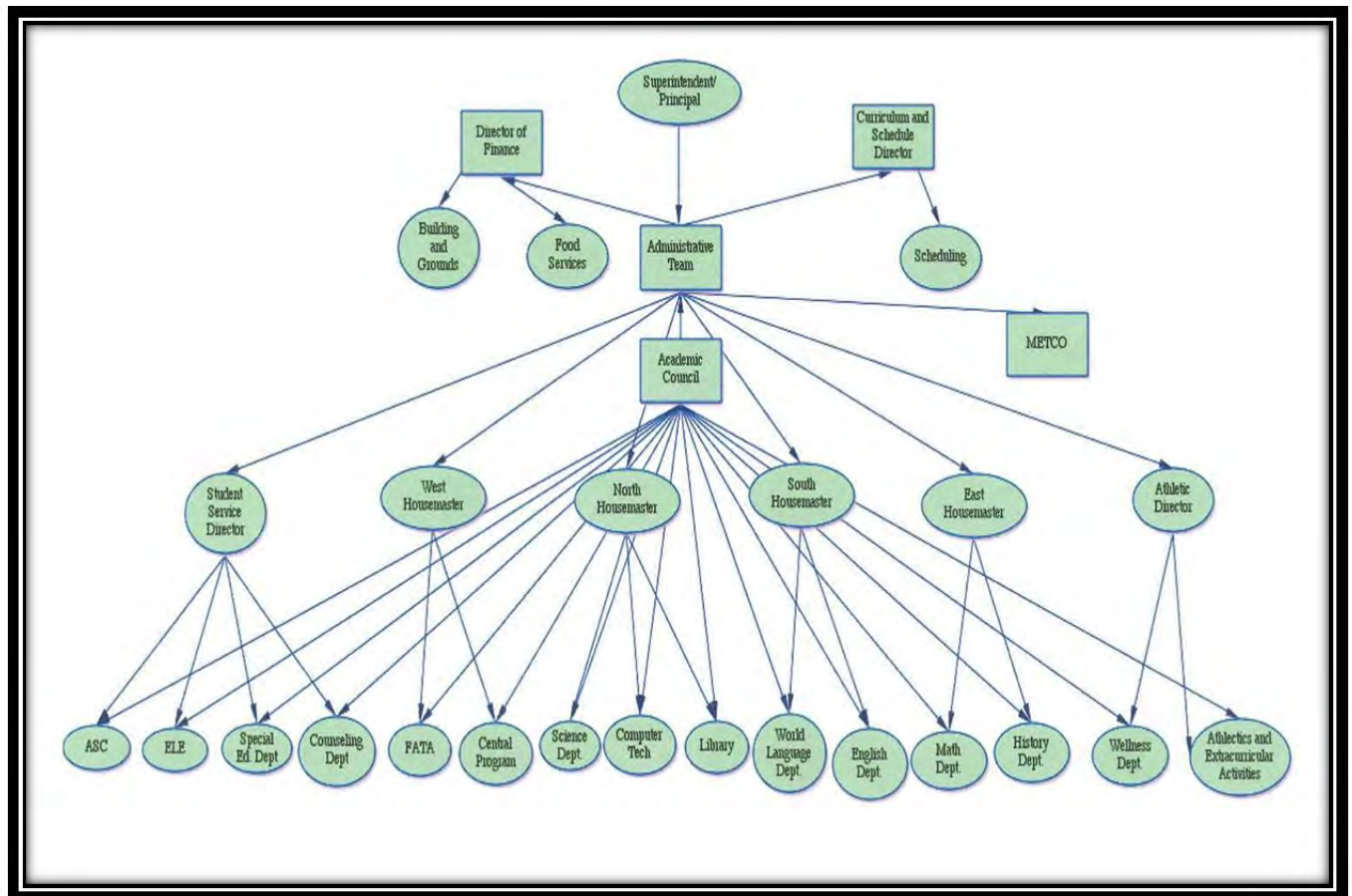
Sudbury Public Schools

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 FY13 budget requests, and how do they compare with prior years?*

Answer: Start with the Table on page 67 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 FY10 through FY12.

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

Answer: Start with the Revenue Projections on page 39 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 24 is a discussion of what has been happening in the Town's revenue base for the period FY2003-FY2013.

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 166. The total benefits amounts for the Lincoln-Sudbury Regional High School can be found in **Section 6** on page 143. You may also refer to charts starting on page 57 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 provide direction to the Town Manager and Department Heads for the fiscal year and over the long-term (see **Appendix J**). These goals filter through the organization, and help dictate departmental goals and budget requests. Departmental budget requests in **Section 5** include any financial consequences for particular departments or programs involved in accomplishing these master goals, or any tasks related thereto.

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

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

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

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

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

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

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

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



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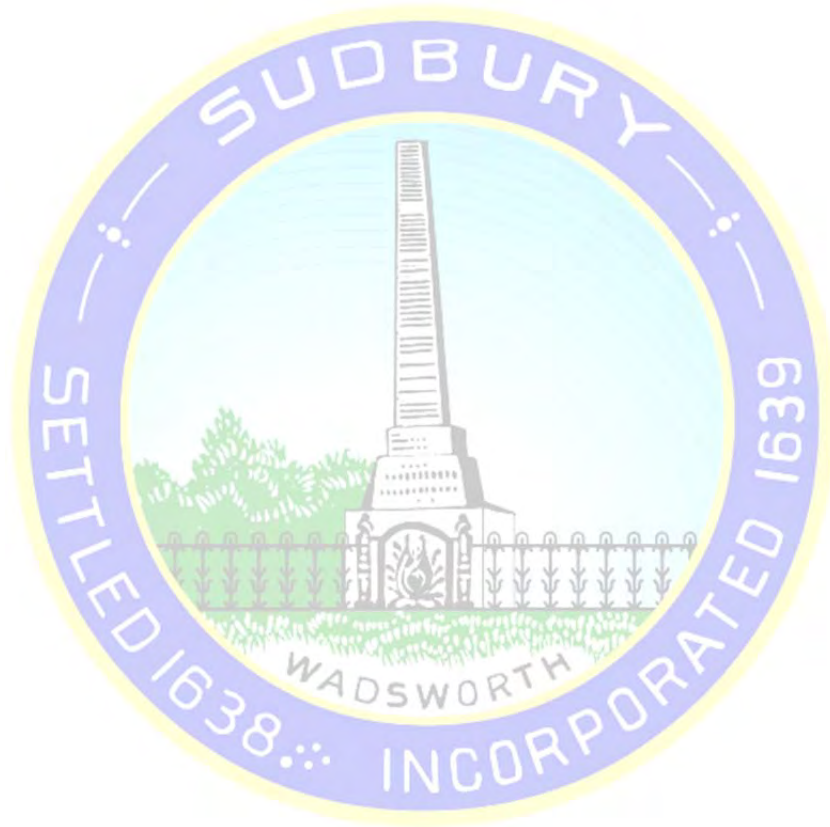
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Section One

Funding the Budget

A Consolidated Financial Overview and Funds Analysis



Financial Funds and the Budgeting Process

Sudbury's Financial Funds Structure Overview

Sudbury currently maintains over 600 individual funds (see figure to right) the majority of which fall into the category of Governmental funds. The General Fund consists of over 400 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.

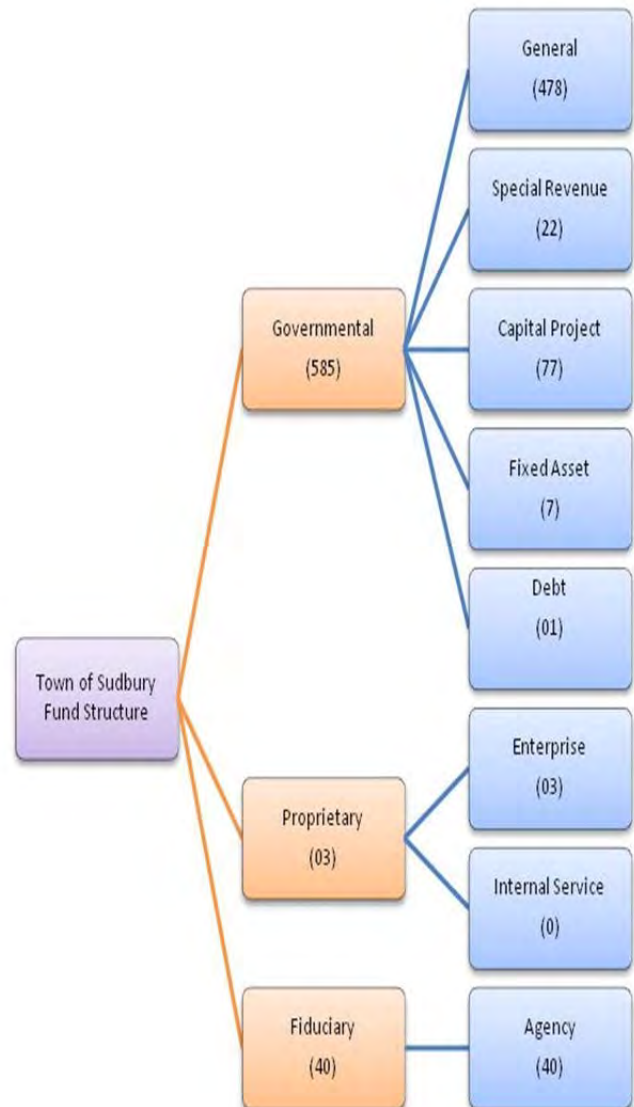
Government-wide financial fund analysis is also provided in Sudbury's Annual Financial Report. These audited financials provide not only fund balance detail but also a complete breakdown of revenues and expenditures for all of the Town's governmental and proprietary funds. Additionally, the Town must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

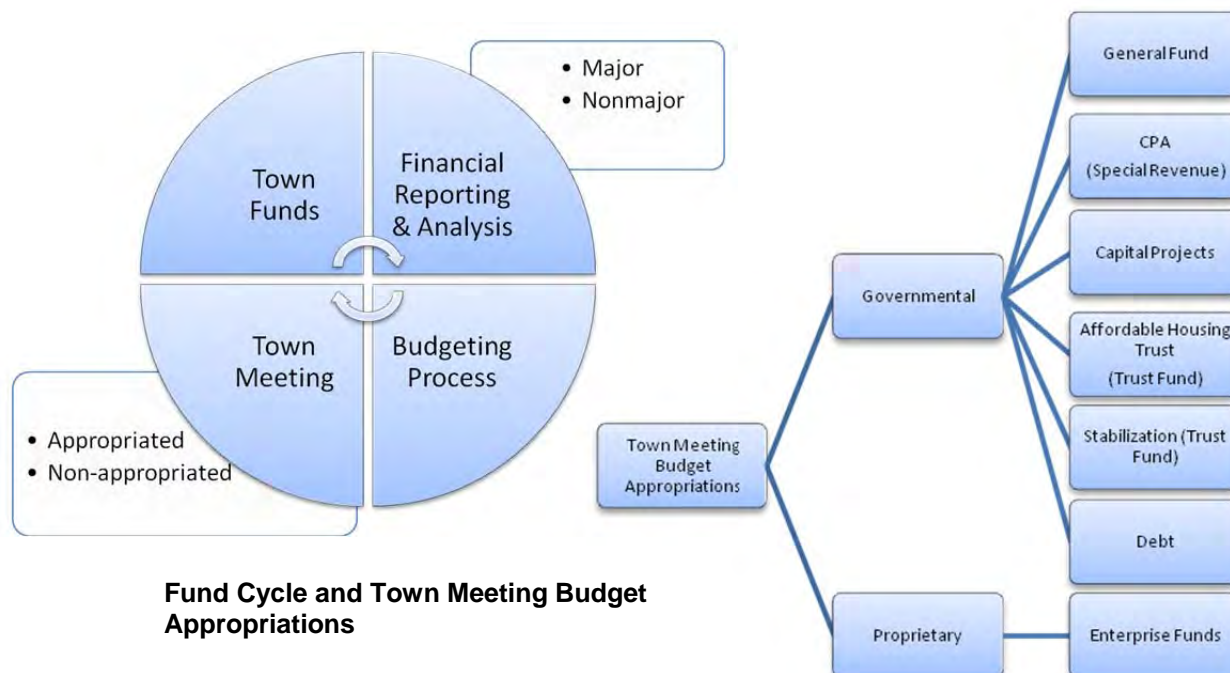
Major Funds Financial Reporting

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, 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**.

Proprietary funds are used to account for the business-type activities of the Town's three enterprises. *Fiduciary* funds are used to account for assets held in a trustee capacity for others that cannot be used to support governmental programs. As such, fiduciary fund data are not included in this book but are reported in the Town's annual financial audit statements.





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.

GASB Statement No. 54

In February 2009, Governmental Accounting Standards Board (GASB) issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which is effective for periods that begin after June 15, 2010. The objective of GASB 54 is to enhance the usefulness of fund balance information by 1) clarifying existing governmental fund type definitions, and 2) providing clearer fund balance classifications that can be more consistently applied. Implementation of GASB 54 is required for the first fiscal year ending June 30, 2011.

The ****new**** components of fund balance for all **governmental funds** are as follows: non-spendable, restricted, committed, assigned, and unassigned. Unassigned fund balance is further defined as "total fund balance in the general fund in excess of all other designations" also known as ***residual net resources***.

According to the summary memorandum issued by the GASB, the new guidelines will improve financial reporting by providing fund balance categories and classifications that will be more easily understood. Elimination of the reserved component of fund balance in favor of a restricted classification will enhance the consistency between information reported in the government-wide statements and information in the governmental fund financial statements and avoid confusion

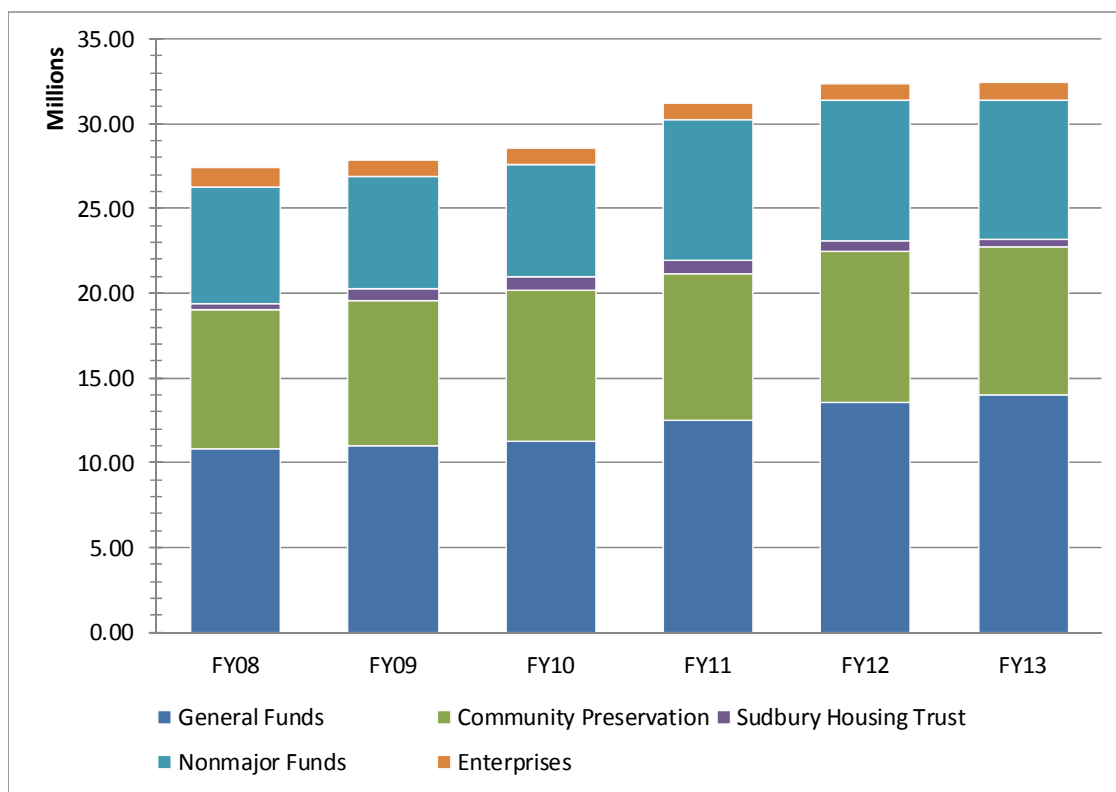
about the relationship between reserved fund balance and restricted net assets. The fund balance classification approach in this Statement will require governments to classify amounts consistently, regardless of the fund type or column in which they are presented. As a result, an amount cannot be classified as restricted in one fund but unrestricted in another. The fund balance disclosures will give users information necessary to understand the processes under which constraints are imposed upon the use of resources and how those constraints may be modified or eliminated. The clarifications of the governmental fund type definitions will reduce uncertainty about which resources can or should be reported in the respective fund types.

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 is the recent history of the Town's aggregate balance for all governmental and proprietary funds. Total fund balance is expected to remain in the range of \$30-\$32 million by the end of FY13.

Sudbury's Recent All Funds Balance History



As of June 30, 2012 the Town's the **Stabilization Trust** fund has been reclassified for financial reporting purposes as part of the **General Fund's unassigned fund balance**. All prior year information has also been restated. It should however be noted that the regulations for using Stabilization have not changed.

***New* Individual Fund Balance Components**

1. Non-spendable fund balance (inherently non-spendable)
 - a) Portion of net resources that cannot be spent because of their form
 - b) Portion of net resources that cannot be spent because they must be maintained intact
2. Restricted fund balance (externally enforceable limitation on use)
 - a) Limitations imposed by creditors, grantors, contributors, or laws and regulations of other governments
 - b) Limitations imposed by law through constitutional provisions or enabling legislation
3. Committed fund balance (self-imposed limitations set in place prior to the end of the period)
 - a) Limitation imposed at highest level of decision making that requires formal action at the same level to remove
4. Assigned fund balance (limitation resulting from intended use)
 - a) Intended use established by highest level of decision making
 - b) Intended use established by body designated for that purpose
 - c) Intended use established by official designated for that purpose
5. Unassigned fund balance (residual net resources)
 - a) Total fund balance in the general fund in excess of non-spendable, restricted, committed and assigned fund balance (i.e., surplus)
 - b) Excess of non-spendable, restricted and committed fund balance over total fund balance (i.e., deficit)

Unassigned fund balance may only be used in the General Fund. The table below shows a recent history of **unassigned fund balance** for the Town's General fund. The latest projections indicate that the Town will maintain an **unassigned fund balance** of approximately \$4 million by the end of fiscal year 2013.

Balances	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
Unassigned *	2,340,719	2,895,803	3,146,115	3,961,520	3,980,000	3,990,000
Restricted/Committed	8,498,783	8,163,901	8,139,048	8,581,552	9,588,072	10,027,101
Total	10,839,502	11,059,704	11,285,163	12,543,072	13,568,072	14,017,101

*As of FY11 Stabilization fund is considered part of General Fund unassigned balance

Balance Changes						
Unassigned		555,084	250,312	815,405	18,480	10,000
Restricted/Committed		(334,882)	(24,853)	442,504	1,006,520	439,029
Total		220,202	225,459	1,257,909	1,025,000	449,029

The General Fund versus Special Revenue Funds

All revenue belongs to the General Treasury of the Town 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, Sudbury Housing Trust and Enterprises). Several other 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. 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.

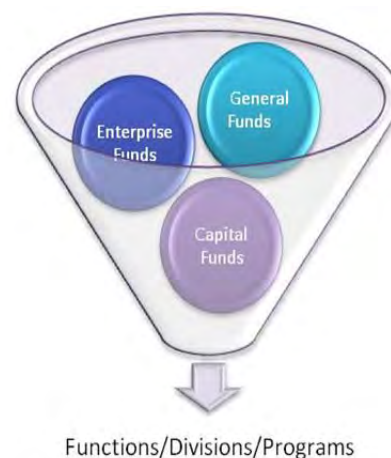
The Budgeting Process

From Funds to Functions

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

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

We continue our discussion of the 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 an annual budgeting process, it is important to note that the General fund pays for nearly 90% of the Town’s total expenditures and remains the focal point of every annual Town Meeting.

The Major Role of Non-major Funding

Collectively the Town’s **Non-major** funds category contributes more than 8% of all revenues each year. The Non-major category currently consists of the Town’s Employee Benefits Trusts, Receipts Reserved for Appropriation, Revolving funds, Grants and Gifts. In recent years the label of Non-major funds has become a bit of a misnomer. Compared to other General fund revenue sources (e.g. State Aid or Local Receipts) the Town’s Non-major (Special) revenue category has taken on a **major** role in the budgeting process.

Why then do municipalities bother with creating and maintaining special revenue funds? Why not simply run everything through the General fund? The decision-making process to segregate a particular revenue stream from the General fund is twofold:

1. Is segregation mandatory? If so, we must adhere to the limitations and or circumstances on spending as well as the additional accounting/reporting procedures involved in maintaining a special revenue fund. For example, M.G.L. Chapter 44B, which regulates all aspects of a Community Preservation Fund, dictates that a city or town that collects CPA surcharge “shall establish a separate account to be known as the Community Preservation Fund of which the municipal treasurer shall be the custodian. The authority to approve expenditures from the fund shall be limited to the legislative body and the municipal treasurer shall pay such expenses in accordance with chapter 41”.
2. Is segregation beneficial to further a specific program or purpose by earmarking new or existing revenues that would otherwise be part of the General fund tax levy and appropriation processes? Knowing that certain revolving funds are allowable is it fiscally prudent to charge a fee for service vis-à-vis a recreational or permit revolving fund rather than providing a service to some users that is paid for by all taxpayers (or other General fund revenues)? For example in recent years, by creating kindergarten tuition revolving fund and passport application processing revolving fund the Town has been able to provide new services without impacting the tax levy.

Receipts Reserved for Appropriation

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: \$0.7 million (revenue transfer)
Contribution to other specific purposes each year: \$0.7million for equipment, as needed

Gifts

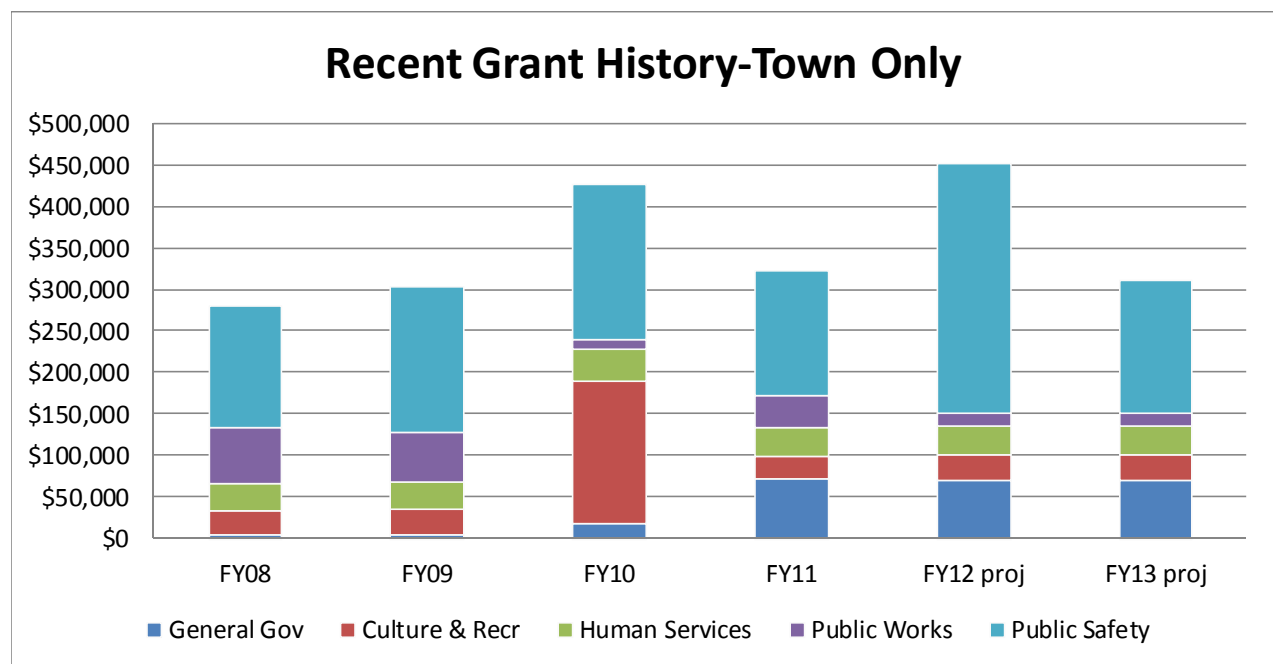
Gifts come in all shapes and sizes. Gifts are often received for a specific purpose either as a one-time payment, or in some cases as endowments or trusts. The Town maintains these funds as ‘pooled’ or individually invested accounts depending on size and/or type. Expenditures from gift accounts do not 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

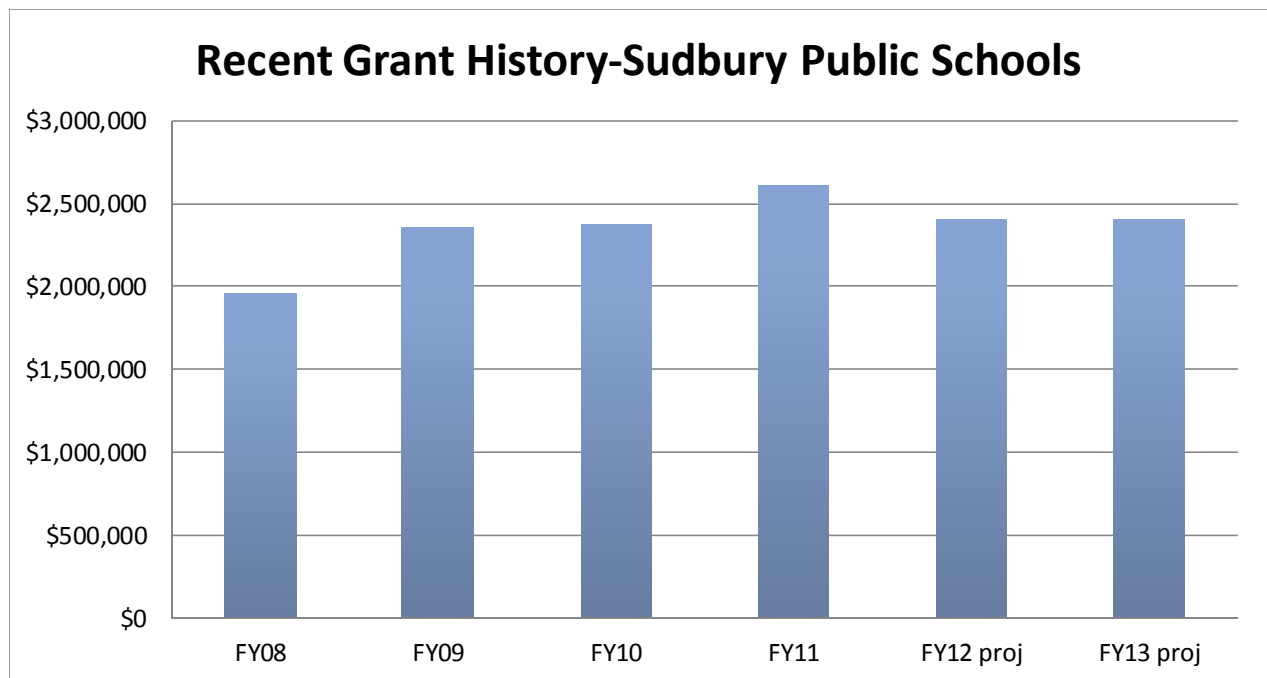
The last two Special Revenue streams within the **Non-major** category always play a significant role in the Town's annual budgeting process due to their size and nature. **Grants** and **Revolving Fund** revenues are projected to produce a combined \$6.1 Million in FY13, or 6% of all revenues generated by the Town's governmental funds for the same period. Together these two revenue streams account roughly 73% of all revenues in the Non-major category.

Grants

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.



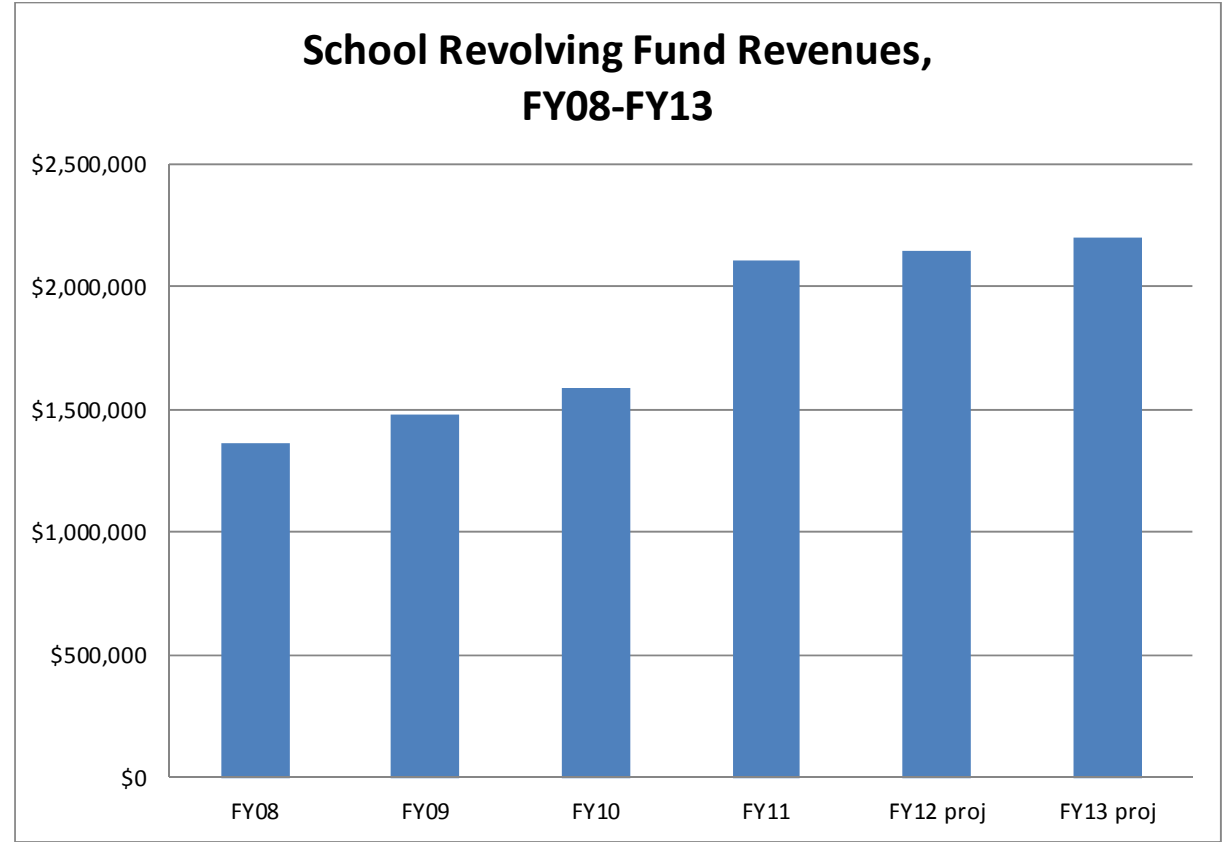
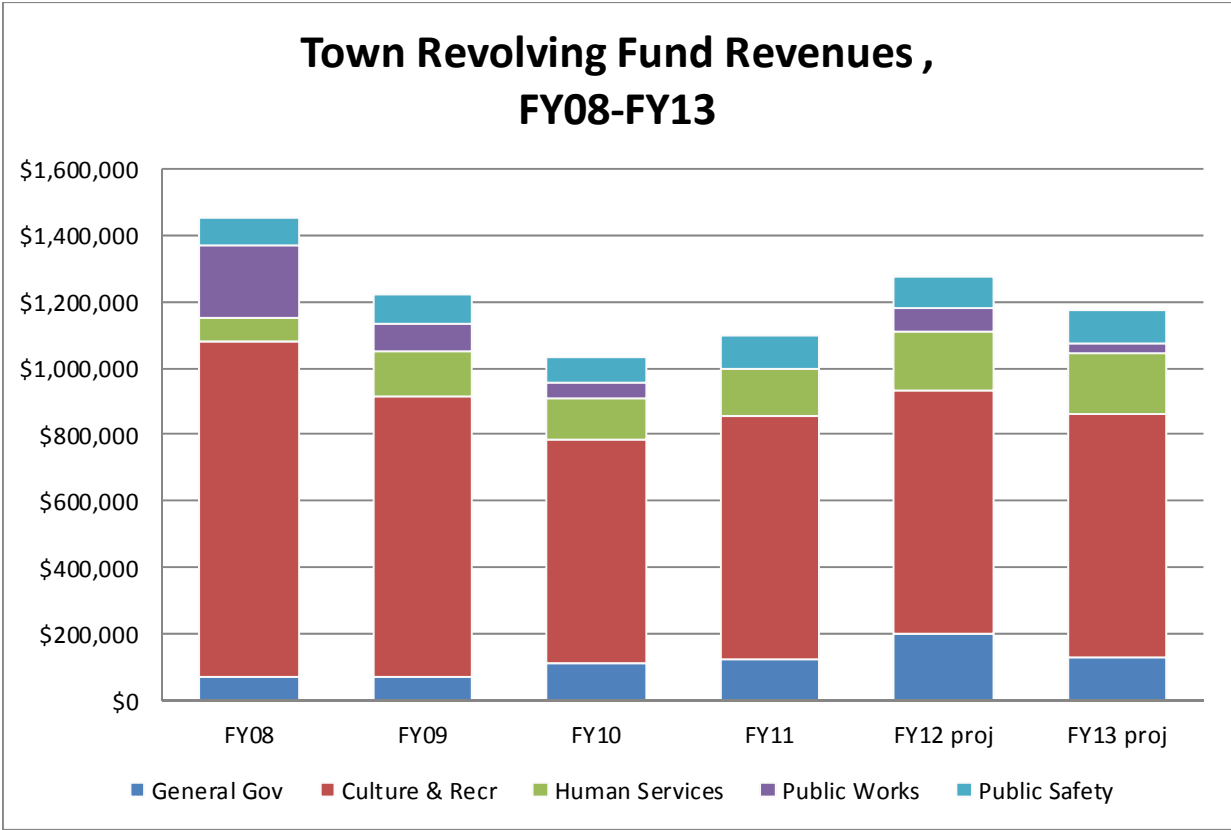
Even though many of the services that the Town and Schools provide are mandated (i.e., required by Federal or State laws) much of what we do remains underfunded or unreimbursed by the mandating authorities. Grants go a long way to reducing the burden of unfunded mandates on the tax levy. Since grants 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: \$2.7 million

Revolving Funds

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 experienced a big bump in value in FY11 due to the School'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 FY13 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 also be expended without specific appropriation.

Contribution to the General Fund Budget each year: zero

Contribution to other specific purposes each year: \$3.4 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 2011 (FY11) reflect **actual** results. Activities for fiscal year 2012 (FY12) are based on **projected** revenues, expenses and transfers for the year which is still pending our annual audit process. Activities for fiscal year 2013 (FY13) are similarly estimated using revenues, expenses and transfers from the FY13 budget cycle process. *(FY12 and FY13 activities also include estimates of GAAP adjustments for comparison and balance projection purposes, prior to annual audit)*

Top Level Funds Summary

Proprietary Funds & Total All Funds						
	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>Proprietary Funds (Enterprises)</u>						
Begin. Bal.	1,144,331	1,134,134	974,286	986,824	978,646	978,646
Revenues	727,116	744,343	952,724	1,035,069	1,012,397	1,156,844
Expenditures	709,168	876,517	919,233	1,013,652	982,802	1,117,234
Excess/(Deficiency)	17,948	(132,174)	33,491	21,417	29,595	39,610
Transfers In/(Out)	(28,145)	(27,674)	(20,953)	(29,595)	(29,595)	(33,146)
Ending Bal.	1,134,134	974,286	986,824	978,646	978,646	985,110
% over prior		-14.1%	1.3%	-0.8%	0.0%	0.7%
<u>Total Funds</u>						
Begin. Bal.	26,562,313	27,452,019	27,897,023	28,608,877	31,285,778	32,371,170
Revenues	88,538,068	89,935,308	90,608,112	94,017,463	95,747,996	97,888,285
Expenditures	87,972,302	94,804,612	90,320,479	95,233,801	95,193,747	98,456,629
Excess/(Deficiency)	565,766	(4,869,304)	287,633	(1,216,338)	554,249	(568,344)
Transfers In/(Out)	323,940	5,314,308	424,221	3,893,239	531,143	649,589
Ending Bal.	27,452,019	27,897,023	28,608,877	31,285,778	32,371,170	32,452,415
% over prior		1.6%	2.6%	9.4%	3.5%	0.3%

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

Governmental Funds Detail						
	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
General Funds						
Begin. Bal.	11,819,035	10,839,502	11,059,704	11,285,163	12,543,072	13,568,072
Revenues	78,423,064	79,264,871	80,677,323	83,036,260	84,355,856	86,213,441
Expenditures	80,069,936	80,170,596	81,294,418	82,373,139	84,291,594	86,897,147
Excess/(Deficiency)	(1,646,872)	(905,725)	(617,095)	663,121	64,262	(683,706)
Transfers In/(Out)	667,339	1,125,927	842,554	594,788	960,738	1,132,735
Ending Bal.	10,839,502	11,059,704	11,285,163	12,543,072	13,568,072	14,017,101
% over prior		2.0%	2.0%	11.1%	8.2%	3.3%
Community Preservation(CPA)						
Begin. Bal.	6,873,939	8,218,022	8,509,267	8,922,552	8,620,708	8,918,100
Revenues	2,980,383	3,146,771	2,182,483	2,086,429	2,156,743	2,140,000
Expenditures	1,386,300	7,180,139	1,561,198	4,239,828	1,679,351	2,077,248
Excess/(Deficiency)	1,594,083	(4,033,368)	621,285	(2,153,399)	477,392	62,752
Transfers In/(Out)	(250,000)	4,324,613	(208,000)	1,851,555	(180,000)	(200,000)
Ending Bal.	8,218,022	8,509,267	8,922,552	8,620,708	8,918,100	8,780,852
% over prior		3.5%	4.9%	-3.4%	3.4%	-1.5%
Sudbury Housing Trust						
Begin. Bal.	158,655	380,364	759,810	769,464	820,046	613,046
Revenues	33,523	34,251	66,852	97,983	98,000	98,000
Expenditures	61,814	404,805	265,198	227,401	485,000	460,000
Excess/(Deficiency)	(28,291)	(370,554)	(198,346)	(129,418)	(387,000)	(362,000)
Transfers In/(Out)	250,000	750,000	208,000	180,000	180,000	200,000
Ending Bal.	380,364	759,810	769,464	820,046	613,046	451,046
% over prior		99.8%	1.3%	6.6%	-25.2%	-26.4%
Non-major Funds						
Begin. Bal.	6,566,353	6,879,997	6,593,956	6,644,874	8,323,306	8,293,306
Revenues	6,373,982	6,745,072	6,728,730	7,761,722	8,125,000	8,280,000
Expenditures	5,745,084	6,172,555	6,280,432	7,379,781	7,755,000	7,905,000
Excess/(Deficiency)	628,898	572,517	448,298	381,941	370,000	375,000
Transfers In/(Out)	(315,254)	(858,558)	(397,380)	1,296,491	(400,000)	(450,000)
Ending Bal.	6,879,997	6,593,956	6,644,874	8,323,306	8,293,306	8,218,306
% over prior		-4.2%	0.8%	25.3%	-0.4%	-0.9%
Total Governmental Funds						
Begin. Bal.	25,417,982	26,317,885	26,922,737	27,622,053	30,307,132	31,392,524
Revenues	87,810,952	89,190,965	89,655,388	92,982,394	94,735,599	96,731,441
Expenditures	87,263,134	93,928,095	89,401,246	94,220,149	94,210,945	97,339,395
Excess/(Deficiency)	547,818	(4,737,130)	254,142	(1,237,755)	524,654	(607,954)
Transfers In/(Out)	352,085	5,341,982	445,174	3,922,834	560,738	682,735
Ending Bal.	26,317,885	26,922,737	27,622,053	30,307,132	31,392,524	31,467,305
% over prior		2.3%	2.6%	9.7%	3.6%	0.2%

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:

- GASB Statement no. 54 went into effect as of June 30, 2011. Consequently Stabilization reserve is now combined with the General fund and all governmental fund balances given new designations.
- As of the close of the fiscal year, the Town's *governmental* funds reported combined ending fund balances totaling \$30,307,132, an increase of 9.7% in comparison with the prior year.
- At the end of the fiscal year, unassigned designated fund balance for the general fund totaled \$3,961,520 or 4.8% of total general fund expenditures and transfers out.
- Conservative spending against budgeted appropriations produced a positive variance of \$2,407,529 before continuing appropriations.
- No available fund balance has been reserved to fund a portion of the fiscal year 2012.
- All *governmental* funds with the exception of CPA trust fund increased in value. The largest increase in balance was in Non-major 25.3%. The General Fund showed a moderate increase of 11.1%.

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 \$31.4 Million, an increase of 3.6% in comparison with the prior year.
- At the end of the fiscal year, unassigned fund balance for the general fund is projected to be approximately \$3,980,000 or 2.9% of total general fund expenditures and transfers out.
- No available fund balance has been reserved for fund a portion of the fiscal year 2013.
- Largest % decline in *governmental* balance is anticipated in the Sudbury Housing Trust (-25.2%).
- Largest dollar increase is expected in the General Fund at \$1.2 Million after estimated encumbrances and continuing appropriations.

2013 (projected):

- As of the close of the fiscal year, the Town's *governmental* funds reported combined ending fund balances is projected to be \$31.5 Million, an increase of .2% in comparison with the prior year.
- At the end of the fiscal year, unassigned fund balance for the general fund is projected to be approximately \$3,990,000 or 4.6% of total general fund expenditures and transfers out.
- No available fund balance has been reserved for fund a portion of the fiscal year 2013.
- Largest % decline in *governmental* balance is anticipated in the Sudbury Housing Trust (-26.4%).
- Largest dollar increase is expected in the General Fund at \$450,000 after estimated encumbrances and continuing appropriations.

Governmental Funds by Major Category

ALL GOVERNMENTAL - MULTI-YEAR SUMMARY						
	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>Expenditure Category</u>						
General Government	2,903,375	2,979,703	3,155,148	6,148,845	2,775,635	2,900,769
Public Safety	6,835,206	6,982,021	6,538,020	7,007,846	7,598,938	7,895,423
Education	50,217,825	48,860,537	50,813,562	52,710,026	52,769,411	55,001,778
Public Works	4,687,959	4,795,544	4,757,379	4,734,423	4,896,090	5,211,881
Health & Human Services	705,502	1,075,681	912,367	853,183	1,139,239	1,133,789
Culture & Recreation	2,614,784	8,022,450	2,302,329	2,076,690	2,343,804	2,822,926
Benefits, Insurance, Unclass.	13,863,611	15,889,404	15,376,438	15,264,075	17,365,856	17,219,205
State & County Charges	169,420	166,240	164,445	192,672	211,556	183,605
Debt Service	5,265,452	5,156,515	5,381,558	5,232,389	5,110,416	4,970,019
Total Expenditures	87,263,134	93,928,095	89,401,246	94,220,149	94,210,945	97,339,395
<u>Revenue Category</u>						
Property Taxes	59,955,625	62,447,823	64,346,930	66,299,399	68,432,532	70,313,505
Other Taxes	3,211,397	3,198,679	2,813,154	3,219,562	2,737,000	2,785,000
Surcharge	1,375,761	1,430,652	1,457,336	1,494,706	1,575,000	1,600,000
Charges for Services	329,379	359,443	547,245	679,786	700,000	750,000
Intergovernmental	17,430,198	16,817,428	16,269,765	16,350,975	16,397,767	16,582,936
Penalties & Interest on Taxes	143,367	168,382	163,826	204,686	175,000	175,000
Licenses & permits	3,502,926	558,973	541,068	605,775	580,000	585,000
Fines and forfeitures	123,360	114,037	106,952	91,472	70,000	60,000
Departmental & Other	242,711	3,068,914	2,664,568	3,278,737	3,570,300	3,440,000
Contributions	408,346	349,619	216,832	208,744	250,000	250,000
Investment Income	1,087,882	677,015	527,712	548,552	248,000	190,000
Total Revenues	87,810,952	89,190,965	89,655,388	92,982,394	94,735,599	96,731,441
Other Financing Sources (Uses)	352,085	5,341,982	445,174	3,922,834	560,738	682,735
Net Change in Fund Balance	899,903	604,852	699,316	2,685,079	1,085,392	74,781

*FY09 and FY11 activity include long-term bond issues for major projects/acquisitions.

EXPENSE CATEGORIES AS % OF TOTAL GOVERNMENTAL EXPENSES

% of Total Costs	Actual	Actual	Actual	Actual	Projected	Projected
Expenditure Category	FY08	FY09	FY10	FY11	FY12	FY13
General Government	3.3%	3.2%	3.5%	6.5%	2.9%	3.0%
Public Safety	7.8%	7.4%	7.3%	7.4%	8.1%	8.1%
Education	57.5%	52.0%	56.8%	55.9%	56.0%	56.5%
Public Works	5.4%	5.1%	5.3%	5.0%	5.2%	5.4%
Health & Human Services	0.8%	1.1%	1.0%	0.9%	1.2%	1.2%
Culture & Recreation	3.0%	8.5%	2.6%	2.2%	2.5%	2.9%
Benefits, Insurance, Unclass.	15.9%	16.9%	17.2%	16.2%	18.4%	17.7%
State & Country Charges	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Debt Service	6.0%	5.5%	6.0%	5.6%	5.4%	5.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

EXPENSE CATEGORIES % GROWTH BY YEAR

% Prior Year	Actual	Actual	Actual	Projected	Projected
Expenditure Category	FY09	FY10	FY11	FY12	FY13
General Government	2.6%	5.9%	94.9%	-54.9%	4.5%
Public Safety	2.1%	-6.4%	7.2%	8.4%	3.9%
Education	-2.7%	4.0%	3.7%	0.1%	4.2%
Public Works	2.3%	-0.8%	-0.5%	3.4%	6.4%
Health & Human Services	52.5%	-15.2%	-6.5%	33.5%	-0.5%
Culture & Recreation	206.8%	-71.3%	-9.8%	12.9%	20.4%
Benefits, Insurance, Unclass.	14.6%	-3.2%	-0.7%	13.8%	-0.8%
State & Country Charges	-1.9%	-1.1%	17.2%	9.8%	-13.2%
Debt Service	-2.1%	4.4%	-2.8%	-2.3%	-2.7%
	274.3%	-83.7%	102.7%	24.7%	22.3%

REVENUE CATEGORIES AS % OF TOTAL GOVERNMENTAL FUND REVENUES

% of Total Revenues	Actual	Actual	Actual	Actual	Projected	Projected
Revenue Category	FY08	FY09	FY10	FY11	FY12	FY13
Property Taxes	68.3%	70.0%	71.8%	71.3%	72.2%	72.7%
Other Taxes	3.7%	3.6%	3.1%	3.5%	2.9%	2.9%
Surcharge	1.6%	1.6%	1.6%	1.6%	1.7%	1.7%
Charges for Services	0.4%	0.4%	0.6%	0.7%	0.7%	0.8%
Intergovernmental	19.8%	18.9%	18.1%	17.6%	17.3%	17.1%
Penalties & Interest on Taxes	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Licenses & permits	4.0%	0.6%	0.6%	0.7%	0.6%	0.6%
Fines and forfeitures	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Departmental & Other	0.3%	3.4%	3.0%	3.5%	3.8%	3.6%
Contributions	0.5%	0.4%	0.2%	0.2%	0.3%	0.3%
Investment Income	1.2%	0.8%	0.6%	0.6%	0.3%	0.2%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

REVENUE CATEGORIES % GROWTH BY YEAR

% Prior Year Revenue Category	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
Property Taxes	4.2%	3.0%	3.0%	3.2%	2.7%
Other Taxes	-0.4%	-12.1%	14.4%	-15.0%	1.8%
Surcharge	4.0%	1.9%	2.6%	5.4%	1.6%
Charges for Services	9.1%	52.2%	24.2%	3.0%	7.1%
Intergovernmental	-3.5%	-3.3%	0.5%	0.3%	1.1%
Penalties & Interest on Taxes	17.4%	-2.7%	24.9%	-14.5%	0.0%
Licenses & permits	-84.0%	-3.2%	12.0%	-4.3%	0.9%
Fines and forfeitures	-7.6%	-6.2%	-14.5%	-23.5%	-14.3%
Departmental & Other*	1164.4%	-13.2%	23.0%	8.9%	-3.6%
Contributions	-14.4%	-38.0%	-3.7%	19.8%	0.0%
Investment Income	-37.8%	-22.1%	3.9%	-54.8%	-23.4%
	1051.5%	-43.5%	90.5%	-71.5%	-26.1%

*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 2011 (FY11) reflect **actual** results. Activities for fiscal year 2012 (FY12) are based on **projected** revenues, expenses and transfers for the year that is still in progress. Activities for fiscal year 2013 (FY13) are similarly estimated using revenues, expenses and transfers from the FY13 budget cycle process. *(FY12 and FY13 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	Actual FY11	Projected FY12	Projected FY13
<u>Total Costs</u>						
General	80,069,936	80,170,596	81,294,418	82,373,139	84,291,594	86,897,147
CPA	1,386,300	7,180,139	1,561,198	4,239,828	1,679,351	2,077,248
Sudbury Housing Trust	61,814	404,805	265,198	227,401	485,000	460,000
Non-major	5,745,084	6,172,555	6,280,432	7,379,781	7,755,000	7,905,000
	87,263,134	93,928,095	89,401,246	94,220,149	94,210,945	97,339,395

FUND EXPENSE CATEGORIES % GROWTH BY YEAR

	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>% of Total Costs Growth</u>					
General	0.1%	1.4%	1.3%	2.3%	3.1%
CPA	417.9%	-78.3%	171.6%	-60.4%	23.7%
Sudbury Housing Trust	554.9%	-34.5%	-14.3%	113.3%	-5.2%
Non-major	7.4%	1.7%	17.5%	5.1%	1.9%
	7.6%	-4.8%	5.4%	0.0%	3.3%

FUND REVENUES BY GOVERNMENTAL FUND DESIGNATION

	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>Total Revenues</u>						
General	78,423,064	79,264,871	80,677,323	83,036,260	84,355,856	86,213,441
CPA	2,980,383	3,146,771	2,182,483	2,086,429	2,156,743	2,140,000
Sudbury Housing Trust	33,523	34,251	66,852	97,983	98,000	98,000
Non-major	6,373,982	6,745,072	6,728,730	7,761,722	8,125,000	8,280,000
	87,810,952	89,190,965	89,655,388	92,982,394	94,735,599	96,731,441

FUND REVENUES % GROWTH BY YEAR

	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>% of Total Revenue Growth</u>					
General	1.1%	1.8%	2.9%	1.6%	2.2%
CPA	5.6%	-30.6%	-4.4%	3.4%	-0.8%
Sudbury Housing Trust	2.2%	95.2%	46.6%	0.0%	0.0%
Non-major	5.8%	-0.2%	15.4%	4.7%	1.9%
	1.6%	0.5%	3.7%	1.9%	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 6-year period.

GENERAL FUND MULTI-YEAR SUMMARY						
	Actual FY08	Actual FY09	Actual FY10	Projected FY11	Projected FY12	Projected FY13
Expenditure Category						
General Government	2,675,564	2,529,341	2,854,770	2,845,812	2,325,635	2,458,019
Public Safety	6,628,396	6,744,733	6,333,361	6,666,121	7,148,938	7,445,423
Education	46,561,181	45,156,609	46,874,048	47,838,582	47,719,411	49,851,778
Public Works	4,038,746	3,847,177	3,795,464	3,715,135	3,936,090	4,246,881
Health & Human Services	581,494	560,600	520,281	507,899	534,239	543,789
Culture & Recreation	1,079,170	1,049,432	1,114,007	1,162,489	1,166,009	1,149,926
Benefits, Insurance, Unclass. ²	13,863,611	15,769,404	15,376,438	15,264,075	17,365,856	17,219,205
State & County Charges	169,420	166,240	164,445	192,672	211,556	183,605
Debt Service ¹	4,472,354	4,347,060	4,261,604	4,180,354	3,883,860	3,798,521
Total Expenditures	80,069,936	80,170,596	81,294,418	82,373,139	84,291,594	86,897,147
			1.4%	1.3%	2.3%	3.1%
Revenue Category						
Property Taxes	59,955,625	62,447,823	64,346,930	66,299,399	68,432,532	70,313,505
Other Taxes	3,211,397	3,198,679	2,813,154	3,219,562	2,737,000	2,785,000
Intergovernmental	13,190,661	12,030,554	12,288,236	12,319,275	12,166,024	12,342,936
Penalties & Interest on Taxes	143,367	168,382	163,826	204,686	175,000	175,000
Licenses & permits	883,253	471,819	420,612	429,384	400,000	400,000
Fines and forfeitures	113,289	105,004	96,569	77,551	55,000	45,000
Departmental & Other	189,540	402,154	296,121	264,817	370,300	140,000
Investment Income	735,932	440,456	251,875	221,586	20,000	12,000
Total Revenues	78,423,064	79,264,871	80,677,323	83,036,260	84,355,856	86,213,441
			1.8%	2.9%	1.6%	2.2%
Other Financing Sources (Uses)	667,339	1,125,927	842,554	594,788	960,738	1,132,735
Net Change in Fund Balance	(979,533)	220,202	225,459	1,257,909	1,025,000	449,029
	-	-	-	-	-	-
¹ For Fund Balance expense reporting, Education includes LSRHS Assessment for Debt Service otherwise reported in budget documentation combined with Sudbury Town Debt.						
² For Fund Balance expense reporting, Education includes School-related 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).						

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 6-year period.

SUDBURY HOUSING TRUST - MULTI-YEAR SUMMARY						
	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>Expenditure Category</u>						
Health & Human Services	61,814	404,805	265,198	227,401	485,000	460,000
Total Expenditures	61,814	404,805	265,198	227,401	485,000	460,000
			-34.5%	-14.3%	113.3%	-5.2%
<u>Revenue Category</u>						
Departmental and other	16,328	25,439	63,096	94,238	95,000	95,000
Investment Income	17,195	8,812	3,756	3,745	3,000	3,000
Total Revenues	33,523	34,251	66,852	97,983	98,000	98,000
					-	-
			95.2%	46.6%	0.0%	0.0%
Other Financing Sources (Uses)	250,000	750,000	208,000	180,000	180,000	200,000
Net Change in Fund Balance	221,709	379,446	9,654	50,582	(207,000)	(162,000)

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	Actual FY11	Projected FY12	Projected FY13
<u>Expenditure Category</u>						
General Government	76,725	198,819	69,263	2,938,168	85,000	82,750
Public Works	-	90,208	107,124	154,492	100,000	100,000
Culture & Recreation	516,477	6,081,657	264,857	95,133	267,795	723,000
Debt Service	793,098	809,455	1,119,954	1,052,035	1,226,556	1,171,498
Total Expenditures	1,386,300	7,180,139	1,561,198	4,239,828	1,679,351	2,077,248
			-78.3%	171.6%	-60.4%	23.7%
<u>Revenue Category</u>						
Surcharge	1,375,761	1,430,652	1,457,336	1,494,706	1,575,000	1,600,000
Intergovernmental	1,307,615	1,465,898	539,676	431,234	431,743	440,000
Investment Income	297,007	250,221	185,471	160,489	150,000	100,000
Total Revenues	2,980,383	3,146,771	2,182,483	2,086,429	2,156,743	2,140,000
					-	-
			-30.6%	-4.4%	3.4%	-0.8%
Other Financing Sources (Uses)	(250,000)	4,324,613	(208,000)	1,851,555	(180,000)	(200,000)
Net Change in Fund Balance	1,344,083	291,245	413,285	(301,844)	297,392	(137,248)

NON-MAJOR FUNDS

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

NON-MAJOR FUNDS - MULTI-YEAR SUMMARY						
	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>Expenditure Category</u>						
General Government	151,086	251,543	231,115	364,865	365,000	360,000
Public Safety	206,810	237,288	204,659	341,725	450,000	450,000
Education Services	3,656,644	3,703,928	3,939,514	4,871,444	5,050,000	5,150,000
Public Works	649,213	858,159	854,791	864,796	860,000	865,000
Health & Human Services	62,194	110,276	126,888	117,883	120,000	130,000
Culture & Recreation	1,019,137	891,361	923,465	819,068	910,000	950,000
Benefits, Insurance, Unclass.	-	120,000	-	-	-	-
Total Expenditures	5,745,084	6,172,555	6,280,432	7,379,781	7,755,000	7,905,000
			1.7%	17.5%	5.1%	1.9%
<u>Revenue Category</u>						
Charges for Services	329,379	359,443	547,245	679,786	700,000	750,000
Intergovernmental	2,931,922	3,320,976	3,441,853	3,600,466	3,800,000	3,800,000
Licenses & permits ¹	2,603,345	61,715	57,360	82,153	85,000	90,000
Fines and forfeitures	10,071	9,033	10,383	13,921	15,000	15,000
Departmental & Other ¹	53,171	2,666,760	2,368,447	3,013,920	3,200,000	3,300,000
Contributions	408,346	349,619	216,832	208,744	250,000	250,000
Investment Income	37,748	(22,474)	86,610	162,732	75,000	75,000
Total Revenues	6,373,982	6,745,072	6,728,730	7,761,722	8,125,000	8,280,000
			-0.2%	15.4%	4.7%	1.9%
Other Financing Sources (Uses)	(315,254)	(858,558)	(397,380)	1,296,491	(400,000)	(450,000)
Net Change in Fund Balance	313,644	(286,041)	50,918	1,678,432	(30,000)	(75,000)
	-	-	-	-	-	-

¹ 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. Only the fund balances for EBT's are reported for financial statement purposes (as restricted).

ENTERPRISES

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

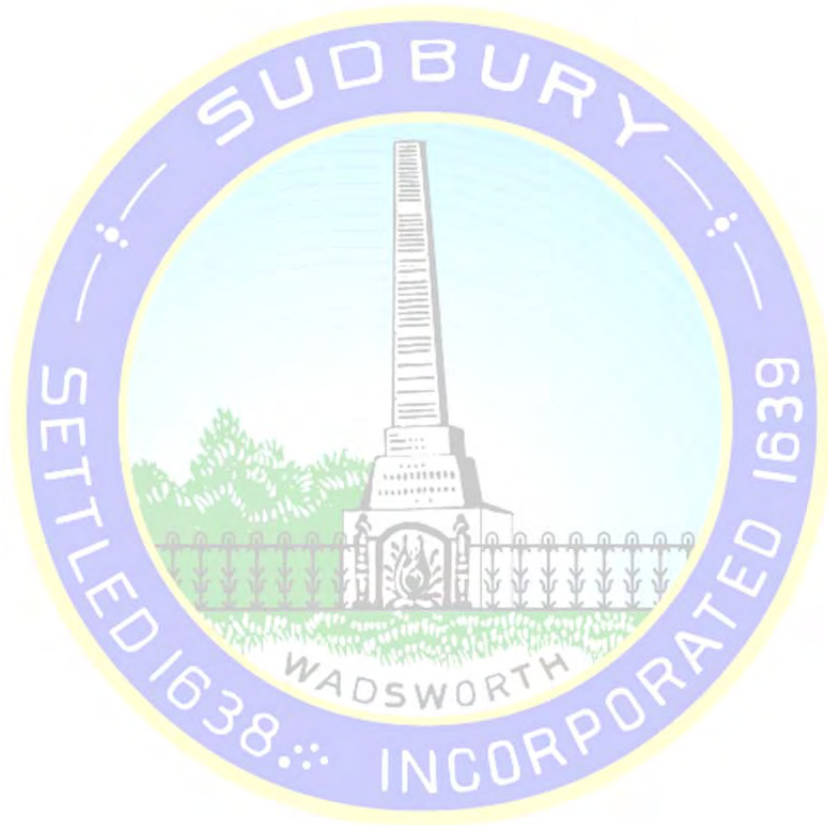
Enterprises on a limited basis may receive some funds from the General fund to assist in the acquisition of capital assets, or in the case of Atkinson Pool receive some offset to benefit costs for employees that work mainly for the proprietary operation. In such cases, these transfers from the Town's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

ENTERPRISES - MULTI-YEAR SUMMARY						
	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Projected FY12	Projected FY13
<u>Expenditure Category</u>						
Cost of Services	709,168	876,517	919,233	1,013,652	982,802	1,117,234
Total Expenditures	709,168	876,517	919,233	1,013,652	982,802	1,117,234
			4.9%	10.3%	-3.0%	13.7%
<u>Revenue Category</u>						
Charges for Service	727,116	736,405	950,940	1,033,801	1,008,397	1,152,844
Investment Income	2,767	7,938	1,784	1,268	4,000	4,000
Total Revenues	729,883	744,343	952,724	1,035,069	1,012,397	1,156,844
			28.0%	8.6%	-2.2%	14.3%
Other Financing Sources (Uses)	(30,912)	(27,674)	(20,953)	(29,595)	(29,595)	(33,146)
Net Change in Fund Balance	(10,197)	(159,848)	12,538	(8,178)	0	6,464

Section Two

Financial Resources

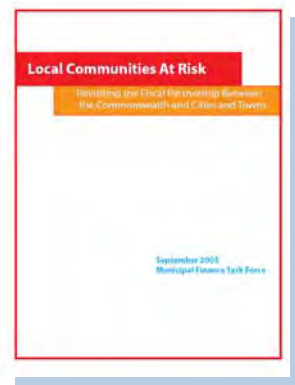
Funds revenue history and forecasts



Revenue Forecasting

Long-term Revenue Outlook-Structural Flaws in Fiscal Partnership

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.

Despite knowing where the breakdowns or gaps exist in the partnership between State and local governments very little is being done to change things when it comes to meaningful long-term revenue sharing, reason being that states continue to feel the enormous impact of what has been deemed the longest, worst economic recession since the Great Depression. However, the financial stabilization and fiscal stimulus policies enacted in late 2008 and early 2009 helped to put the Nation’s economy on the road to recovery. The American Recovery and Reinvestment Act of 2009 provided over \$7.5 billion in funding throughout Massachusetts. To date, over 380 individual ARRA projects have been completed across the State totaling over \$2.5 billion. The Town of Sudbury has received \$3.0 million in funding for education and energy conservation along with another \$2.7 million in ‘Safety Net’ assistance going to recipients in Sudbury.

Short-term Revenue Outlook-States Remain Hobbled by Slow Economic Growth



In a recent update on State Budget and Tax issues by the Center on Budget and Policy priorities, analysts indicate that states remain hobbled by slow economic growth. While there has been some progress made in closing budget gaps the vast majority of these shortfalls have been closed by making extraordinary spending cuts as opposed to seeing improvements in weak tax collections. The report goes on to say that these

gaps will continue to be a drag on the national economy. For how long? According to the report, it really depends on whether or not state tax collections can maintain a sustained growth that is significantly higher than the historical rate of 5 percent. Already, the revenue growth for 2012 has slowed compared to 2011. To make matters worse, the majority of emergency aid to states has largely dried up along with the federal government's fiscal tolerance to support customary state and local programs moving forward.

All of this suggests that while Massachusetts seems to be making progress in coming out of a deep economic hole, municipalities need to brace themselves against the likelihood of tremendous after-shocks to state aid levels of years to come if the current projected gap of \$1.3 billion (or 3.8% shortfall as a percent of the Commonwealth's FY13 budget) is not closed¹. Consequently, any recovery we might see in our local receipts in the next couple of budget cycles could be balanced out if not outdone by cuts in State aid.



For Immediate release - July 08, 2012:

GOVERNOR PATRICK SIGNS FY13 BUDGET

\$32.5 billion budget includes record K-12 education investments, community college reforms; Governor responsibly identifies funds to support August sales tax holiday

BOSTON — Sunday, July 8, 2012 – Governor Deval Patrick today signed a \$32.5 billion fiscal year 2013 (FY13) budget that makes record investments in K-12 education and puts community colleges at the center of the state's workforce development strategy. In addition to prioritizing education and job creation, the budget invests in health care cost containment and youth violence prevention, two other key areas of the Governor's growth agenda.

"When we support students, put people to work, reduce health care costs and strengthen public safety, we make Massachusetts better," said Governor Patrick. "This budget does that through targeted investments and cost-savings reforms. It also responsibly holds the line on spending because we know our recovery is ongoing, not complete. This balanced approach keeps us on track to meet our generational responsibility of building a stronger Commonwealth."

¹ As of July 1, 2012 Massachusetts is 18 states that have not closed its budget shortfall for FY13. Of the 18 states mentioned Massachusetts ranks 7th with a 3.8% shortfall as a percent of FY13 budget.

The FY13 budget funds local aid at \$5.32 billion, an increase of 3.7 percent over FY12. Chapter 70, the largest block of state education aid, increases in FY13 by 4.5 percent from FY12, bringing funding to a historic level of \$4.171 billion. The budget signed today also continues the Patrick-Murray Administration's efforts to reduce the state's reliance on one-time solutions. It includes a draw of \$350 million from the stabilization fund, leaving the account with a FY13 balance of at least \$1.28 billion and the Commonwealth with one of the nation's largest reserve fund balances. Compared to FY12, today's budget increases by roughly 4 percent, a rate of growth that is still less than the assumed growth in state tax revenue collections in FY13.

In addition to the targeted investments, spending reductions and policy changes signed today, the Governor also announced he has determined a way to pay for an August sales tax holiday without putting additional pressure on the FY13 budget. A supplemental spending plan filed alongside the FY13 budget sets aside an estimated \$20 million from a recent one-time payment to the General Fund the Commonwealth recently received to support the popular measure. Identifying funds to support an initiative that generates revenue for retailers and delivers savings to consumers at the outset of the fiscal year is responsible and prudent, ensuring the state will be able to afford forgoing sales tax collections for a weekend next month.

"Governor Patrick and I, along with our partners in the Legislature, are delivering a budget that is balanced and will lead to a stronger economy for Massachusetts," said Lieutenant Governor Timothy Murray. "Despite the challenges we may face, our Administration continues to build on reforms and efficiencies and we remain committed to our core values, providing quality services and protecting all residents of the Commonwealth."

Last year, citing the Patrick-Murray Administration's proactive budget management as a leading factor, Standard and Poor's upgraded the Commonwealth's credit rating to AA+, resulting in all three of the state's credit ratings being just one notch below the highest possible rating and giving the Commonwealth the highest credit ratings in its history. These ratings have allowed the Patrick-Murray Administration to continue making critical investments in schools, roads and bridges, and public facilities to accelerate a long-term economic recovery.

"This budget is balanced, fiscally responsible and it positions us well for the future," said Secretary of Administration and Finance Jay Gonzalez. "Most important, this budget reflects the fact that we must change the way government does business by aggressively building on the many reforms and efficiency initiatives we have already implemented to ensure we stretch every taxpayer dollar as far as possible."

Advancing the Governor's Growth Agenda

The FY13 budget supports critical areas of the Governor's growth agenda, including education, job creation, health care cost containment and youth violence prevention.

- **Education:** The FY13 budget maintains funding from the Governor's budget for achievement gap programs in Gateway Cities that focus on career success and English language learning in addition to increasing funding for Chapter 70 K-12 education aid, special education, METCO and programs focused on intervention, MCAS, youth at risk and school specific support.
- **Jobs:** The budget adopts the community college reforms the Governor unveiled in his January State of the Commonwealth address. The changes will align the colleges' missions and increase accountability as well as close the skills gap and meet the workforce development needs of local employers.
- **Health Care Costs:** Approximately \$700 million in health care cost containment savings will be realized, including the following highlights:
 - Use of innovative management and contracting strategies at MassHealth aimed at lowering cost and transforming the payment and delivery models in the program
 - The Health Connector Authority continues its competitive procurement strategies that have decreased premiums by 10 percent over the past two years for Commonwealth Care members. The Connector will also expand its small business wellness subsidy to help lower health care premiums for small businesses; and
 - The Group Insurance Commission adopted rate increases for health insurance premiums of 1.43 percent, which is projected to save \$55 million. In addition, GIC will leverage the Federal Early Retiree Retirement Program (ERRP) funding to save the GIC an additional \$45 million in FY13.

- **Health Care System Reform Investments:** The budget includes several important investments that will move the state's care delivery system forward in FY13:
 - Full funding for payment and delivery system reform by supporting integrated systems of care at safety net hospitals through the Delivery System Transformation Trust Fund (\$187 million in transfers, \$82 million in state share);
 - Investments of \$23 million in infrastructure capacity building grants for hospitals and community health centers;
 - New resources at MassHealth to improve consumer-facing operations and support MassHealth in implementing payment reform and the Affordable Care Act; and
 - The creation of a new Health Care Workforce Transformation Trust Fund to recruit or re-train employees in the Massachusetts health care sector in line with the Governor's legislative proposals to transform the health care industry.
- **Youth Violence:** The Governor is seeking to restore funding for proven youth violence prevention programs, including an additional \$1.5 million for Shannon Grants that target gang violence, \$6 million for summer jobs to expand employment opportunities for low-income youth this summer and next and \$6 million for the Safe and Successful Youth Initiative so the state can partner with local communities to support high-risk youth and create safer neighborhoods.

Reforming the State's Community Colleges System

The FY13 budget includes legislative changes that support reforms the Governor initiated to strengthen the state's community college systems. Adopted in the budget the Governor signed today are the following reforms:

- Stronger connections between the Department of Higher Education and leadership of the community colleges;
- Stronger connection and accountability between community colleges and vocational/technical schools; and
- Increased oversight and integration of workforce development initiatives at the regional level.

In addition, the budget provides \$5 million in Performance Incentive Grants dedicated for community colleges and \$2.25 million to fund "Rapid Response Grants" which will allow community colleges and potential employers to develop career specific curriculum based on the needs of the employer.

Veto

The Governor vetoed \$32.1 million in spending proposed in the Legislature's budget, including:

- \$10 million for a Human Services Salary Reserve – The Governor proposes to instead use this funding to support unfunded increases for human service providers consistent with the "Chapter 257" reforms adopted in 2008 to increase transparency and reliability of reimbursement to human services providers that care for the state's most vulnerable residents;
- \$10 million for the Probation Department – The Governor proposes to bring this account's spending in line with realistic agency responsibilities and caseload levels;
- \$5.1 million for the Department of Mental Health to continue to operate the Taunton State Psychiatric Hospital at 45 beds – The Governor proposes closing Taunton State consistent with the administration's Community First Initiative;
- \$3.5 million for a reserve for school districts to request additional funding – Funding above and beyond record-level FY13 Ch. 70 investments is unnecessary at this time;
- \$400,000 for a State Police Benefits Fraud Unit – Additional funding duplicates existing programs and responsibilities at State Police and the Auditor's Office; and
- \$3.1 million in legislative earmarks.

Policy Actions

Examples of policy actions included in the budget the Governor signed today include:

- Amending Electronic Benefits Transfer (EBT) language to be consistent with the strong recommendations of the EBT Commission and ensure changes are enforceable;

- Signing stricter penalties for driving without a license;
- Amending registration changes to give the RMV the ability to coordinate with the Executive Office of Public Safety and Security to determine whether exempting certain people (for example: seniors, servicemen or seasonal residents) from having to provide a license to register a car will enhance public safety by increasing the number of registered and insured vehicles on Massachusetts roads;
- Signing Melanie's Law updates to ensure OUI cases continued without a finding will now count as prior offenses when calculating penalties for refusing to submit to a breathalyzer;
- Signing authorization for pharmaceutical companies to offer drug coupons to Massachusetts residents;
- Signing a requirement that mutual insurance companies provide clear and concise disclosure of compensation paid to their executive officers or directors in a format "readily accessible" to their members; and
- Vetoing proposed language to lower the population threshold for Gateway Cities from 35,000 to 20,000. This change would dilute limited funding available for targeted communities already in the Gateway Cities program.

Proposed Supplemental Budget

The Governor today proposed using a combination of FY12 and FY13 surplus funds and FY13 vetoes to address unfunded needs in FY13, including:

- An estimated \$20 million in one-time settlement money to support an August sales tax holiday;
- \$15 million for emergency housing services for families that are homeless or at-risk of becoming homeless;
- \$14 million for information technology costs to support services provided to residents and businesses;
- \$10 million for a reserve to implement the costs of the Chapter 257 reforms;
- \$6 million for Summer Jobs;
- \$6 million for Safe and Successful Youth;
- \$1.5 million for Shannon Grants;
- \$1.4 million for Special Education Tuition Costs;
- \$300,000 for the Massachusetts National Guard; and
- \$100K for a study of mental health services.

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 FY13 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**.

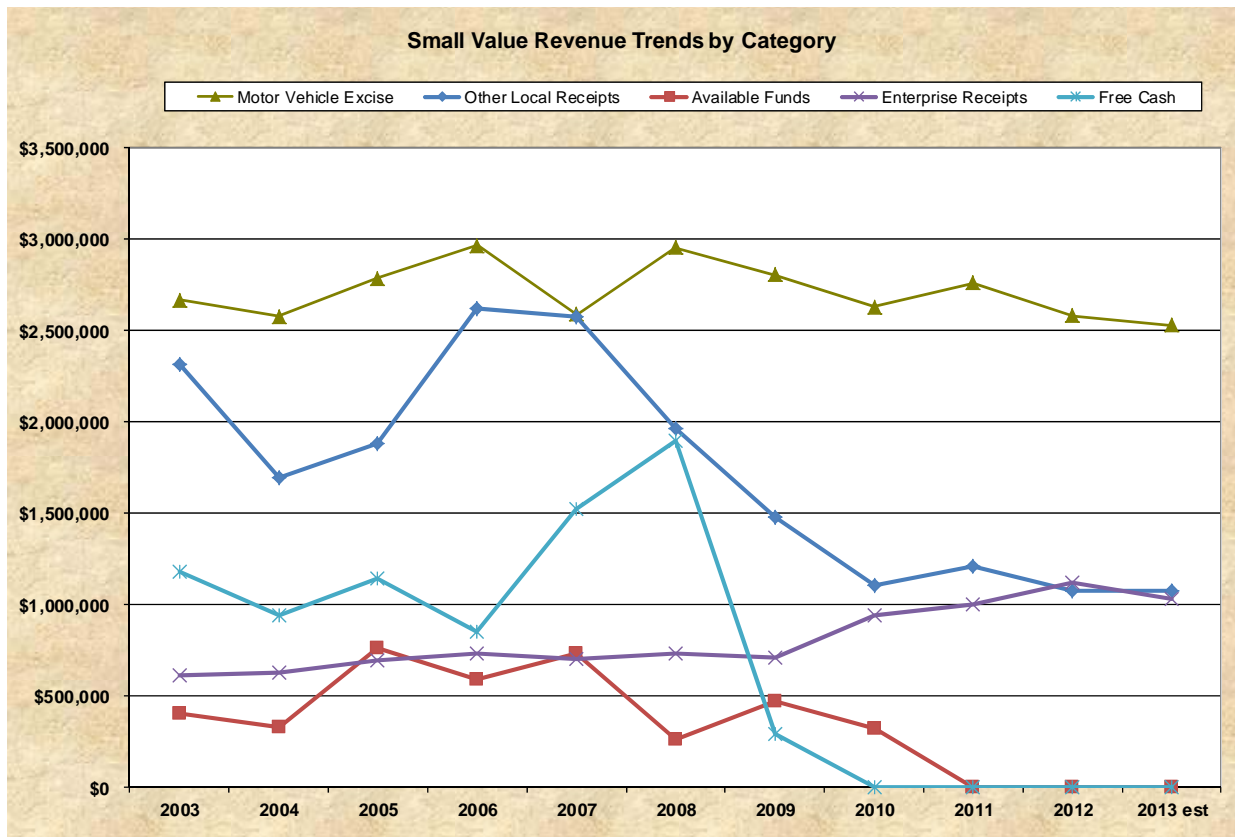
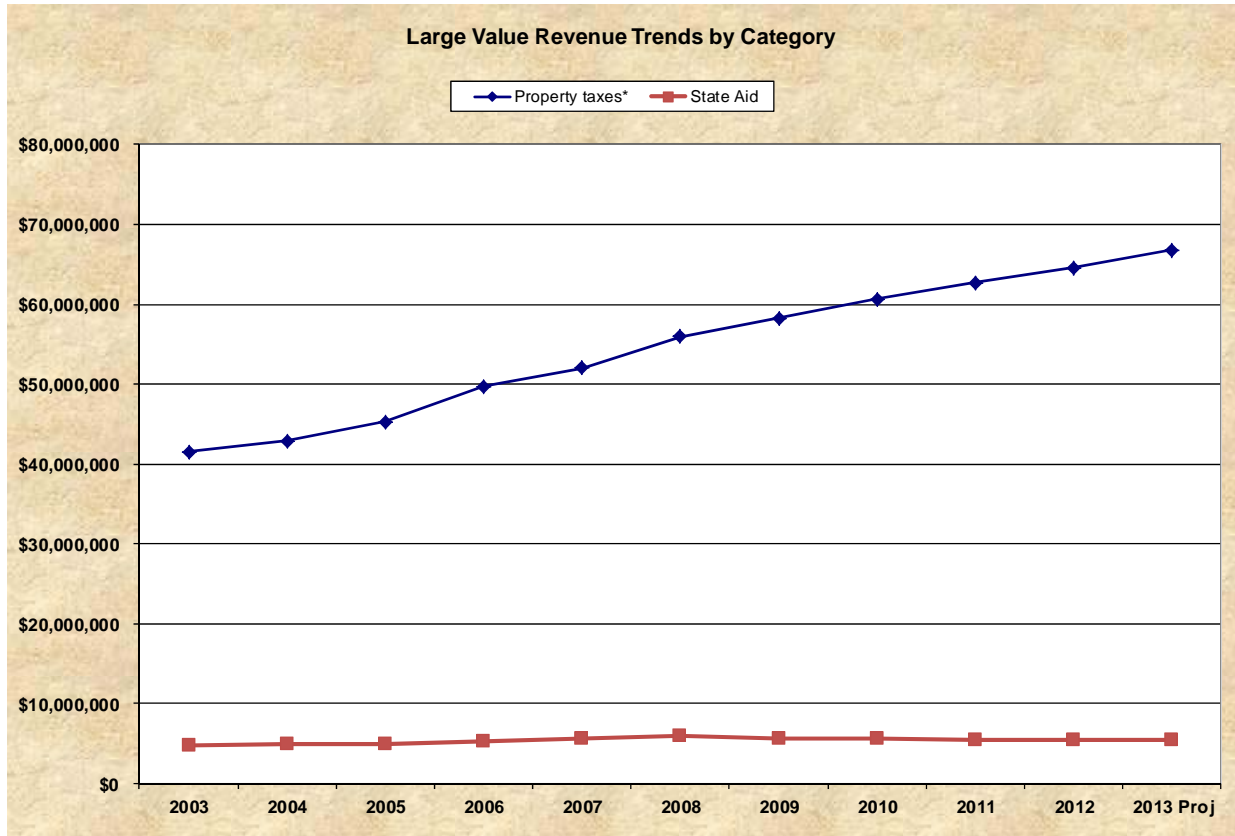
Enterprises have been described already. For budget and planning purposes, you will find Enterprises reported along with the Town's main General Fund budget. Further details on Enterprise budgets can be found in [Section 11](#). Since Enterprise revenues are used solely to fund enterprise operations, 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

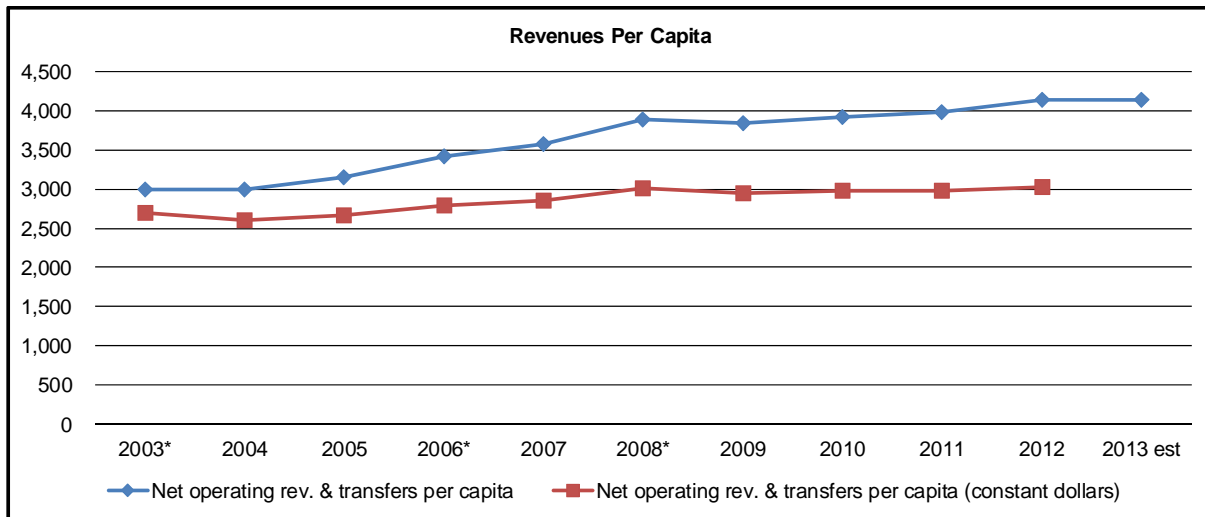
We discuss the basis for our projections for FY13, as a combination of Town-specific historical data and local economic factors. Each year the Town officials and Town staff conduct a review of Sudbury's financial condition. We reproduce several charts and tables here for further discussion.

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.

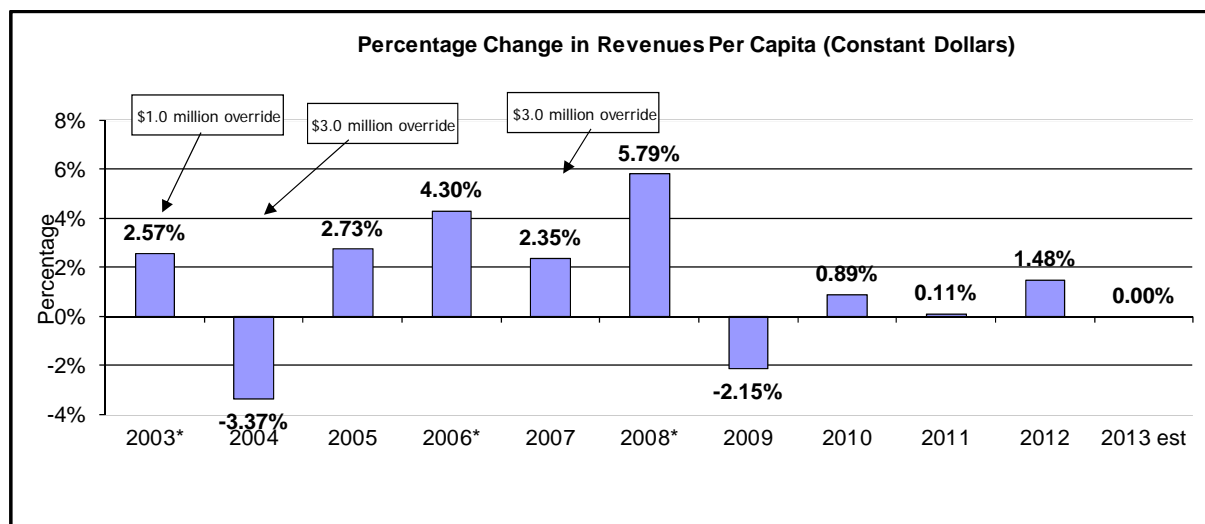
The following two charts provide a macro view of the Town's major and minor revenue streams over the last several years.



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 near the \$3 thousand mark. All things considered, we are expecting this trend to continue.

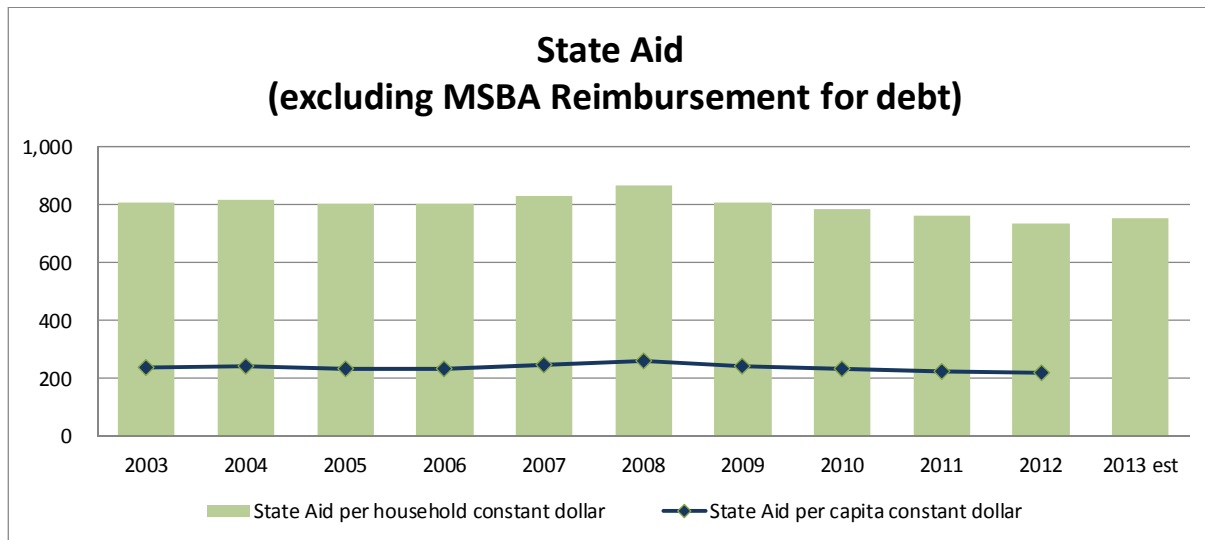


An asterisk denotes those years in which there was an override. Overall, the annual growth in constant dollar revenues per capita average has ranged from a high of 5.79% to as low as -3.37% in recent years. The chart below shows that in those years in which there is no override, there is very little growth in operating revenues to support budgets while there are steady increases in payroll, pensions, health insurance, and energy costs.

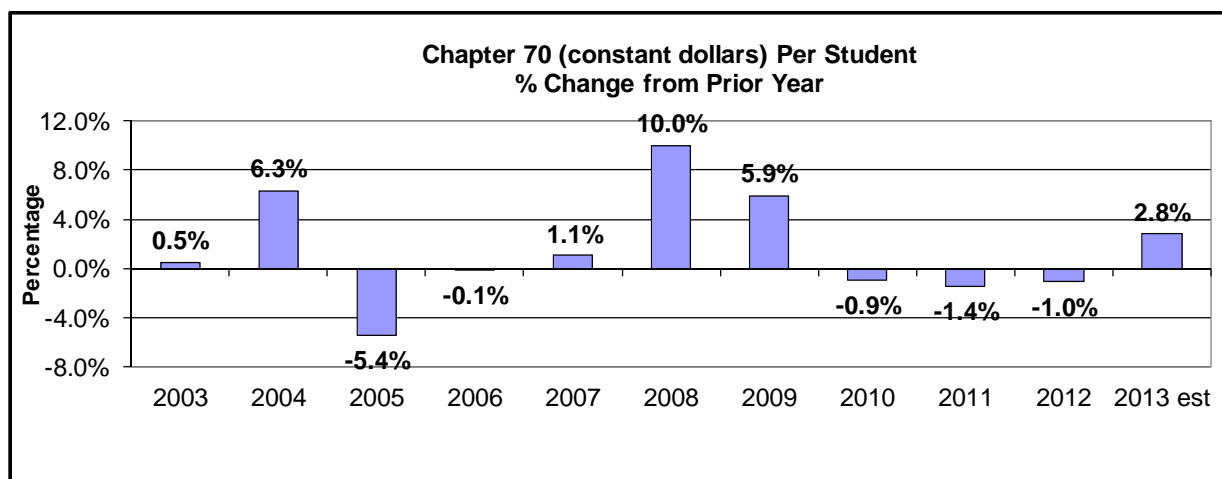


Indicator 2: State Aid per Household and per Capita. State aid has dropped from a high of 11% of Sudbury's operating revenues back in FY99 to 7.3% in FY12. Over the past decade, accumulated State Aid represents an average 8.4% of the Town's total operating revenues. The drastic changes in State aid availability 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 latest 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 \$1,004 and \$298 in state aid, respectively. All things considered, we are expecting this trend to continue.

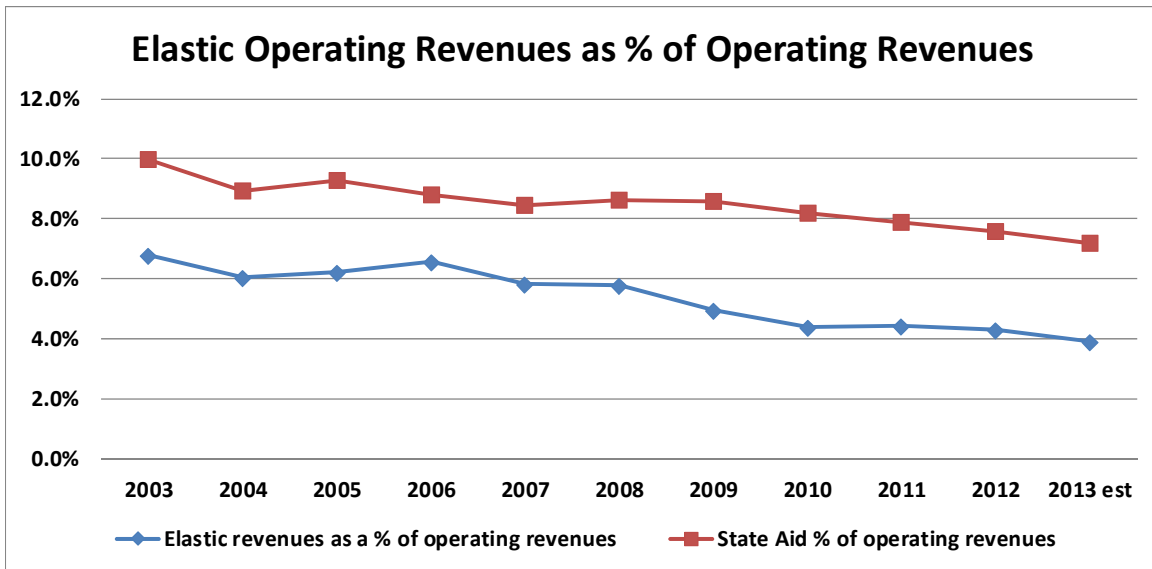


Indicator 3: Chapter 70 School Aid per student. This indicator focuses on the largest component of state aid for Sudbury: the Chapter 70 program. This type of State Aid has consistently represented 5.6%-6.3% of total net operating revenues over the past decade. On a per student basis, Sudbury received 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 has been decreasing by about 1% per year over the last several year (adjusted for inflation).

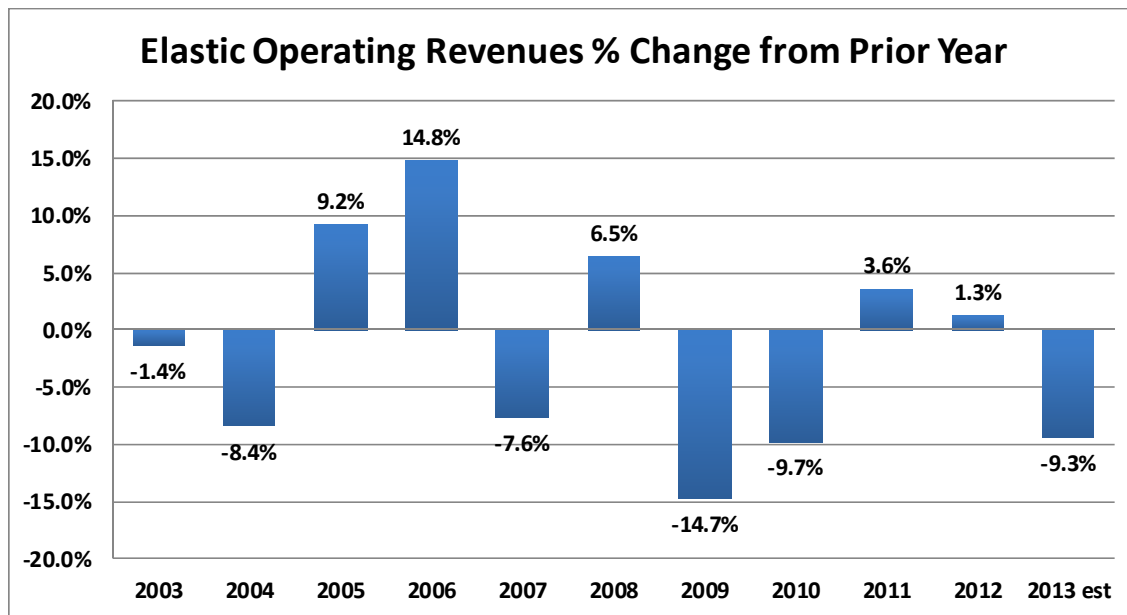


Indicator 4: Elastic Revenues. This indicator identifies the primary reason for the Town's dramatic and at times erratic fluctuations in financial resources. Elastic revenues are those items that change as the economy changes. Sudbury's elastic revenues include items such as motor vehicle excise, investment earnings and building permit fees. The decrease in these revenues since FY02 (\$604,200) 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 2002. 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.

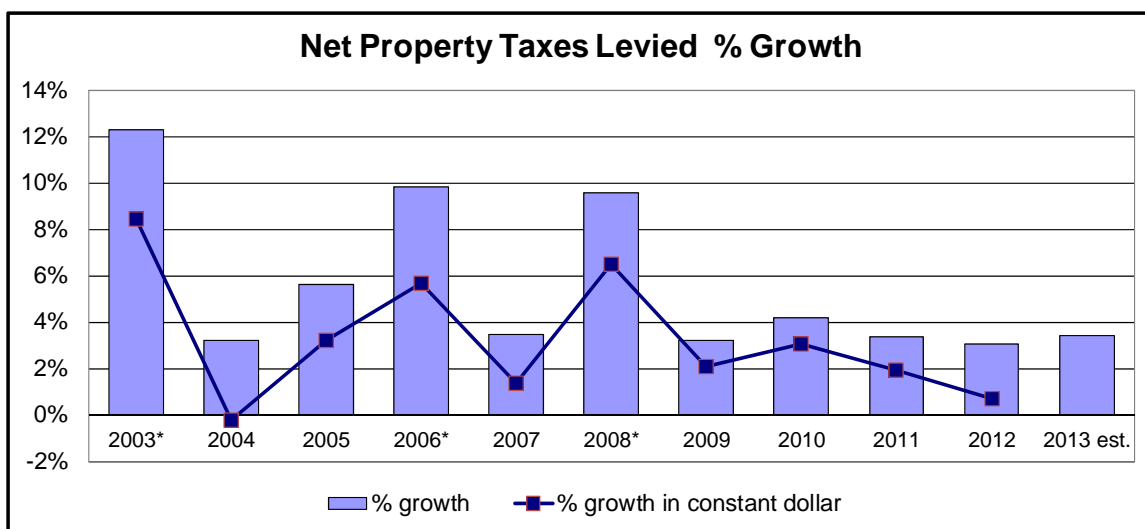


Trends in elastic revenues as a percentage of total operating revenues and with respect overall budget to actual revenue results help us to see where we might expect changes in Free Cash and fund balance in general. Free cash will be discussed in detail later in this section. However, it is interesting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

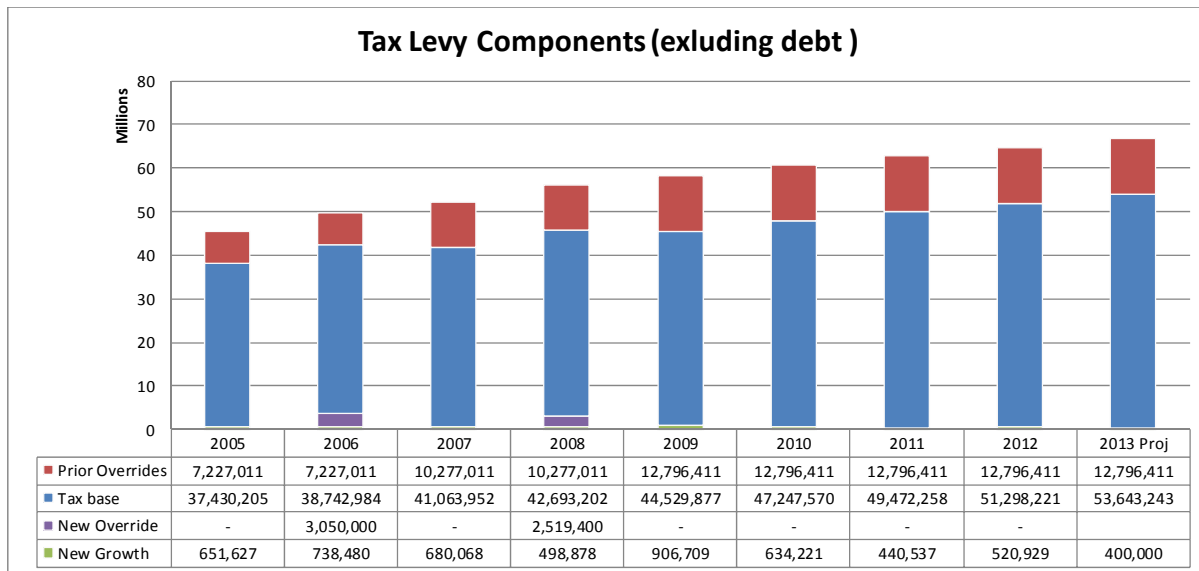


Because of the unpredictable nature of some revenues, we must carefully monitor receipts throughout the year to avoid revenue shortfalls. Shortfalls can lead to revenue deficits, which must be raised on the next year's tax recap or negative Free Cash, which is an indication of poor financial management with possible credit rating implications. At the time of Town Meeting, we made a conservative forecast of a 9.3% drop in elastic revenues. However, unaudited results for FY12 now show a significant improvement from the prior year. Consequently, the estimates for some elastic revenues for FY13 may be adjusted upwards heading into the current tax rate setting season. In particular, we are starting to see favorable trends in motor vehicle excise and permitting revenues.

Indicator 5: Property Tax Levy Growth. The trend line 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.



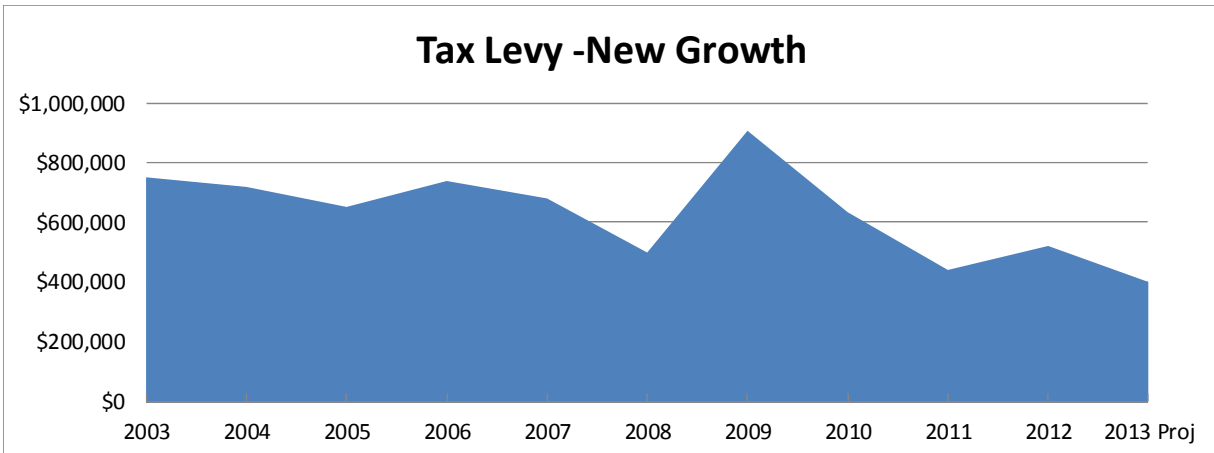
Since FY03, the Town has added a total of \$8.7 million in overrides to the permanent tax levy base. During that same period, \$6.9 million has been added in new growth. The following chart shows the tax levy through FY13, broken down by its various components. It should be noted that new growth each 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.



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 2003. Annual new growth for the Town's Tax Levy has declined over the last 10 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

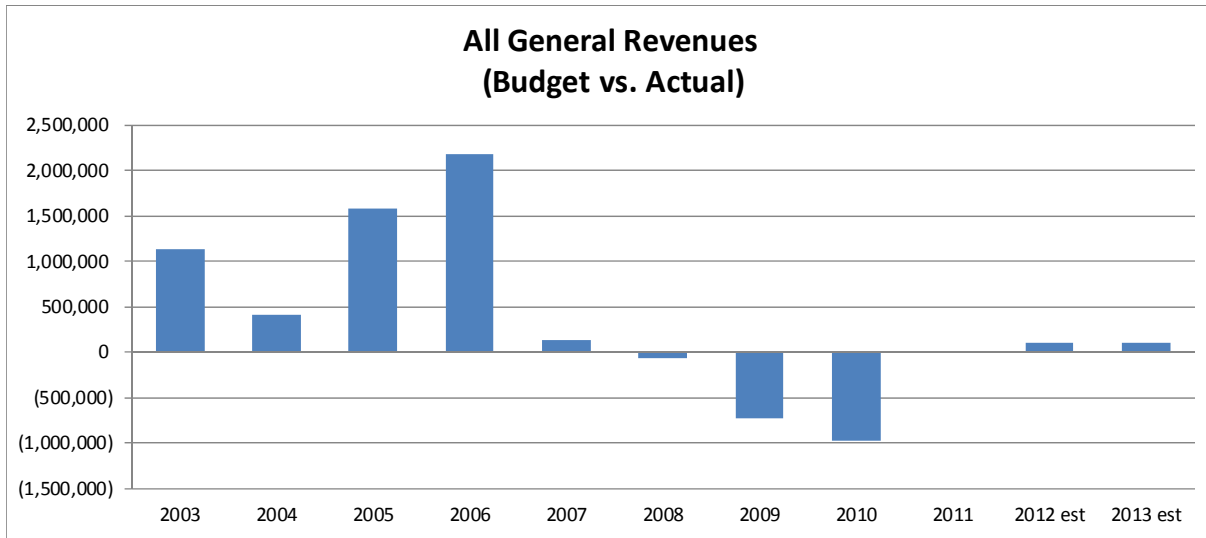
The residential class continues to represent more than 92% of the total taxable value in the Town's tax levy. Consequently, the majority of taxes each year are borne by residential property owners.

Classification of Property	FY10 Assessed Valuation	% of Total Assessed Valuation	FY11 Assessed Valuation	% of Total Assessed Valuation	FY12 Assessed Valuation	% of Total Assessed Valuation
Residential	\$ 3,719,642,603	92.9%	\$ 3,599,570,656	92.9%	\$ 3,566,779,121	92.9%
Commercial	\$ 156,881,214	3.9%	\$ 145,535,412	3.8%	\$ 145,365,519	3.8%
Industrial	\$ 64,300,000	1.6%	\$ 60,872,200	1.6%	\$ 59,764,900	1.6%
Personal	\$ 62,837,650	1.6%	\$ 68,303,560	1.8%	\$ 66,426,000	1.7%
Total	\$ 4,003,661,467	100.0%	\$ 3,874,281,828	100.0%	\$ 3,838,335,540	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 FY12 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.

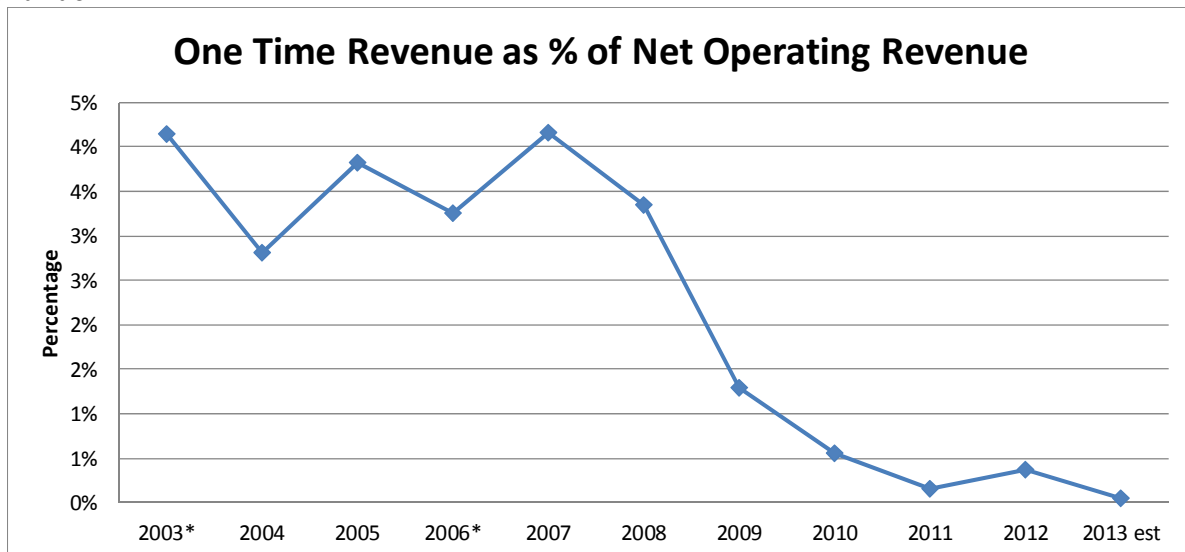
Indicator 6: Revenue Shortfalls. The Town attempts to remain conservative in making revenue forecasts which is particularly important since the Town relies on state aid and other elastic sources of income that can fluctuate dramatically unlike the mechanics behind the property tax levy. Even so, the 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.



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 that 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.

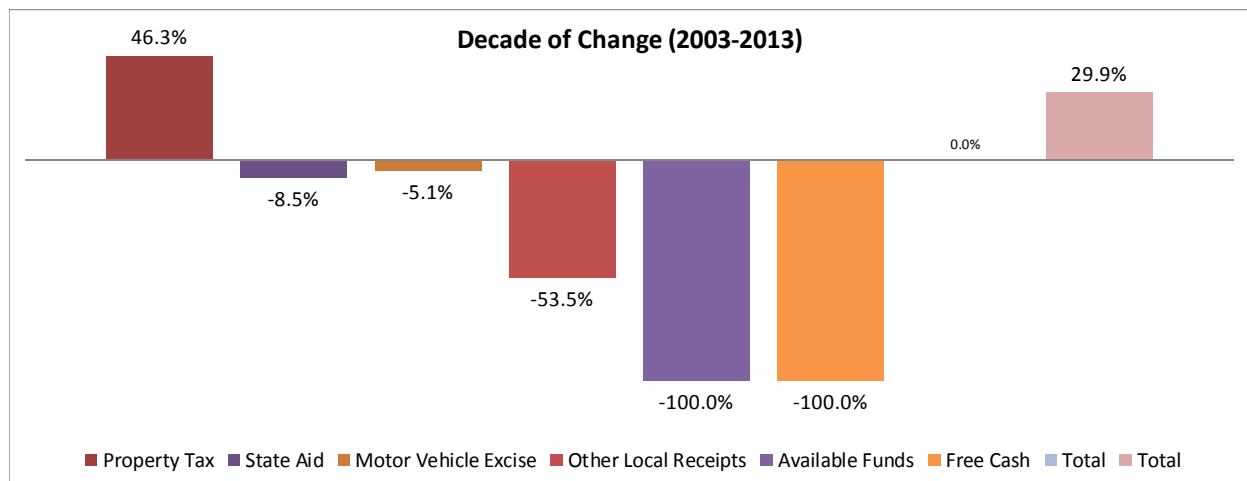


Summary and Conclusions

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	Flat
5 – Property Tax Growth	Flat except for override years
6 – Revenue Shortfalls	Flat
7 – One-Time Revenues	Flat

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.

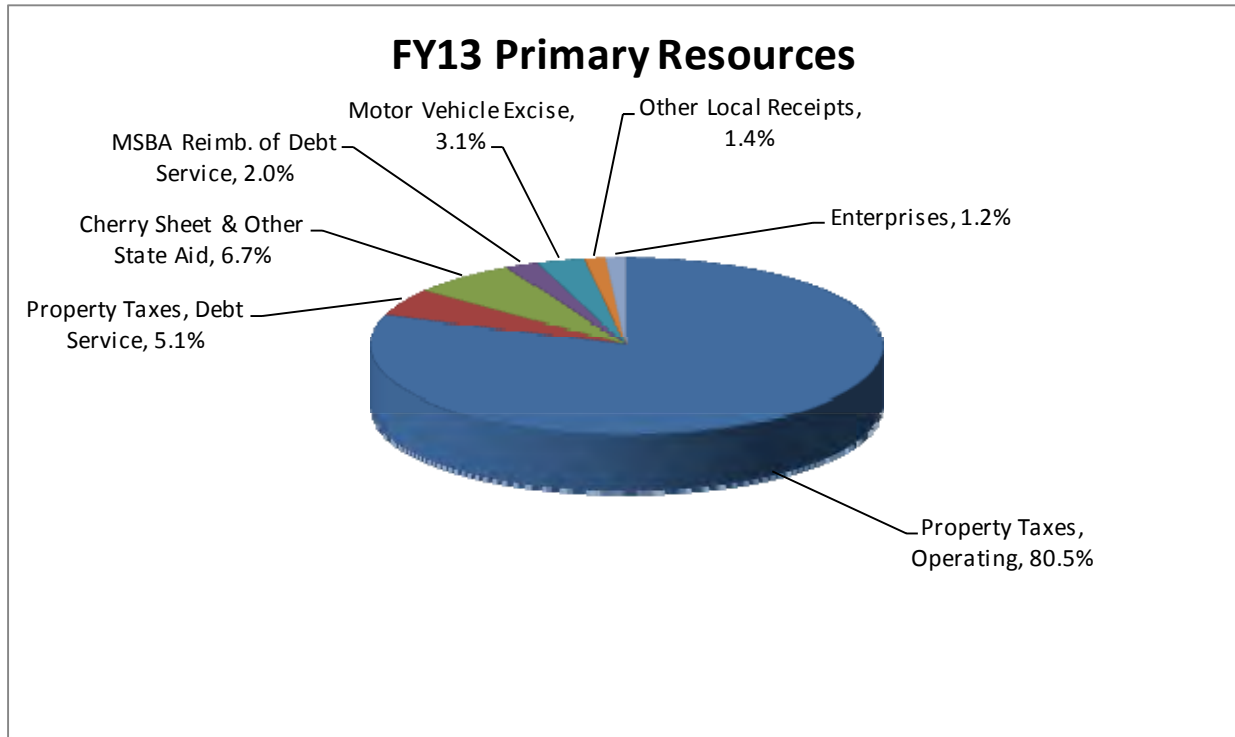


The revenue indicator analysis shows that growth in total revenues has been steady (averaging 3% per year since 2003), but mostly due to property taxes, in particular because of three overrides totaling \$8.6 million in the past decade. We have clearly become more reliant on taxes to make up for the sluggish or declining trends in all other revenue 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 FY13. These primary financial resources from General (Governmental) and Enterprises (Proprietary) funds represent 91% of all revenues for the Town.



Revenue Sources	FY13
Property Taxes, Operating	66,839,654
Property Taxes, Debt Service	4,248,851
Cherry Sheet & Other State Aid	5,541,712
MSBA Reimb. of Debt Service	1,681,224
Motor Vehicle Excise	2,532,000
Other Local Receipts	1,125,000
Enterprises	1,030,918
Free Cash Appropriated	-
Other Reserves Appropriated	26,000
Total Primary Resources	83,025,359

Primary Financial Resources by Categories

	FY11 Actual	FY12 Projected	FY13 Budget	Dollar Change	Percent Change
Property Tax Levy (net of exclusions)	62,709,206	64,615,561	66,839,654	2,224,093	3.44%
Cherry Sheet & Other State Aid	5,491,075	5,409,800	5,541,712	131,912	2.44%
Local Receipts	3,975,554	3,657,000	3,657,000	-	0.00%
Free Cash	-	-	-	-	0.00%
Other Reserves	-	300	26,000	25,700	0.00%
Subtotal: General Operating Fund	72,175,835	73,682,661	76,064,366	2,381,705	3.23%
Enterprise Funds	1,002,125	1,117,233	1,030,918	(86,315)	-7.73%
Total Available for Operating Purposes	73,177,961	74,799,895	77,095,284	2,295,390	3.07%
Property Tax Levy for Debt Service	4,709,300	4,391,971	4,248,851	(143,120)	-3.26%
MSBA Reimbursement for Debt Service	1,702,597	1,681,224	1,681,224	-	0.00%
Total Revenue	79,589,857	80,873,089	83,025,359	2,152,270	2.66%

~ 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 Actual	FY12 Projected	FY13 Budget	Dollar Change	Percent Change
Previous Year Levy	60,770,204	62,729,996	64,819,175	2,089,179	3.33%
2.5% over prior levy	1,519,255	1,568,250	1,620,479	52,229	3.33%
New Growth	440,537	520,929	400,000	(120,929)	-23.21%
Override	-	-	-	-	0.00%
Taxes for Debt Service	4,709,300	4,391,971	4,248,851	(143,120)	-3.26%
Tax Levy Limit	67,439,296	69,211,146	71,088,505	1,877,360	2.71%
Taxes Raised	67,418,506	69,007,532	71,088,505	2,080,973	3.02%
Levy Surplus	20,790	203,614	-	(203,614)	-100.00%

Property Tax Levy**FY13 Estimate: \$71,088,505**

Sudbury's property tax levy is expected to increase by a total of \$2,080,973 or 3.02% percent over FY12's taxes raised. This however does not mean that the property tax rate will increase exactly by 3.02%, as \$400,000 of the estimated increase is due to New Growth.

Projected new tax levy growth for FY13 is estimated by the Board of Assessors at \$400,000, based on residential and commercial construction permit information occurring during the previous calendar year. FY13 results reflect a \$120,929 decrease from what was certified during the FY12 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 five-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%
current year						
Jan. 1, 2011	2012	69,007,532	520,929	68,486,603	1,068,097	1.58%
forecasted						
Jan. 1, 2012	2013	71,088,505	400,000	70,688,505	3,269,999	4.85%

The estimated average residential tax bill for FY13 is \$11,262 or 2.99% higher than FY12.

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
Jan. 1, 2010	2011	628,000	17.03	10,695
current year				
Jan. 1, 2011	2012	621,410	17.60	10,937
forecasted				
Jan. 1, 2012	2013	621,410	18.12	11,262

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

	FY11 Actual	FY12 Projected	FY13 Budget	Dollar Change	Percent Change
Chapter 70 (school aid)	4,280,621	4,206,945	4,325,145	118,200	2.81%
General Government Aid	1,178,945	1,098,406	1,109,015	10,609	0.97%
Other Receipts	31,509	104,449	107,552	3,103	2.97%
Subtotal: General Purpose State Aid	5,491,075	5,409,800	5,541,712	131,912	2.44%
MSBA School Debt Reimbursement ¹	1,702,597	1,681,224	1,681,224	-	0.00%
Total State Aid	7,193,672	7,091,024	7,222,936	131,912	1.86%
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

FY13 Estimate: \$5,541,712

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 \$5,541,712 general purpose aid was somewhat lower than the Governor’s proposal. Our estimate heading into Town Meeting represents a modest increase of 2.44% from FY12. 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 FY13 was released more than two months after Town Meeting, in July, 2012. Final net Sudbury aid was slightly higher than our projection by \$71,345; therefore, no reductions to the budget are required at this time.

1. Chapter 70 Aid

Projection: \$4,325,145

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 increase from FY12 of \$118,200 or 2.81%.

2. General Governmental Aid**Projection: \$1,109,015**

Starting in FY10 the State combined the Lottery and Additional Assistance programs into one general reimbursement category. 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 FY13 represents a slight increase of \$10,609 or 0.97% from FY12.

3. Other Receipts**Projection: \$107,552**

This category is made up of six small state reimbursements, some of which are offset by state assessments. It includes two special offset revenues that are required to be spent directly by Schools and Library. FY13 represents an increase of \$3,103.

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

	FY11 Actual	FY12 Projected	FY13 Budget	Dollar Change	Percent Change
Motor Vehicle Excise	2,762,000	2,582,000	2,532,000	(50,000)	-1.94%
Other Excise	93,884	100,000	198,000	98,000	98.00%
Penalties & Interest	204,090	175,000	175,000	-	0.00%
PILOT	64,515	55,000	55,000	-	0.00%
Fees	84,052	90,000	70,000	(20,000)	-22.22%
Rentals	96,105	95,000	95,000	-	0.00%
Library	24,273	25,000	25,000	-	0.00%
Cemeteries*	20,152	20,000	-	(20,000)	-100.00%
Other Departmental	16,301	15,000	15,000	-	0.00%
Licenses & Permits	424,034	400,000	400,000	-	0.00%
Fines & Forfeits	57,214	55,000	45,000	(10,000)	-18.18%
Investment Income	20,310	20,000	12,000	(8,000)	-40.00%
Misc. Non-Recurring	108,624	25,000	35,000	10,000	40.00%
Total Local Receipts	3,975,554	3,657,000	3,657,000	-	0.00%
*This revenue moved to revolving funds.					

Local Receipts**FY13 Estimate: \$3,657,000**

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. Since the Great Recession which started in 2007, local revenues have begun to grow again but are still far from fully recovered. Heading into Town Meeting our forecast for total local receipts remained essentially flat for FY13 pending further adjustments as necessary during the annual tax rate setting process.

- 1. Motor vehicle excise** **Projection: \$2,532,000**
We are projecting this component to be very similar to FY12. The FY13 projection represents a modest decrease from FY11 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 FY12 suggest actual receipts may remain below FY11 levels.
- 2. Other excise** **Projection: \$198,000**
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 revenue streams for the FY11 budget. Our projection for FY13 is currently at \$198,000, as local actual option receipts continue to suggest a further increase in this category.
- 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 FY13. 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).
- 5. Fees** **Projection: \$70,000**
Fees include charges for applications, tax administration, municipal lien certificates, tax redemptions, and administration fees for police detail. This projection is \$20,000 below FY12, as current indications in this type of activity suggest a maximum estimate of \$70,000 is appropriate for FY13.
- 6. Rentals** **Projection: \$95,000**
We have projected receipts in this area to be similar to FY12. 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. As several contracts expired in FY11, the actual revenues for FY12 and FY13 remain relatively uncertain.
- 7. Library, Cemeteries and Other Departmental Revenues.** **Projection: \$40,000**
We are projecting a Library income for late fees and other departmental revenues will remain flat in FY13. Generally speaking small amounts are expected to be collected by departments for such things as photocopy charges, sale of voter lists, etc. Revenues from cemetery fees have been moved to a revolving fund starting in for FY12.
- 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 FY11 totaled only \$424,034. Building permits make up the largest portion of this category.

Based on the dollar value of permits issued during the last 6 months we may consider increasing our estimate for the first time since bottoming out in 2010.

9. Fines and forfeits **Projection: \$55,000**

Fines include charges for false alarms, parking tickets and court fees. Current collections in FY12 suggest FY13 may be about \$12,000 lower than FY11 actual results.

10. Investment income **Projection \$12,000**

We are projecting a 40% decline in investment income for FY13. 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 do not have as much General Fund balance(s) available for investment.

11. Miscellaneous, Non-recurring **Projection \$35,000**

As the title suggests, these receipts are for the most part unexpected and therefore difficult to project within the budget cycle. We have projected \$35,000 in FY13 representing reimbursement for extraordinary expenses incurred during 2012. Payment(s) expected to be received during FY13.

Capital Resources: Bond proceeds and bond debt service reimbursement

Capital Resources: **FY12 Estimate: \$1,681,224**

1. MSBA School Debt Reimbursement **Projection: \$1,681,224**

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-\$1M**

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 FY13. However, the Town is likely to receive \$0.5 and \$1 million in long-term debt proceeds during FY13, if approved, to pay for general fund projects submitted for Special Town Meeting(s) and Town Election(s) throughout the year.

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

	FY11 Actual	FY12 Projected	FY13 Budget	Dollar Change	Percent Change
Free Cash Appropriation	-	-	-	-	
Tax Levy Overlay Surplus	-	-	26,000	26,000	
Town Meeting Continuing Articles - Reappropriation of Balances	-	300	-	(300)	-100.0%
Total Free Cash & Other Reserves	-	300	26,000	25,700	-100.00%

- 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, 2011 was \$674,860. 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.
- Abatement Overlay Surplus Use** **Projection: \$26,000**
 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. In FY13, the Assessors expect to use \$26,000 from the Overlay account as a direct offset to costs associated with the required triennial revaluation.
- 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 FY13 operating budget.

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

	FY11 Actual	FY12 Projected	FY13 Budget	Dollar Change	Percent Change
Atkinson Pool	330,644	290,389	297,461	7,072	2.4%
Transfer Station	487,506	517,230	516,197	(1,033)	-0.2%
Recreation Field Maintenance	183,976	309,614	217,260	(92,354)	-29.8%
Total Enterprises	1,002,125	1,117,233	1,030,918	(86,315)	-7.7%

Enterprise Resources:

FY13 Estimate: \$1,030,918

1. Enterprise Revenues Use

Projection: \$1,001,461

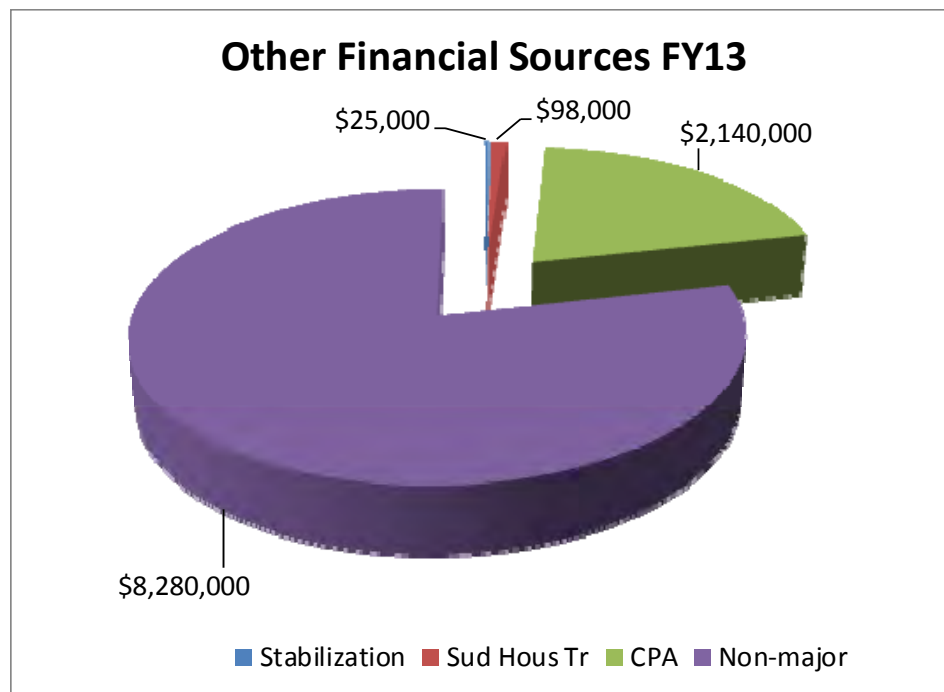
All estimated Enterprise receipts for FY13 are available to fund their operating budgets (subject to appropriation limits set at Town Meeting). Estimated receipts for all three Enterprises for FY13 total \$1,001,461. During the year, the Enterprises must closely monitor actual receipts. Should actual receipts not meet expectations, the Enterprises must reduce spending to avoid revenue deficits.

2. Retained Earnings Use

Projection: \$29,457

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 and Recreation Field Maintenance Enterprises anticipate the need to use some retained earnings to supplement operations during FY13. The Transfer Station Enterprise does not anticipate the need to use any retained earnings in FY13.

Outside Resources: Available resources outside the General fund



Other Resources (outside General Fund):

FY12 Estimate: \$10,543,000

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 four categories shown in the figure above. 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 FY13. Therefore, the revenue projection for Stabilization is based strictly on likely investment earnings of approximately **\$25,000**. (For financial reporting purposes, the Stabilization Fund is now considered part of the Town's General fund reserves).

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 **\$2,140,000** for FY13.

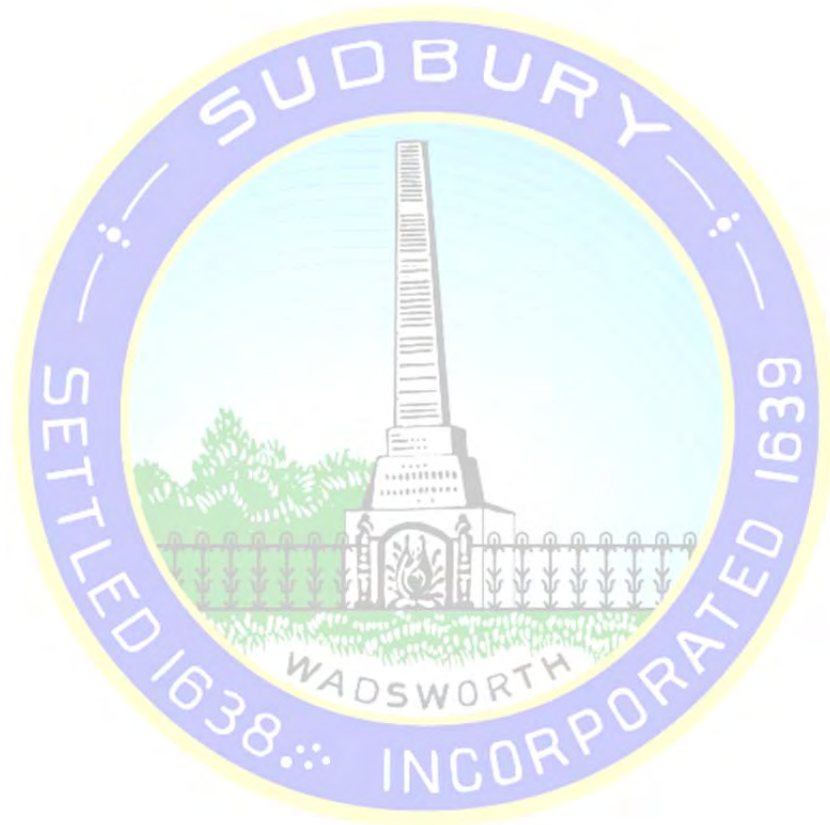
Sudbury Housing Trust Fund (AHT). To date the majority of fund balance associated with the SHT is attributable to transfers from the CPA (as opposed to revenues generated or income earned by the SHT fund directly). Total SHT Revenue is projected to be **\$98,000** for FY13.

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 **\$8,280,000** for FY13.

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**.

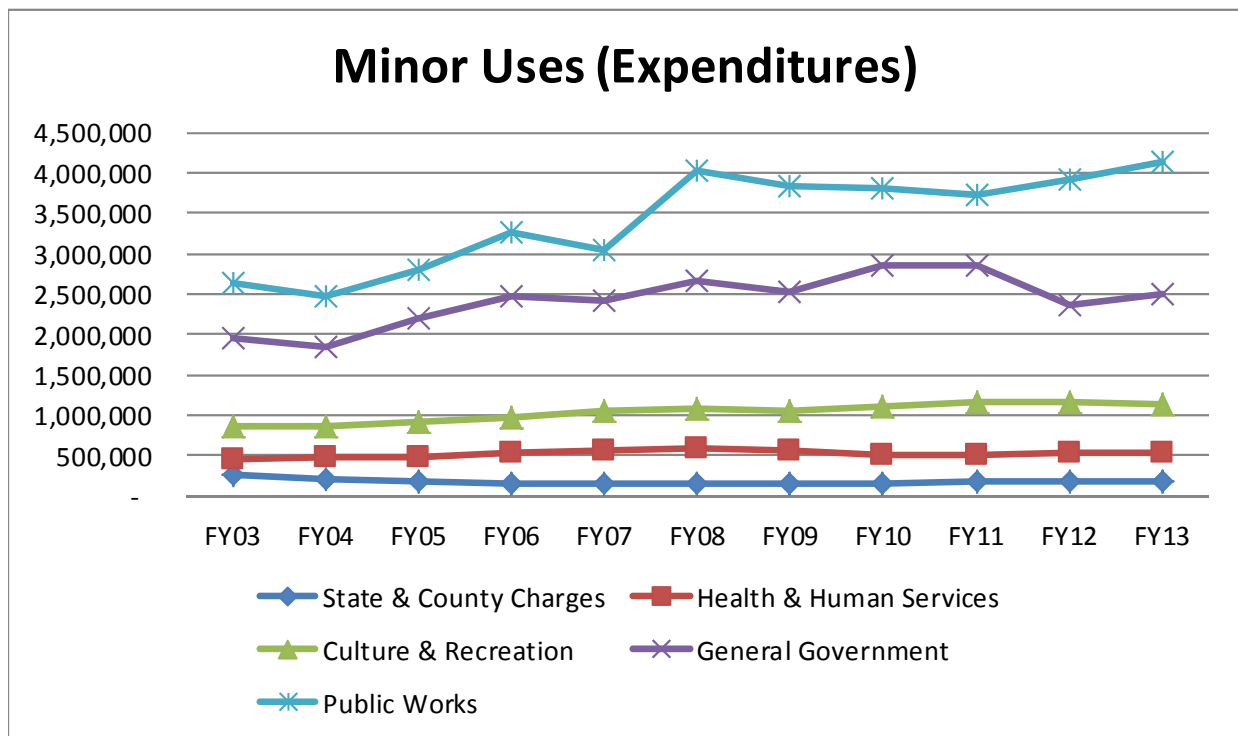
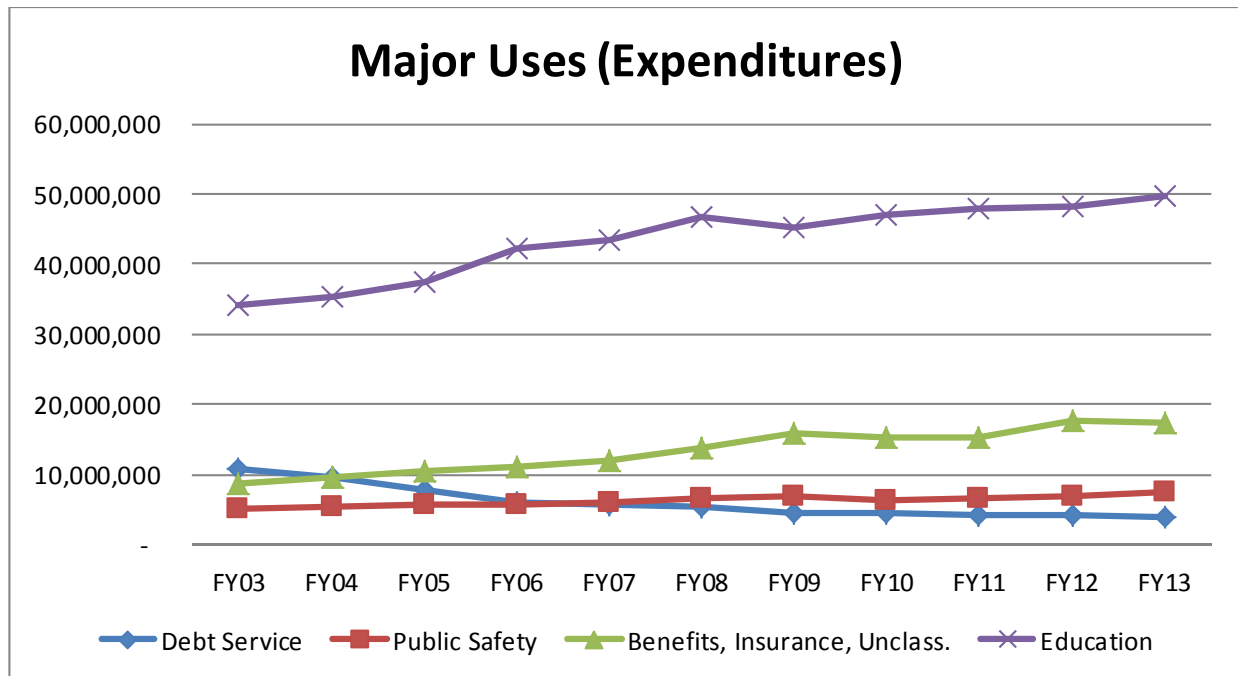
Capital uses consist of all costs associated with capital asset acquisitions or completion of capital projects (e.g. school building renovations, town building construction, development of new roadways, sewers, etc.) Capital uses may also constitute debt service payments relating to capital asset acquisition 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**.

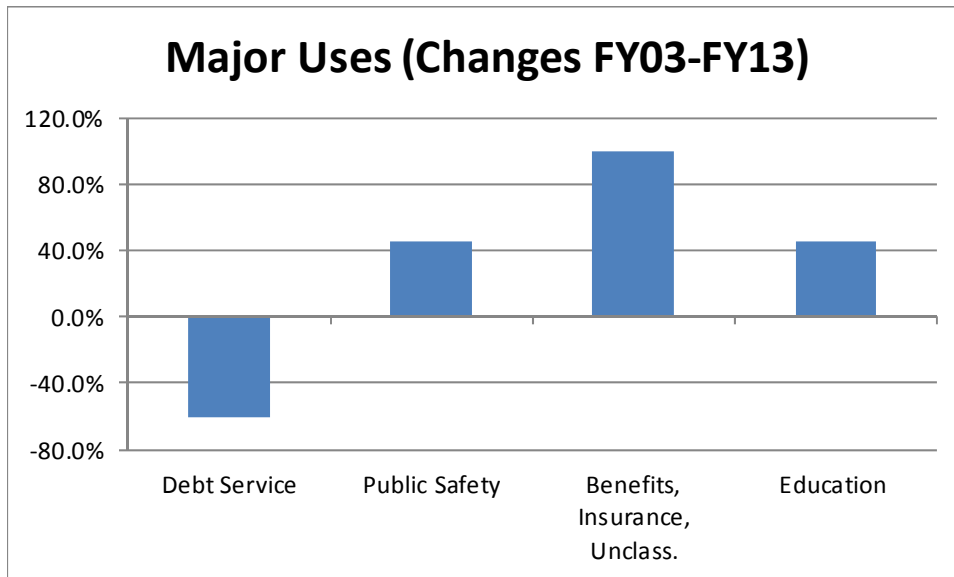
Primary Financial Use Trends and Indicators

The following charts provide a macro view of the Town's financial major and minor uses (expenditure) streams, over the last several years. FY12 and FY13 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.

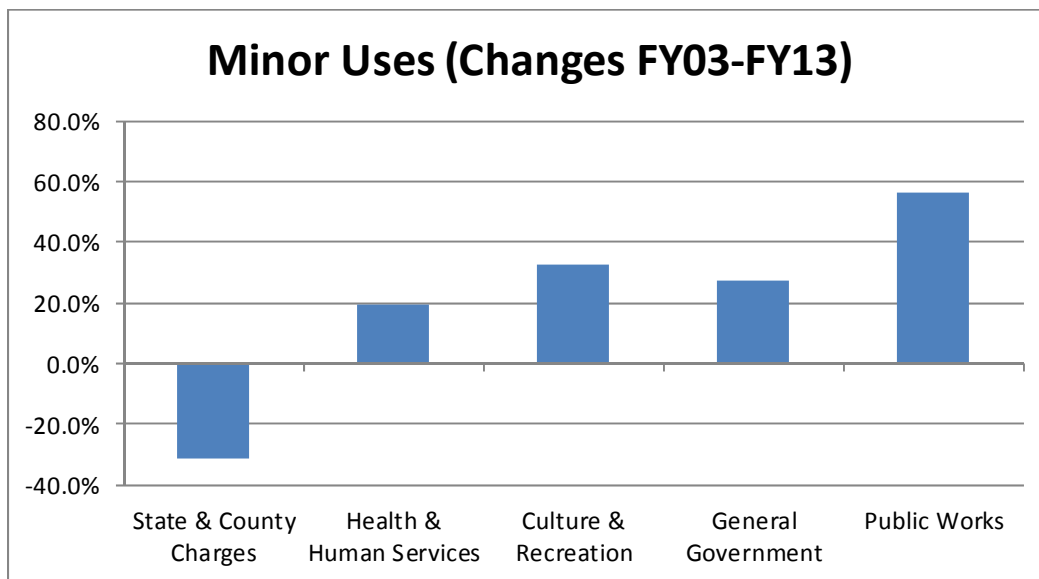


The dollar cost of education has increased significantly over the last decade. The rate of growth for benefits & insurances has leveled off in the last couple of years. The total cost for Public Works has been relatively steady since 2008. General government has fluctuated somewhat over the last decade, 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 about 45%. Debt service has decreased dramatically to pre-FY01 levels.

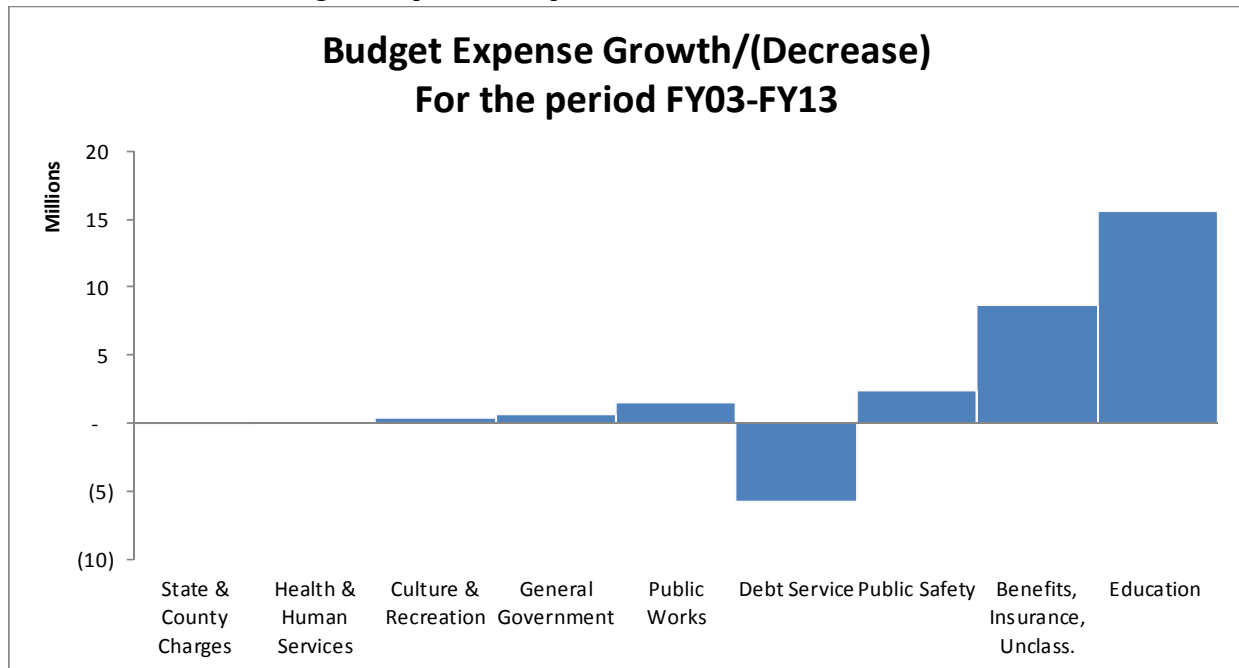


Changes in minor uses (expenditure categories of less than \$4 million per year) are shown below. The Public Works division including snow and ice expense has grown by 56% since FY03. Culture & Recreation expenditure represents the second largest increase of 33%. Both General Government and Health & Human Services categories have increased in relative size by 28% and 20%, respectively. State assessments & charges have declined by more than 30%, 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.

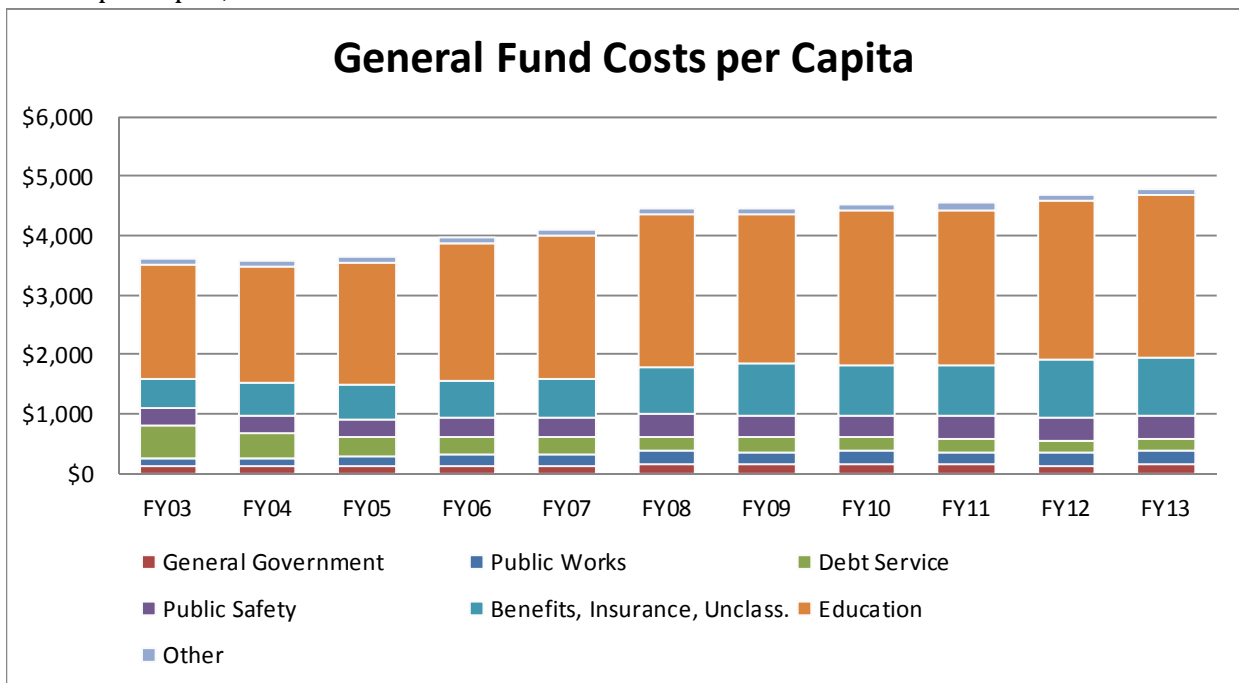


In the past decade, the General fund budget has grown by \$23 million. While most expense categories have shown growth during that time, several categories stand out as requiring the largest dollar increases during the past ten years – Education and Benefits & Other Unclassified Expenditures. Many of 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.

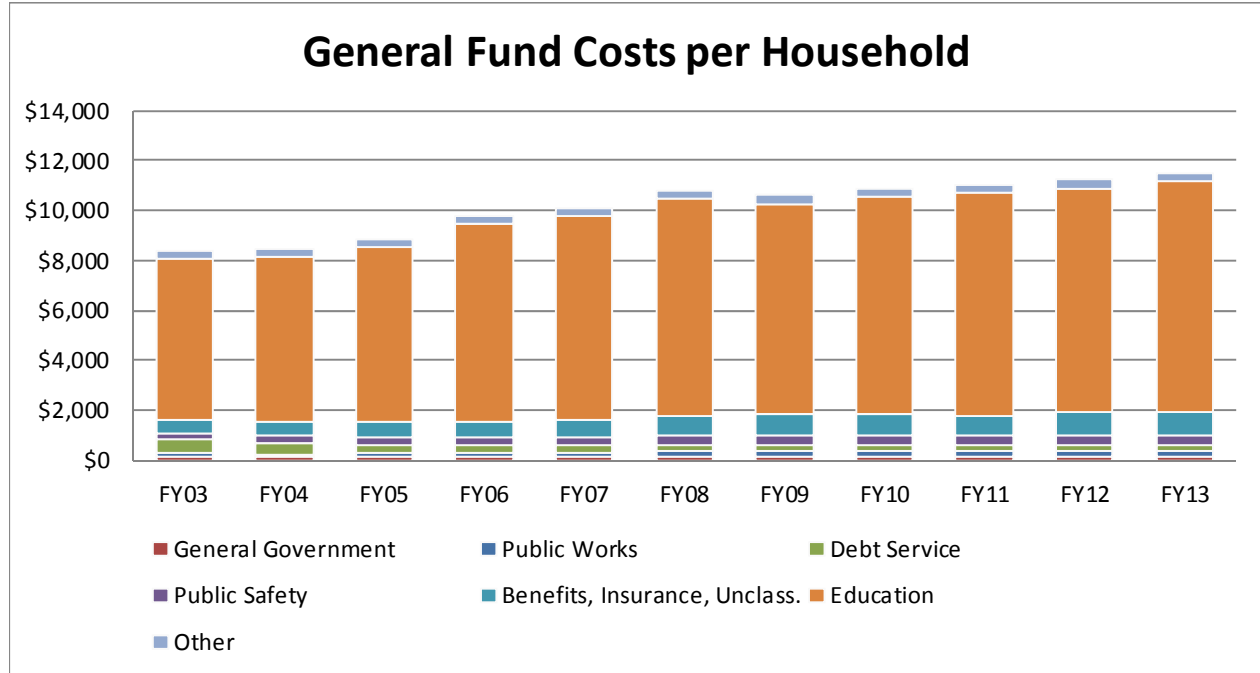
General fund budget composition expressed in absolute dollars,



per capita,



and per household



Financial Use Indicators Executive Summary

The ICMA publication *Evaluating Financial Condition – a Handbook for Local Government* (Original text by S. Groves and M. Valente, 4th Edition -2003) 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.

Along these lines, the Town uses the recommended Financial Trend Monitoring System (FTMS) to identify factors that affect financial condition and alert us to future problems. The FTMS considers a combination of environmental, organizational and financial factors to create more than 30 indicators which are considered most practical for local governments to develop.

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.² 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 d) maintain

² Sudbury’s ‘AAA’ rating was most recently reaffirmed in December 2011 by Standard & Poor’s, known to investors worldwide as a leader in financial market intelligence.

appropriate levels of spending each year to meet the ongoing demand for services within available resources. Ongoing evaluation of these indicators enables us to extend the many positives associated with maintaining sound financial health.

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 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.

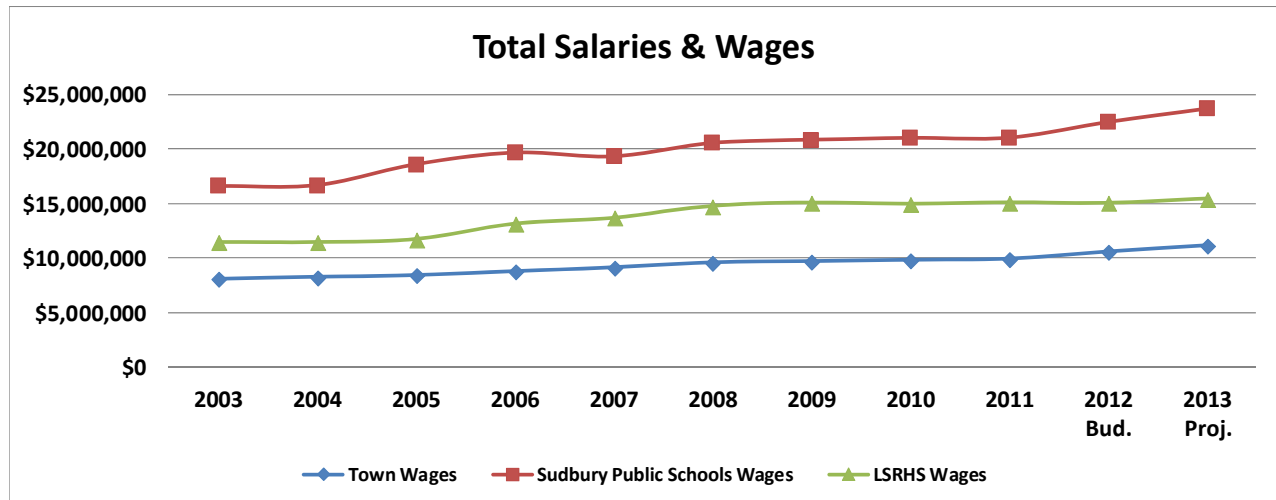
Despite all of the hurdles, both elected and appointed town and school officials are working to protect all of what makes Sudbury such an attractive, vibrant place to: live, teach, play, invest, learn, share, grow, and work. Ideas for closing the revenue-expense gap are actively explored and implemented 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

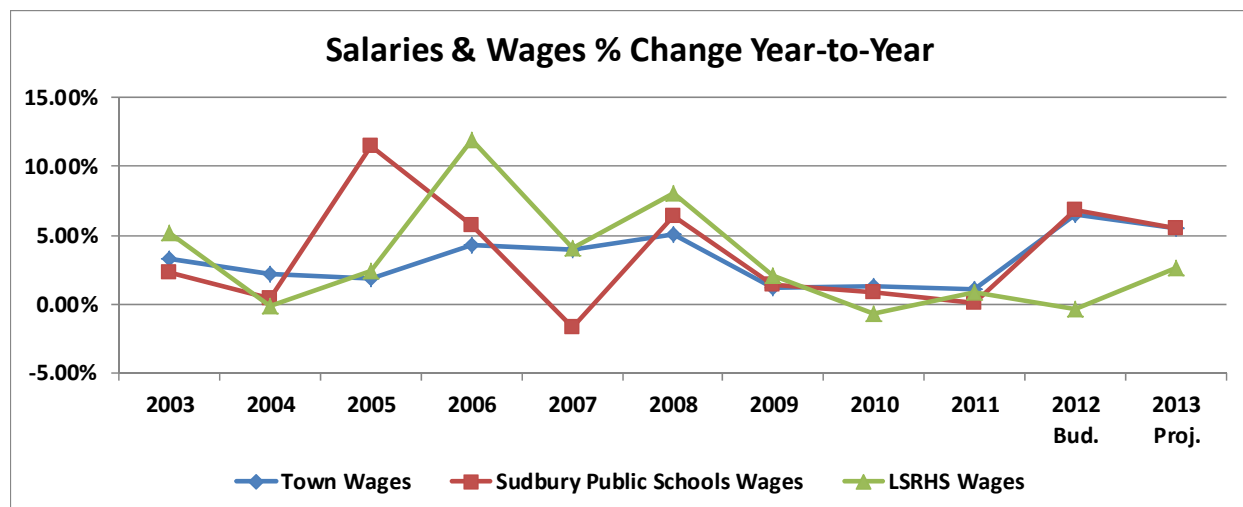
Several "budget busters" can drive high rates of spending growth. In order to know what we can expect for the next fiscal year and beyond, we monitor these areas to see *where we might be gaining, losing or holding steady*.

[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. Presently the calculations for FY13 currently assume **zero** % COLA adjustments. 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.

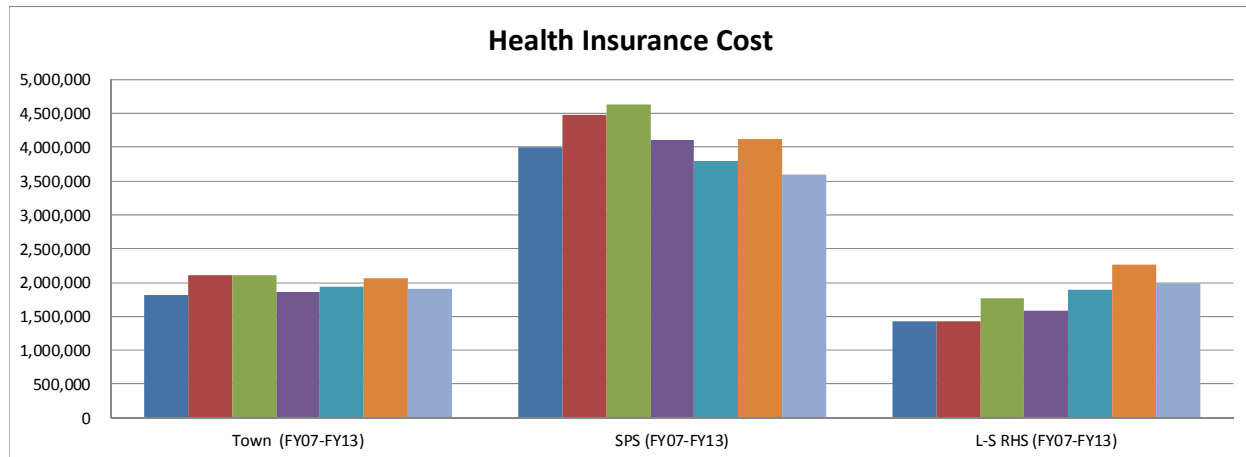


The average growth in salaries and wages for the current contract cycle (FY10-FY12) is 2.94% for Town, 2.58% for SPS and -0.6% for LSRHS. Heading into FY13, wages and salaries for all cost centers combined is expected to increase (at a minimum) because of normal movements along salary grid steps and lanes. The projections for FY12 and to a larger extent for FY13 are subject to change as we begin the budget cycle for FY14.

Budget Assessment: Overall percentage COLA increases for contracts and in spending growth for **salaries and wages – Holding ground.** Possible increases in FY13 are expected to be covered by the significant savings in health insurance.

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.

This first chart shows the historical trend for health insurance costs since FY07.



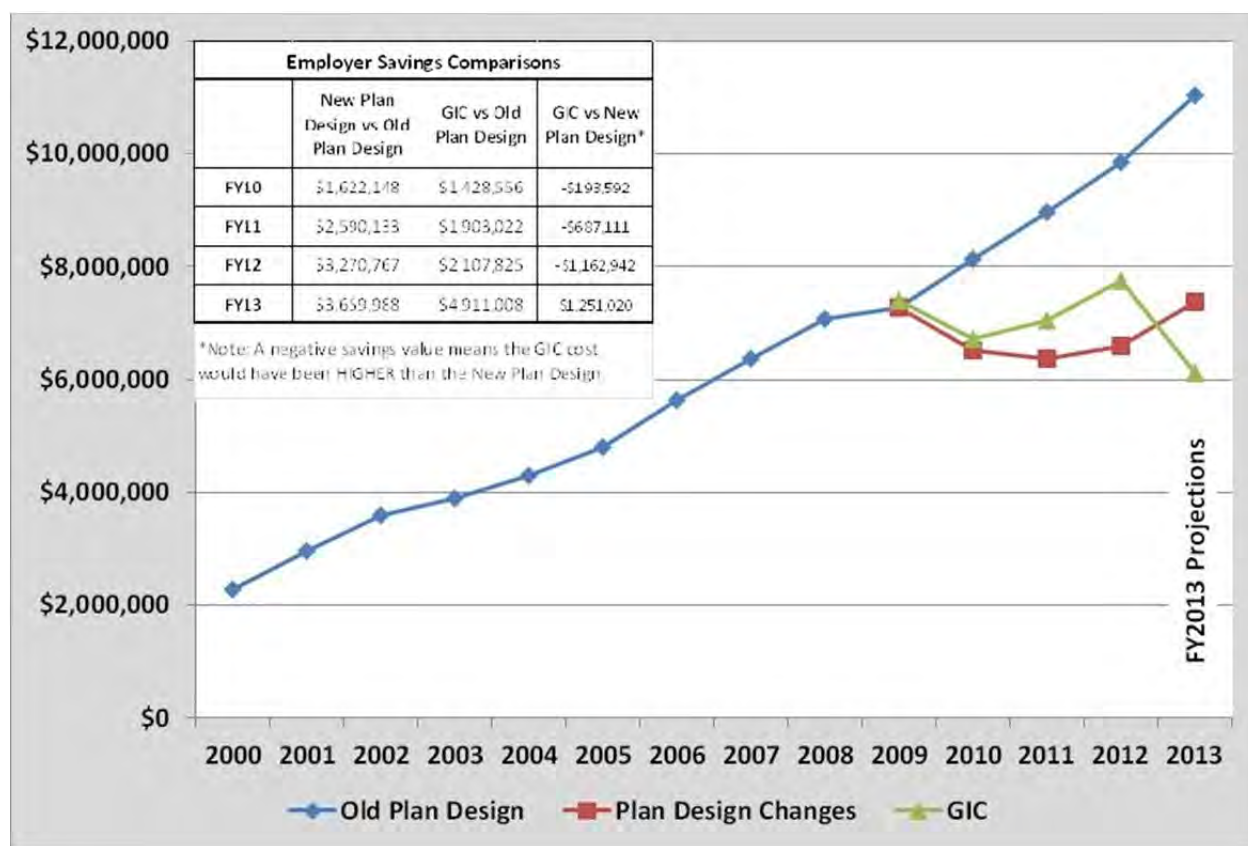
The Town (including SPS) has been able to reduce the rate of growth in healthcare costs since FY07 by, in order of adoption/implementation: (1) adopting M.G.L. C.32B S.18, (2) making significant plan design changes, (3) negotiating new contribution splits with all collective bargaining groups*, (4) successfully adding a new, lower cost alternative, (5) offering existing active employees opt-out incentives and most recently (5) migrating to the GIC health insurance program as of July 1, 2012. (See Section 9 for further details)

Table: Changes in contribution splits since FY10*

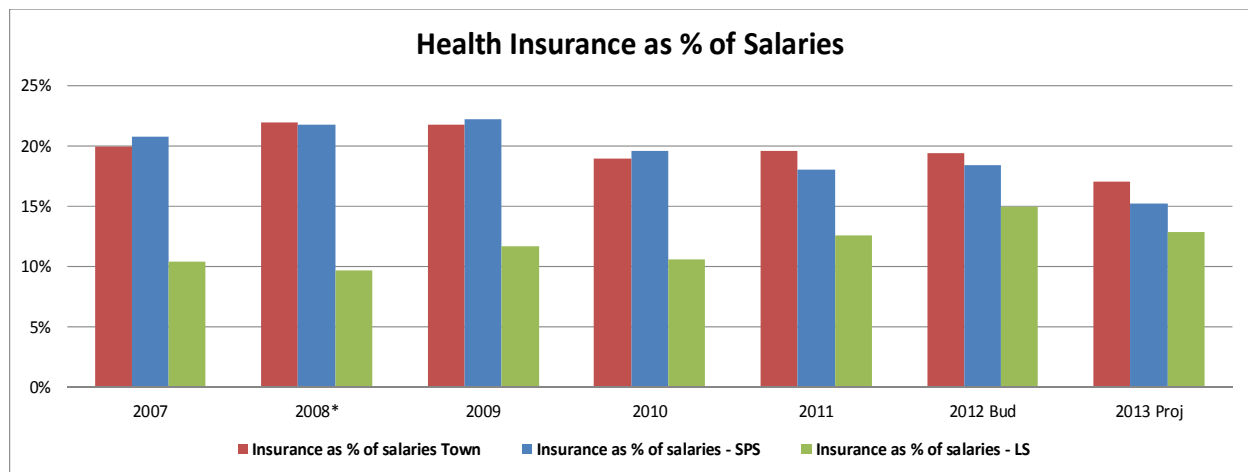
Employer Contribution Rates for Health Insurance		
	HMO Plans	PPO or Indemnity Plans
For Employees Prior to 7/1/09	90%	75%
For Employees Hired before 7/1/09:		
FY10	85%	70%
FY11	82.50%	67.50%
FY12 and Beyond	80%	65%
For Employees Hired on or after 7/1/09	70%	55%

As mentioned, on July 1, 2012, all active employees and retirees for the Town and SPS migrated to the State's GIC (Group Insurance Commission) health benefits system. Migration for Sudbury and similar communities was finally made possible due to the major health benefit reform enacted as Chapter 69 of the Acts of 2011 (Chapter 32B – Sections 21-23).

Before the Municipal Healthcare Reform legislature was passed in 2011, in order to join the GIC, communities were required to contribute the same percent towards all employees/retirees enrolled in the same health plan. In addition to this, communities were also required to adopt Section 19 (of MGL Chapter 32B) and coalition bargain with the Unions, which required a seventy percent (70%) weighted vote of the representatives on the Public Employees Committee (PEC), in order to execute an agreement to join. For both these reasons migration prior to FY13 would have actually cost the Town more than the self-insured system in place since the GIC option was made available to municipalities in FY08. The following provides a progression of Sudbury's total health benefits costs and more recent history of savings achieved (costs avoided) by remaining self-insured until FY13.



Health benefits represent a significant share of operating costs and require immediate cash outlays. This last chart on the following page shows the historical trend for health insurance costs as a percent of total salaries & wages by each major cost center. Prior to FY09 this indicator showed a warning trend of increasing costs (%). Since then changes in the benefits structures for each cost center are beginning to show signs of improvement.



Although these indicators are focusing on immediate cash outlays it is important to note that the significant changes to health benefits now will continue to pay dividends in the future by freeing up valuable resources that may be used towards funding much larger deferred fringe benefits.

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).

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	FY12 Bud	FY13 Proj
Town	290,988	295,076	333,075	385,081	350,406
SPS	480,864	487,618	550,413	636,315	554,478
LSRHS	935,586	516,177	826,856	863,097	899,338

“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)

Town of Sudbury		LSRHS	
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	\$ (516,177)
Increase in net OPEB Obligation	2,731,901	Increase in net OPEB Obligation	1,624,956
Net OPEB obligation at year-end	\$ 2,731,901	Net OPEB obligation at year-end	\$ 1,624,956
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 chart below shows how funding an OPEB plan would change the results of our present course.

Town of Sudbury		LSRHS	
Latest valuation as of	7/1/2009	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%

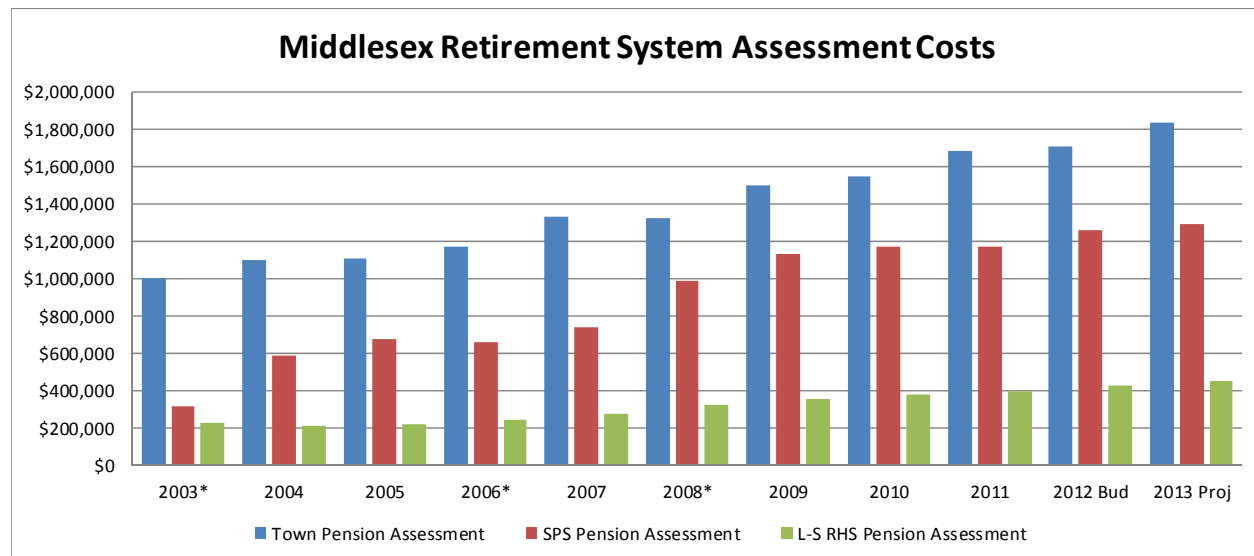
Slightly different funding returns were used in the above scenarios; however in each case the dramatic impact pre-funding would have on both our total unfunded liability and required contributions going forward is apparent. In this example, we would need to contribute an additional \$1.7 million and \$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.

New actuarial studies for Sudbury and LSRHS are expected to be issued in October 2012. Since the new valuation date of these reports will precede Sudbury's migration into the GIC the Town has requested additional analysis as a preview of the savings starting in FY13, which are expected to be significant.

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.



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. Most employees hired after 1996 are in fact funding the majority of their own pension through their own contributions.

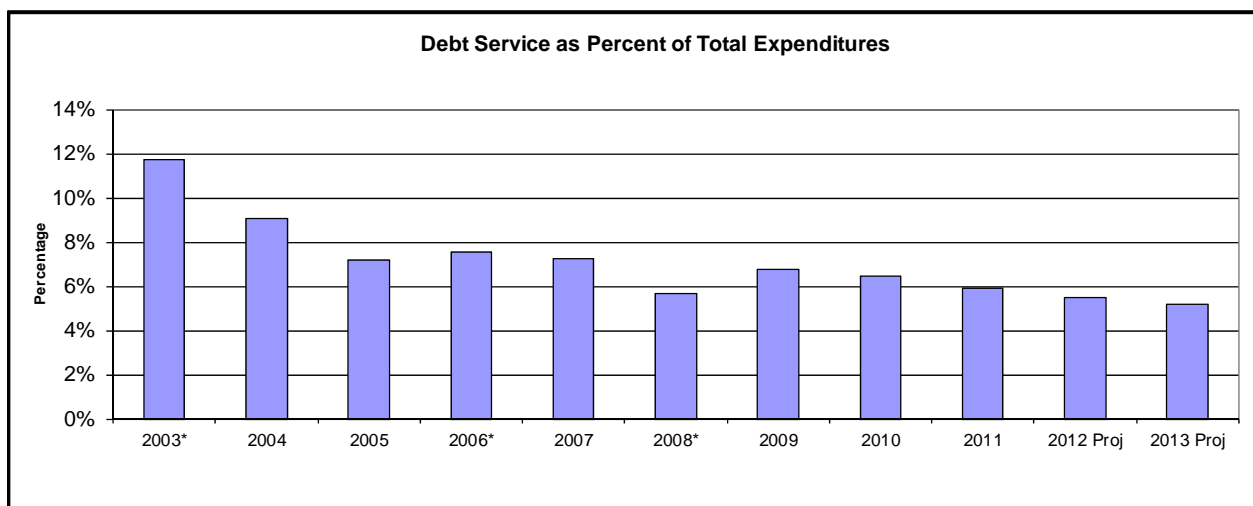
MRS Unfunded Pension Liability (UAAL)-Both the MRS and the MTRS have significant unfunded liabilities that are borne by all program sponsors. MRS sponsors (member towns and districts) are currently paying towards a completion date of 2040. Should circumstances change (e.g. amortization schedule, asset 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 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.



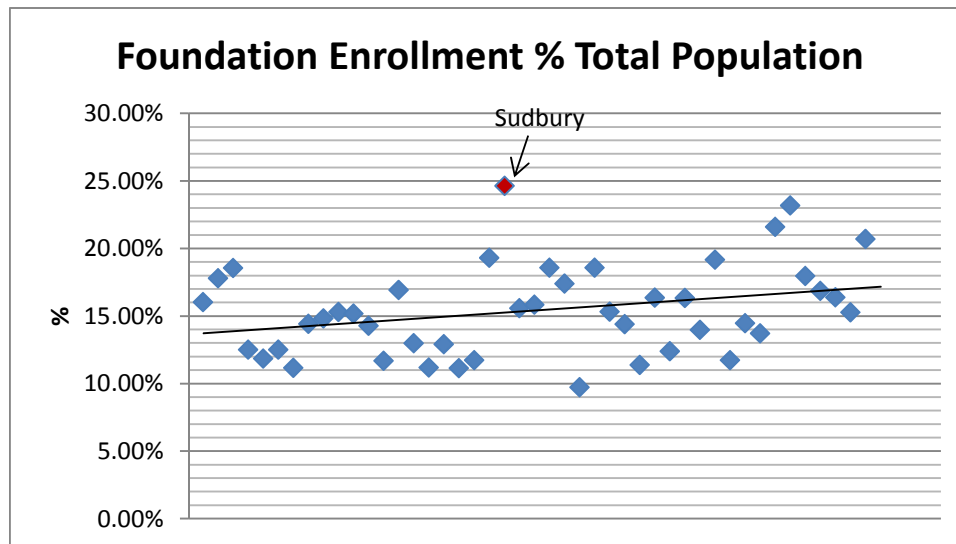
Debt service will continue to decline from here with a significant drop off in FY15 when debt expense will fall below \$2 million or approximately \$400 less on the average residential tax bill for debt in FY12 (unless or until future capital projects are accepted and bonded).

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 had the school age population density as Sudbury, they would be faced with educating between 302 to 8,817 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 FY12 Enrollment	% School Age Children	Student Pop. Differential
Sudbury*	17,659	4,351	24.6%	-
Arlington	42,844	4,713	11.0%	5,842
Bedford	13,320	2,465	18.5%	817
Concord*	17,668	2,751	15.6%	1,601
Framingham	68,318	8,014	11.7%	8,817
Hopkinton	14,925	3,375	22.6%	302
Hudson	19,063	2,744	14.4%	1,952
Lexington	31,394	6,228	19.8%	1,506
Lincoln*	6,362	861	13.5%	706
Needham	28,886	5,184	17.9%	1,932
Wayland	12,994	2,641	20.3%	560
Wellesley	27,982	4,917	17.6%	1,977
Weston	11,261	2,342	20.8%	432
Winchester	21,374	4,096	19.2%	1,170

*Sudbury, Lincoln 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 pupil 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

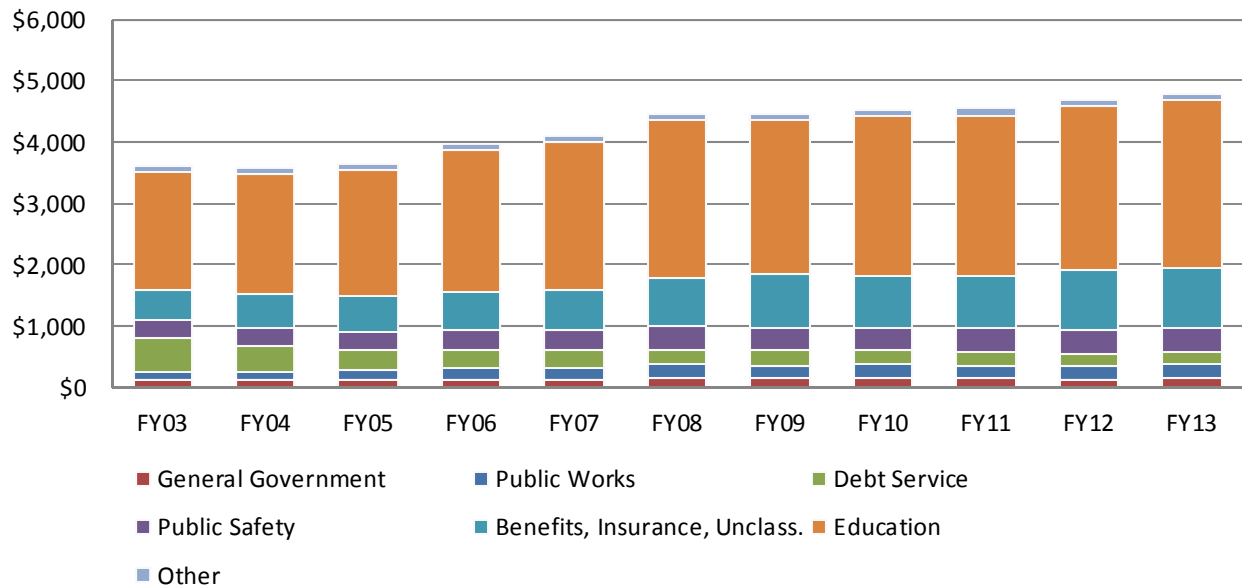
Indicator	Budget Assessment
1 – Salaries and Wages	Holding Ground
2 – Health Insurance Costs	Gaining Ground
3 – OPEB	Losing Ground
4 – Pension Costs	Losing Ground
5 – Debt Service Costs	Gaining Ground
6 – Impact of Population Growth and School Age Children	Holding Ground

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 FY13.

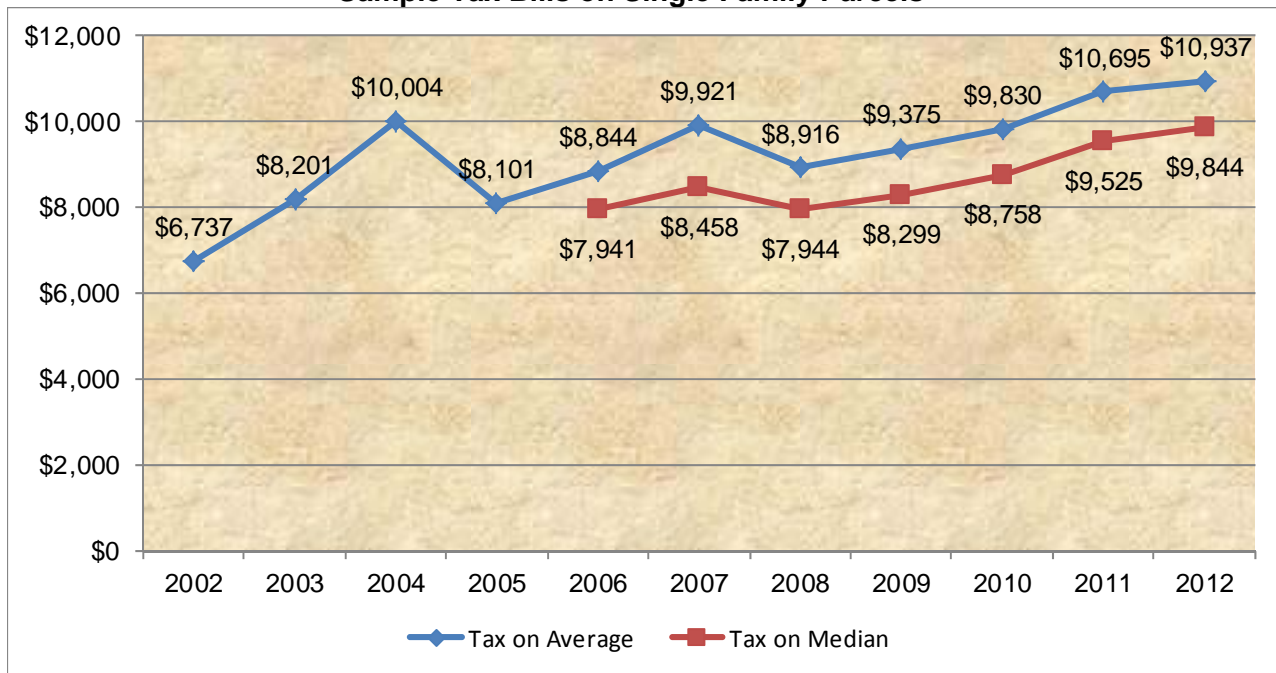
General Fund Cost Metrics

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

General Fund Costs per Capita

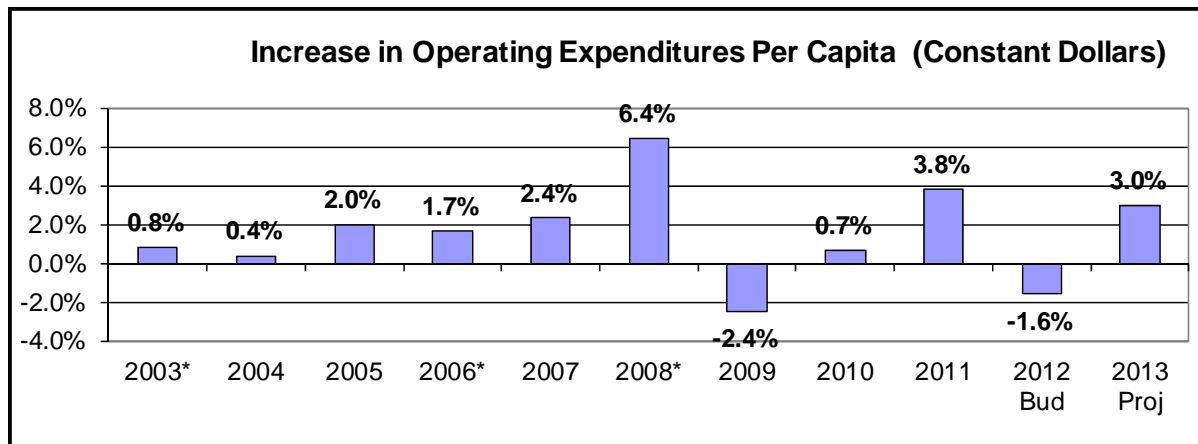


Sample Tax Bills on Single Family Parcels

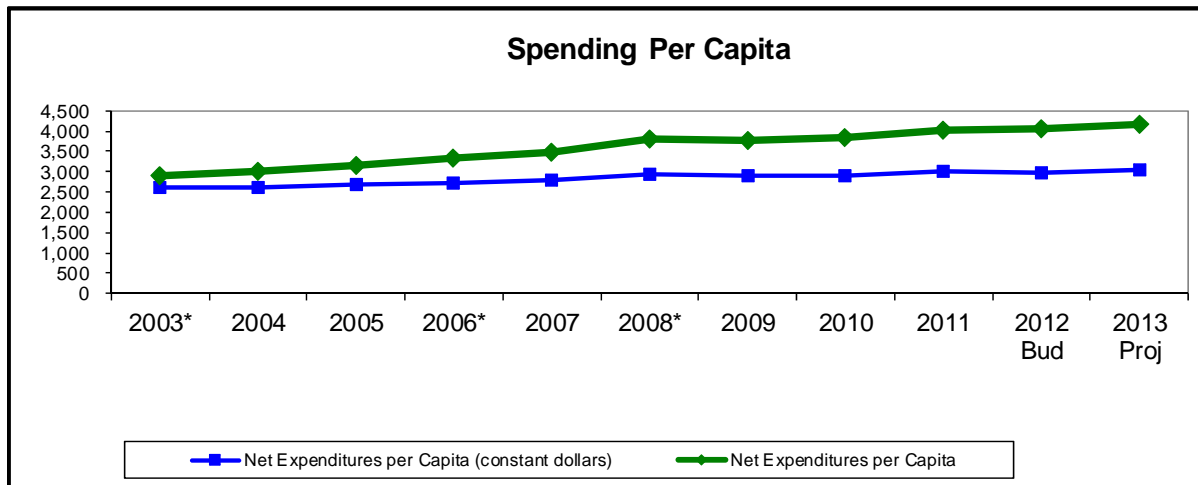


Note: Median Values not available for fiscal years before 2006

General Fund Cost Metrics (cont'd)



*Asterisks indicate years with tax overrides.



Cost Centers	Operating Expenditures				Per Capita			
	FY10	FY11	FY12 Bud	FY13 Proj	FY10	FY11	FY12 Bud	FY13 Proj
LS Assessment	\$ 16,805,045	\$ 17,577,379	\$ 18,079,955	\$ 18,694,852	\$ 933	\$ 976	\$ 996	\$ 1,029
SPS	\$ 34,019,971	\$ 34,315,578	\$ 53,809,116	\$ 55,562,993	\$ 1,888	\$ 1,905	\$ 1,950	\$ 2,015
Town	\$ 17,159,695	\$ 17,792,968	\$ 18,593,075	\$ 19,215,943	\$ 953	\$ 988	\$ 1,024	\$ 1,058
	\$ 67,984,711	\$ 69,685,925	\$ 72,080,601	\$ 74,504,520	\$ 3,774	\$ 3,868	\$ 3,969	\$ 4,103

Operating expenditures exclude debt service. Operating expenditure patterns may change differ as compared to budget due to timing of carry-forward expenses.

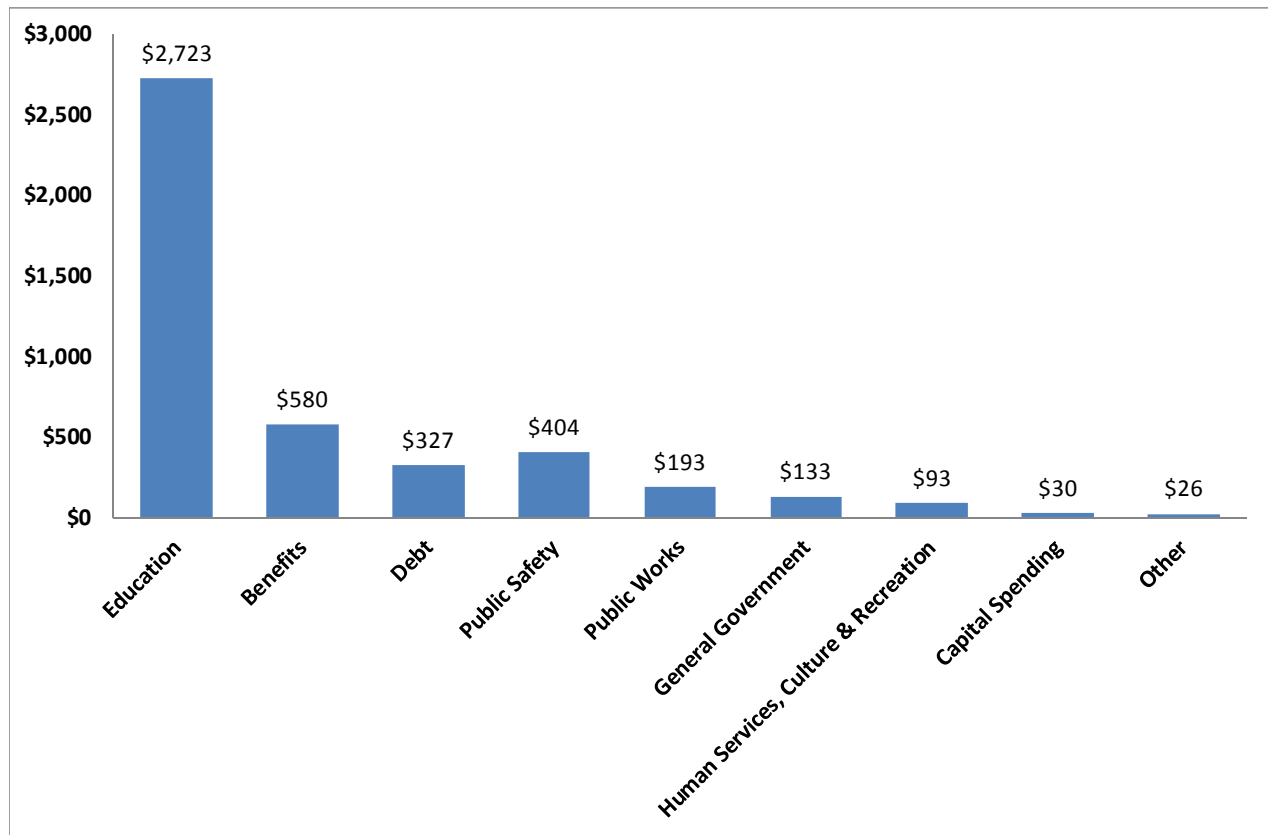
Primary Financial Use Projections

FY10-FY13 Budget Summaries

Below is a budget summary for all General and Enterprise Fund expenditures as appropriated for FY13 during Sudbury's Annual Town Meeting (May 2012). 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	FY10 Actual	FY11 Actual	FY12 Budget	FY13 Appropriated
LS Gross Assessment	16,854,852	17,011,347	17,333,368	18,582,065
LS Offsets/Re-apportionments	(3,192,298)	(2,640,344)	(2,760,082)	(3,003,912)
LS Employee Benefits Assessment	3,142,491	3,206,376	3,506,669	3,116,699
LS E&D Fund Assessment	-	-	-	-
LSRHS NET (Operating Assessment)	16,805,045	17,577,379	18,079,955	18,694,852
SPS Gross Expenses	27,815,697	30,763,680	31,576,569	33,163,853
SPS Offsets	-	(2,480,863)	(2,841,775)	(2,775,371)
SPS Employee Benefits & Insurances	6,204,274	6,032,762	6,629,690	6,105,243
SPS Employee Benefits Reserve	-	-	43,087	100,000
SPS NET	34,019,971	34,315,578	35,407,571	36,593,725
Minuteman Regional Assessment	298,098	195,498	321,590	274,416
Other Regional School Assessments	-	-	-	-
Total: Schools	51,123,114	52,088,455	53,809,116	55,562,993
General Government	2,207,011	2,244,846	2,325,635	2,421,019
Public Safety	6,297,069	6,554,642	7,016,935	7,331,839
Public Works	3,364,252	3,446,462	3,304,146	3,500,044
Human Services	520,208	507,899	534,239	543,789
Culture & Recreation	1,112,286	1,148,014	1,166,009	1,149,926
Unclassified & Transfer Accounts	106,619	118,700	401,148	591,691
Town Employee Benefits & Insurances	3,964,802	4,231,089	4,465,977	4,420,370
Town Employee Benefits Reserve	-	-	24,725	75,000
subtotal, town services	17,572,248	18,251,652	19,238,813	20,033,678
Town Operating Offsets	(412,553)	(458,684)	(645,738)	(817,735)
Total: Town Departments	17,159,695	17,792,968	18,593,075	19,215,943
Capital Operating Budget	523,383	529,054	538,947	552,421
Capital Exclusions	-	-	-	-
Total: Capital Budget	523,383	529,054	538,947	552,421
Subtotal: Operating Budget	68,806,192	70,410,477	72,941,138	75,331,357
Town Debt Service	4,269,224	4,180,354	3,883,860	3,798,521
LSRHS (Debt Assessment)	2,298,949	2,237,147	2,193,072	2,139,028
Total: Debt Budget	6,568,173	6,417,501	6,076,932	5,937,549
Enterprise Fund Expenditures (Direct)	825,257	897,094	1,117,234	1,030,918
Stabilization Fund	-	-	-	-
Total: Other Funds	825,257	897,094	1,117,234	1,030,918
Prior Year Articles/Recoveries	-	-	300	-
Other Charges to be raised	730,246	662,842	737,485	694,106
Total: Other To Be Raised	76,929,867	78,387,914	80,873,089	82,993,930

FY13 General Fund Expenditures per Capita



The above chart shows an estimated breakdown in per capita costs for FY13 General Fund only expenses. The table below has been reproduced from Town Warrant materials; showing % of total operating expenditures (excluding debt service).

FY13 Operating Categories % to Total

	FY12	FY13	FY13
OPERATING BUDGET*	Budget	Appropriated	% of Total
Lincoln-Sudbury Regional High School	18,079,955	18,694,852	24.8%
Sudbury Public Schools	35,407,571	36,593,725	48.6%
Minuteman and other Voc Schools	321,590	274,416	0.4%
Town Departments	18,593,075	19,215,943	25.5%
Capital Items	538,947	552,421	0.7%
Total Operating Budget*	72,941,138	75,331,357	100.0%
*Operating cost centers only. Excludes debt service and one-time charges. Enterprise funds are also omitted from this table. The cost centers shown above are the ones that are primarily supported by the General Fund.			

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 FY13.

FY13 All Budget Category % to Total

	FY12	FY13	FY13
ALL LINE ITEMS - ALL FUNDS*	Budget	Appropriated	% of Budget
Lincoln-Sudbury Regional High School	18,079,955	18,694,852	22.5%
Sudbury Public Schools	35,407,571	36,593,725	44.1%
Minuteman and other Voc Schools	321,590	274,416	0.3%
Town Departments	18,593,075	19,215,943	23.2%
Debt Service - Town, SPS and LSRHS	6,076,932	5,937,549	7.2%
Transfer Station Enterprise Fund	290,389	297,461	0.4%
Atkinson Pool Enterprise Fund	517,230	516,197	0.6%
Field Maintenance Enterprise Fund	309,614	217,260	0.3%
Capital Items	538,947	552,421	0.7%
Stabilization Fund	-	-	0.0%
State and Local Charges	737,785	694,106	0.8%
Total Budget*	80,873,089	82,993,930	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

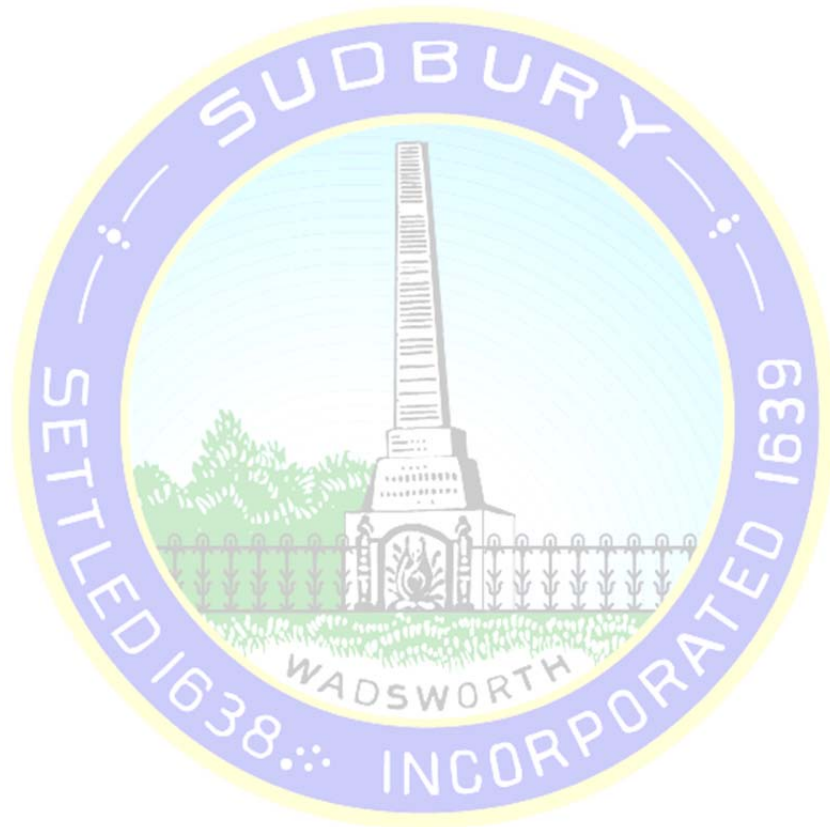
Town management initiated the C.A.R.E. program (Cost Avoidance and Revenue Enhancement) several years ago as a means of documenting the Town's efforts to shrink the gap between the revenue and expenditure pressures discussed in this section. Last year the Town Manager and SPS School Superintendent began 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 FY13 Issues and Transmittal -

Current budget concerns and top-level impacts



FINANCE COMMITTEE ADVISORY OVERVIEW

The Sudbury Finance Committee remains focused on the following primary *financial* drivers of the budget. The following is excerpted from the FinCom Chair's FY13 budget cycle opening remarks as well as FinCom's report issued in the official warrant for Town Meeting 2012.

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. For FY13, the majority of the labor contracts for our three principal cost centers are set to expire at the end of FY12 and are currently in negotiations. From a longer term planning perspective, the conditions surrounding our collective revenue forecast are not expected to show much improvement given continued economic certainty.

Within the context of what is still a difficult economic environment, and like many other communities across the Commonwealth, achieving a balanced budget in Sudbury is not without its challenges. Over the past several years, the Town's fiscal situation has been severely constrained by increases in the cost of wages and benefits which have risen much faster than the rate of inflation. Moreover, with one of the highest levels of households with school age children in the State, we have a much higher demand for education services relative to other communities. On a comparative basis, Sudbury has amongst the highest per capita spending on education in the entire State. That said, our spending on schools and services as measured on a per student basis is in line with, or lower than, many of our peers. In fact, per pupil expenditures in the Sudbury Public Schools are well under the State average.

However, our cost structure is constrained by the fact that our revenue structure is heavily dependent on property taxes with only 7% of Sudbury's total revenues coming from commercial property taxes and 70% coming from residential taxes. As a result, residents bear the brunt of any tax increases.

Fortunately, changes negotiated in our labor contracts three years ago helped to decrease that rate of growth of growth in wages and benefits, particularly healthcare, significantly. These changes helped to lessen the collective impact of lower State Aid and non-property tax related revenues during the economic downturn. To be clear, layoffs and the elimination of services were still required in many areas to collectively allow us to balance our budget during the downturn. However, on a relative basis, Sudbury still fared better than many other communities in the Commonwealth during this time.

In the short-term, it is unlikely that our non-residential tax revenues will see any meaningful increases given the current economic climate and the potential continued decreases in state aid and stagnation of local receipts. For the past three years, these non-residential tax revenues have decreased substantially. As a result, the Finance Committee believes the Town will increasingly be confronted with three alternatives:

- Additional overrides needed to fund our ongoing level of services given current organizations and cost structures;
- Reductions to staff, and therefore services, within our current organizations and cost structures in order to fit within the constraints of Proposition 2 ½ and avoid overrides;
- or

- Changes to our current organizations and cost structures that enable our Town to deliver substantially (but perhaps not completely) the same level of services at a lower overall cost.

The Finance Committee believes that achieving the latter of these three alternatives is imperative if we are to avoid or limit either of the former alternatives. To that end, we encourage the Selectmen and the School Committees to continue their efforts to reduce our structural costs. Several initiatives have already been implemented - including reductions in the rate of growth of employee health insurance, enhanced cooperation among school administrations, and sharing of staff with neighboring communities to reduce overall costs. In addition to these cost initiatives, we support the Selectmen's on-going efforts to sustain and grow our commercial sector. Over the long-term, diversifying our tax base and securing revenue opportunities beyond the traditional residential property tax is critical.

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 and Finance Committee:

I hereby submit to you the consolidated As Appropriated budget for Fiscal Year 2013 (July 1, 2012 – June 30, 2013). This budget document contains the amounts appropriated for the municipal government, the schools, and the enterprises as they materially appear in the articles of the 2012 Annual town Meeting warrant, with final amounts as approved at Town Meeting. This budget document also contains background information regarding revenue and expenditures trends, organizational goals, performance indicators and other financial data, by way of explanation and in support of the FY13 budget recommendations.

The consolidated budget approved at Town Meeting represented the funding plan to achieve many of the priorities and goals set by the Board of Selectmen in the previous fiscal year and still being worked on by staff of the Town. The overall priorities continue to guide budget decisions:

1. **Live within available revenue.** The Town continues to take steps to restrain the growth in the cost of our municipal and school services. For example:
 - a. Adopted the new state legislation on employee health care and enrolled the employees and retirees of the Town/SPS in the state sponsored Group Insurance Commission health plans. The Board of Selectmen long advocated for changes in state law to either allow towns to make changes to their health care plan offerings, just as the state can do for their employees through the Group Insurance Commission (GIC), or allow municipalities to join the GIC without all the onerous requirements that would cause towns such as Sudbury to incur more costs and obligations by joining. The state finally enacted the desired reform legislation in 2011, and the Board of Selectmen voted to begin the process for enrolling Town and SPS employees in the GIC. Overall, the Town's health insurance costs for our employees and retirees decreased by a net amount of \$1.2 million as a result of this change – funds that allowed preservation of other services and positions for the Town and SPS.
 - b. Finalized the creation of a Combined Facilities Department and hired a Director for this position. Jim Kelly, Sudbury's Building Inspector, was appointed to this position and reports to the SPS Superintendent and me. With this coordinated approach to our facilities management, we hope to be more effective in protecting our buildings and spending our limited maintenance funds as effectively as possible.
 - c. Continuing shared services with other towns. We expanded the Recreational Services sharing of staff with the Town of Wayland, and recently began using a regional service for preparing for the triennial property revaluation as required by

the state Department of Revenue. We continue to host a regional housing services office.

- d. Operate at lower staffing levels. When vacancies have occurred in town departments, we have not filled them right away, asking existing staff to handle more work for a period, in order to be sure that we can reduce spending in the event state aid was cut in the mid-year.
 - e. Make the Town's buildings as energy efficient as possible. The Town's Energy & Sustainability Green Ribbon Committee continues to pursue a number of grants and projects related to energy generation and/or savings. Sudbury has been designated a Green Community by the state, one of the first in the Commonwealth. Since then, working with staff and officials from the Town and Sudbury Public Schools and the Permanent Building Committee, a number of major projects have been initiated, including: Stretch Energy Code implemented in Building Inspector's office; funds were secured to help purchase a hybrid vehicle for the Police Department; a solar photovoltaic array was installed on the Atkinson Pool/Fairbank Community Center; and hot water heating panels were installed on Atkinson Pool/Fairbank Community Center. The Sudbury Public School Committee and the Permanent Building Committee worked with the Energy Committee to obtain a grant to help finance the installation of a new roof, double pane, low E windows and a new boiler plant at Noyes Elementary School, saving nearly \$731,000 through a state grant. And currently the SPS committee has submitted a grant request to obtain a second energy related grant to help offset the costs of installing a new energy efficient roof on the Nixon Elementary School. Two other major projects are currently in progress. Recently the Board of Selectmen approved installing a large scale (approximately 2 megawatt) solar field on the Town's closed landfill on Boston Post Road to generate energy savings for Town use. Working with MAPC (the Metropolitan Area Planning Council) a study was conducted that verified that such a solar field is feasible, and discussions continue with the Department of Environmental Protection (DEP) to finalize the issuance of a post closure permit allowing such a solar field to be installed. Second, the Green Committee is evaluating if a performance contract (energy services agreement) would be in the Town's best interest. Working with an MAPC qualified vendor, the committee and Town and SPS staff are looking at conducting an energy audit of town and SPS facilities to determine if there are improvements that reduce the energy costs of operating Town and school buildings.
2. **Maintain highest priority services.** Some of the year's key initiatives to preserve and enhance these services include:
- a. Created a new combined public safety dispatch/communications center. New state regulations require that Sudbury public safety dispatchers be prepared and able to provide emergency medical information to callers experiencing a medical emergency. Such information would include how to conduct CPR, clear airways, and other pre-arrival directions. Careful review by Sudbury public safety officials led to a recommendation that Sudbury merge the two currently separate dispatch offices, one in the Police Department and one in the Fire Department, into one dispatch center and locate it in the Police Station, in order to best meet this emergency medical dispatch (EMD) requirement. A budget proposal was presented at the 2012 Annual Town Meeting to supplement the current funding so Sudbury, like most of the towns in the Metrowest area, could move to a Combined Dispatch Center with

two civilian dispatchers on most shifts. This ends the former “ring down” system, where Sudbury’s dispatch services were provided in two different buildings which had to rely on transfer of emergency calls to be sure all police and fire/ems services were properly dispatched. With this change, the Town is in compliance with state regulations and is now able to provide pre-arrival emergency medical information to those who call our 911 emergency communications number.

- b. Hired only paramedics to fill vacant firefighter positions. Since 2010, the Town has hired only certified paramedics to train as firefighters and by the end of FY13, 10 of the 32 Sudbury firefighters will have these enhanced emergency medical skills. While collective bargaining issues must still be resolved before the Town receives a license from the state to operate its own Advanced Life Support (ALS) operation, paramedics from private ambulance companies as well as other towns will continue to respond to Sudbury as needed.
3. **Address our unfunded OPEB liability costs.** OPEB (Other Postemployment Benefits) costs are currently funded through annual appropriations within Sudbury’s budget, known as a “pay-as-you-go basis”. Yet due to rising life expectancies, increasing health care costs and the accompanying rising OPEB liabilities, the pay-as-you-go funding system is unsustainable. The pension reform bill signed by Governor Patrick November 2011 established a Retiree Health Care Commission to consider the range of benefits that are or should be provided as well as the current and anticipated future cost of providing them; hopefully assist with our abilities to set aside funds. Sudbury has taken a number of steps to address this issue already: we provide a 50% contribution toward the health insurance costs for our retirees (the lowest match allowed by state law); established a trust fund with residual from the retiree healthcare appropriations of \$126,000 from FY12, adopted Section 18 so that our retirees must join Medicare when eligible, and now, with the transfer to GIC for health insurance, we are using less expensive supplemental health plans for our retirees. Once the OPEB Commission has completed its work, we hope to evaluate their proposals as well as further develop our own so that we can develop a sustainable plan to fund our OPEB obligations.
4. **Address unfunded mandates from the Federal EPA/State DEP for Stormwater Permit.** Towns and cities across Massachusetts are waiting for the final permit regulations to be issued. The draft version of the permit has been deemed by local officials to be very burdensome and inflexible regulations that could cost a total of \$21 billion across the state and could bankrupt cities and towns. In the first year alone, Sudbury would be required to develop a 5 year management plan, develop a program for ongoing illicit discharge testing, develop written operation and maintenance procedures for all town-owned land facilities, and many more requirements that we do not perform now and will be costly to develop and implement. For FY13, \$25,000 was appropriated to hire a consultant to develop the Stormwater management plan (and this may not be sufficient) but until the permit is finalized, it is difficult to plan at this stage.

There are a number of issues that were not scheduled for funding in FY13, but will likely require careful study for budget implications for the future.

1. **Route 20 Wastewater Project** Now that it is confirmed that a feasible site for wastewater discharge has been found and is available, a Steering Committee was established to provide high level oversight and coordination to the two other committees studying the wastewater issue: the Citizens Advisory Committee and the Technical Advisory Committee. The three

committees are working to address the major issues of design, permitting, financing, governance, economic development, public health and downtown redevelopment associated with this major initiative. As it is expected that the total cost of this project could be at least \$15 million, and affect many aspects of the future of Sudbury, this will continue to be a major focus of the Board of Selectmen.

2. **Development of Master Plan for Town Recreational Fields** The Park and Recreation Commission is taking the lead in working with a consultant to assess and project the recreation field needs of the Town and the potential for existing and potential fields to meet those needs. In connection with this, Town staff will be working to obtain consulting services to do a study of potential commercial uses of the Melone gravel pit land to determine what kinds of redevelopment might produce benefits that the Town is interested in and how that would affect any potential recreational use of the land. Town staff is also developing concept plans for physical improvements to the Davis and Feeley playing fields to determine if they can be improved or expanded to meet more of the demands for playing fields. Space at the High School and Middle School is also being considered. Analysis will look at the existing turf recreational fields and suggest schedules for replacement of those as they get older and more use. Development and redevelopment of recreation fields could add up to several million dollars, and if the plans include the Melone property, would develop the last major Town owned undeveloped parcel in Sudbury. Additionally, the Town is looking at what kind of rail trail it might want to develop on the state owned abandoned rail line known as the Bruce Freeman Rail Trail. Parking and related amenities for the Rail Trail will likely involve use of recreation field parking areas, and thus this potential demand must be part of the overall Master Plan for recreational field as well.
3. **Develop long terms plans for older Town Buildings and monitor and address problems with physical condition of police station.** There are at least four older Town buildings that will need significant repair, renovation and energy retrofitting work in the future, and depending on the long term plans of the Town for how these facilities will be used and staffed, there could be expansion or even new construction to plan for. The issues with the existing Police Station have been documented, and a new design completed. Sudbury Town Hall needs repair and renovation as well, and the 2002 facilities study recommended that this building be used to house Town or SPS offices. The Fairbank Community Center occupants – the Council on Aging and the Recreation Commission – have long asked the Board of Selectmen to find other office space for the Sudbury Public Schools Administration, which was temporarily allowed space in the Fairbank Community Center many years ago. The Community Center was meant to be fully used for programs and activities for residents and the COA and Recreation Commission graciously agreed to this temporary situation but feel the time has more than arrived to allow them to re-use the space occupied by SPS administration. If the Town Hall was used for Town office space, SPS could move to the Flynn building. Final plans for these concepts need to be developed and agreed upon before significant dollars are spent for the Town Hall, the Fairbank Community Center, or the Flynn Building.

As can be seen, all of these projects are multi-dimensional and will involve major financial decisions. They need to be prioritized and scheduled and an overall strategic, multi-year plan developed. On the positive side, our AAA Credit Rating was reaffirmed twice during the past year. Standard & Poor's corporation reaffirmed the Town's AAA highest credit rating when the Town refinanced an existing school bond issue for a total savings of \$591,000. The Town also earned the AAA credit rating when we sold bonds to finance the Noyes School roof, windows and boiler project.

Below is a summary of the FY13 appropriated budget compared to the FY12 appropriated budget. The FY13 budget for all General and Enterprise funds appropriations increased by 2.62% over FY12.

	FY12 Appropriated	FY13 Appropriated	Increase (Decrease)	%
Lincoln-Sudbury RHS (Assessment)	\$ 18,079,955	\$ 18,694,852	\$ 614,897	3.40%
Sudbury Public Schools (K-8)	\$ 35,407,571	\$ 36,593,725	\$ 1,186,153	3.35%
Minuteman Vocational HS	\$ 321,590	\$ 274,416	\$ (47,174)	-14.67%
Town Government	\$ 18,593,075	\$ 19,215,943	\$ 622,868	3.35%
Capital Budget	\$ 538,947	\$ 552,421	\$ 13,474	2.50%
SUBTOTAL OPERATING BUDGET	\$ 72,941,138	\$ 75,331,357	\$ 2,390,219	3.28%
Debt Service	\$ 6,076,932	\$ 5,937,549	\$ (139,383)	-2.29%
Enterprise Funds	\$ 1,117,234	\$ 1,030,918	\$ (86,316)	-7.73%
Stabilization Fund	\$ -	\$ -	\$ -	
Charges	\$ 737,785	\$ 694,106	\$ (43,679)	-5.92%
SUBTOTAL	\$ 7,931,951	\$ 7,662,573	\$ (269,378)	-3.40%
GRAND TOTAL	\$ 80,873,089	\$ 82,993,930	\$ 2,120,841	2.62%

We continue to point out that the Town of Sudbury and the Sudbury Public Schools spend less per household or per student than most of our peers, as measured by size of community, demographics of our residents or physical size of the town assets we maintain. We feel 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 employee health insurance, automation and use of technology where possible, and shifting to user fees where appropriate. We thank the residents of Sudbury for their support of their Town and school services.

Sincerely

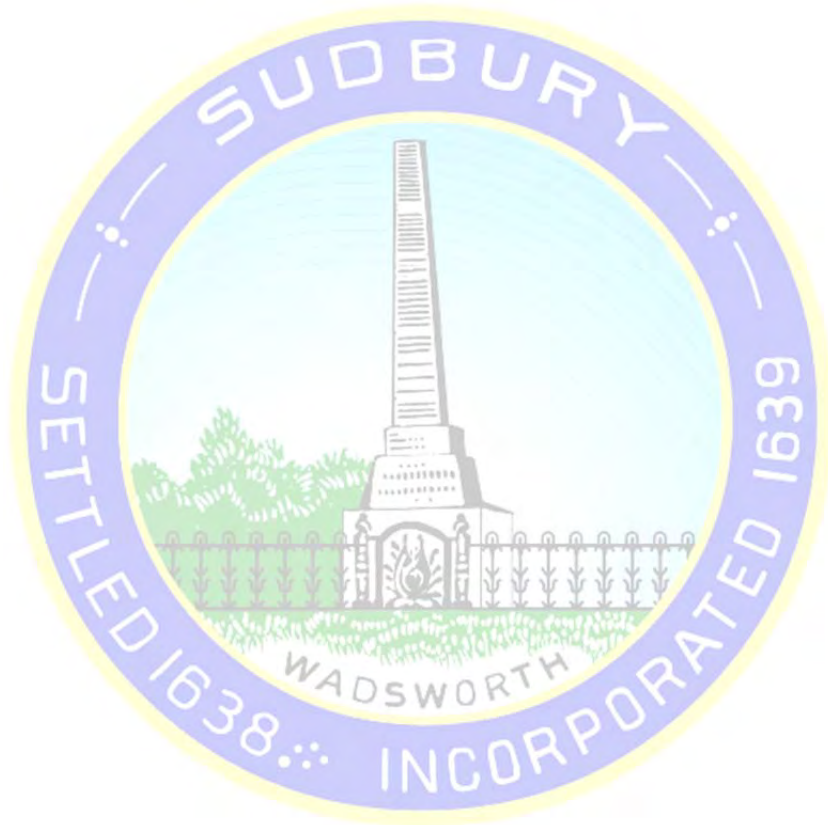
Maureen G. Valente

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 FY10-FY13 for Town Departments

Costs:

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
General Government	2,207,011	2,244,846	2,325,635	2,421,019
Public Safety	6,297,069	6,554,642	7,016,935	7,331,839
Public Works	3,364,252	3,446,462	3,304,146	3,500,044
Human Services	520,208	507,899	534,239	543,789
Culture & Recreation	1,112,286	1,148,014	1,166,009	1,149,926
Unclassified & Transfer Accounts	106,619	118,700	401,148	591,691
Town Employee Benefits & Insurances	3,964,802	4,231,089	4,490,702	4,495,370
Subtotal	17,572,248	18,251,652	19,238,813	20,033,678
Town Offsets	(412,553)	(458,684)	(645,738)	(817,735)
Total Town Services	17,159,695	17,792,968	18,593,075	19,215,943
Town Personal Service*	9,846,422	9,948,387	10,597,421	11,177,559
Town Benefits	3,964,802	4,231,089	4,490,702	4,495,370
Town Expenses	3,089,075	3,271,207	3,631,640	3,807,199
Town Capital	94,300	87,936	94,300	128,800
Town Snow & Ice	577,649	713,033	424,750	424,750
Town Offsets	(412,553)	(458,684)	(645,738)	(817,735)
	17,159,695	17,792,968	18,593,075	19,215,943
* Incl. Contingency Reserve				

Workforce:

EMPLOYEE HEADCOUNT					
(Full Time Equivalents)					
Cost Center	FY09	FY10	FY11	FY12	FY13
	Actual	Actual	Actual	Actual	Budget
Public Safety	79.17	77.93	77.93	77.93	78.94
Public Works	32.03	32.03	30.03	30.03	30.03
General Government	31.59	30.29	30.29	30.29	30.12
Human Services	7.08	6.08	6.08	6.08	6.08
Culture & Recreation	18.28	16.80	16.29	16.29	16.27
Total Town Operating	168.15	163.13	160.62	160.62	161.44
	-2.4%	-3.0%	-1.5%	0.0%	0.5%

General Government Services



Summary of inputs FY10-FY13 for General Government

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
GENERAL GOVERNMENT				
Selectmen/Town Manager	302,816	302,092	313,805	335,392
ATM/Personnel	111,463	109,077	120,157	146,722
Law	189,712	181,079	160,666	160,666
Finance Committee	1,456	1,485	2,055	2,054
Accounting	245,834	258,389	273,557	282,875
Assessors	261,078	278,444	284,447	314,246
Treasurer/Collector	285,780	285,717	301,405	305,298
Information Systems	312,367	322,331	330,171	339,171
Town Clerk & Registrars	231,684	238,210	241,763	241,762
Conservation	107,266	110,440	114,668	112,883
Planning & Board of Appeals	157,555	157,581	182,940	179,950
Total General Government	2,207,011	2,244,846	2,325,635	2,421,019
Personal Services	1,811,486	1,848,005	1,966,171	2,020,688
Expenses	395,525	396,841	359,464	400,331
Total General Government	2,207,011	2,244,846	2,325,635	2,421,019
Salary	1,774,142	1,793,384	1,924,849	1,977,512
Overtime	2,860	2,296	1,500	1,500
Temporary/Seasonal	10,586	17,260	10,969	10,969
Other payroll-related compensation	23,897	35,064	28,852	30,707
	1,811,486	1,848,005	1,966,171	2,020,688

GENERAL GOVERNMENT: Selectmen/Town Manager

MISSION OF THE OFFICE

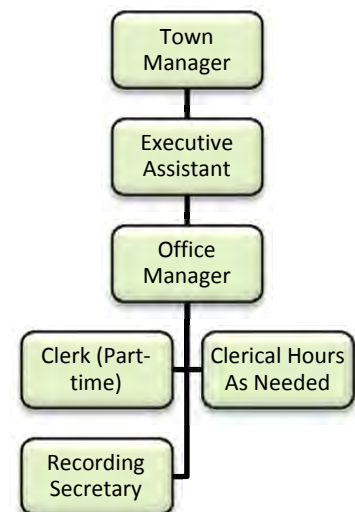
The Board of Selectmen and Town Manager provide executive leadership for the Town of Sudbury. Together, we pursue collaborative processes, ethical, and professional procedures to insure that Town resources are directed to providing the best services possible to protect public safety, public assets and 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 3.3)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
SELECTMEN/TOWN MANAGER				
Town Manager	150,211	148,583	158,158	167,500
Administration	63,733	66,682	70,124	72,854
Overtime	0	1,127	0	0
Clerical	59,009	62,386	67,222	73,817
Executive Incentive Program	7,028	748	0	0
Non-accountable Travel	5,500	5,500	5,500	5,500
Sick Leave Buy Back	3,131	8,250	2,131	2,851
Sub Total: Personal Services	288,611	293,275	303,135	322,522
General Expense	13,379	7,958	9,170	11,670
Equipment Maint	161	169	200	200
Travel	54	0	250	250
Out of State Travel	610	690	750	750
Contracted Services	0	0	300	0
Sub Total: Expenses	14,205	8,817	10,670	12,870
Total: Selectmen	302,816	302,092	313,805	335,392

BUDGET ISSUES

Personal Services - The FY13 Budget is increasing by \$19,387 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town, including all employees of this office are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 Budget is increasing by \$2,200, compared to the FY12 budget. The Town remains limited in the regional purchase and performance groups we can belong to since

membership usually requires a fee. The office is also limited in acquiring adequate office supplies, such as paper, toners for printers and copiers, etc. Professional development opportunities will continue to be 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.

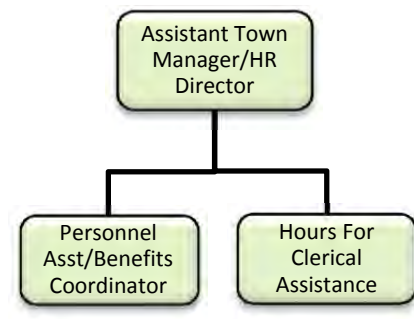
DESCRIPTION OF SERVICES

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 1.6)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
ASSIST. TOWN MGR./HUMAN RESOURCES				
Human Resources Director	81,700	61,788	88,628	92,090
Benefits Coordinator	21,207	21,245	22,473	45,575
Clerical	5,420	3,503	4,907	4,907
Sub Total: Personal Services	108,328	86,536	116,007	142,572
General Expense	1,854	11,546	1,750	1,750
Travel	154	286	400	400
Contracted Services	500	8,900	1,250	1,250
Employee Profess. Develop.	628	1,808	750	750
Sub Total: Expenses	3,136	22,540	4,150	4,150
Total: ATM/HR	111,463	109,077	120,157	146,722

BUDGET ISSUES

Personal Services – The FY13 budget is increasing by \$26,565, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget with the exception of the Town no longer being able to charge off some expenses for health benefits administration to the Town's Health Insurance trust. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town, including all employees of this office are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget will remain the same, compared to the FY12 budget. As In FY12, 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

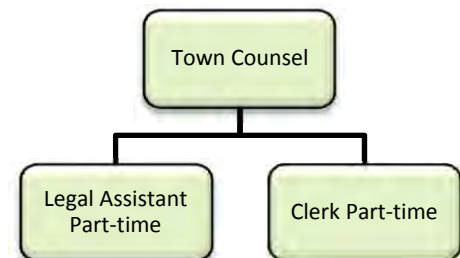
To support the Board of Selectmen, the Town Manager and the Town's departments and committees by providing legal advice and activities which sustain a Town organization that always acts ethically and professionally and avoids unnecessary and costly consequences.

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 1.5)

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	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/RFAQ'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%

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
LAW				
Town Counsel	43,511	43,829	43,829	43,829
Clerical	36,607	37,284	41,700	41,700
Sub Total: Personal Services	80,119	81,113	85,529	85,529
General Expense	4,454	4,373	5,230	5,230
Legal Expense	105,140	95,593	69,907	69,907
Sub Total: Expenses	109,594	99,966	75,137	75,137
Total: Law	189,712	181,079	160,666	160,666

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 FY13 budget will remain the same, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town, including all employees of this office are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget will remain the same, compared to the FY12 budget. It is difficult to predict costs for litigation and particularly for collective bargaining during FY13. 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 0.1)

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

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
FINANCE COMMITTEE				
Clerical	1,220	1,475	1,851	2,054
Sub Total: Personal Services	1,220	1,475	1,851	2,054
General Expense	236	11	204	0
Sub Total: Expenses	236	11	204	0
Total: Finance Committee	1,456	1,485	2,055	2,054

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$203, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. Finance Department staff heavily support FinCom activities particularly relating to the budget and Town Warrant publications.

Expenses - The FY13 budget is decreasing by \$204, compared to the FY12 budget. General expense in this department consists of office supplies used to publish and distribute budget materials. The cost of materials for FY13 will be paid for out of the Treasurer/Collector's budget.

GENERAL GOVERNMENT: Finance Department – Accounting

MISSION OF THE OFFICE

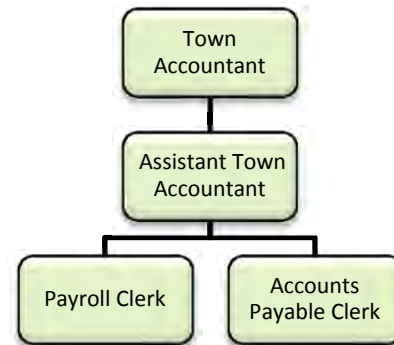
The Mission of the Town Accountant's Office is to protect the Town's financial interests and ensure that Town resources are expended and received according to local bylaws, General Laws of the Commonwealth and sound accounting practices. Charged with maintaining and examining all financial records, the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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
ACCOUNTING				
Town Accountant	78,055	81,648	85,010	88,312
Salaries	130,461	135,440	146,251	150,221
Sick Leave Buy Back	2,014	3,107	3,216	3,429
Overtime	506	170	0	0
Sub Total: Personal Services	211,035	220,364	234,477	241,962
General Expense	4,236	5,478	4,750	4,750
Computer	28,901	31,027	32,680	34,313
Equipment Maint	696	696	1,000	1,000
Travel	966	824	650	850
Sub Total: Expenses	34,799	38,025	39,080	40,913
Total: Accounting	245,834	258,389	273,557	282,875

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 FY13 Budget is increasing by \$7,485, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town, including all employees of this office are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 Budget is increasing by \$1,833, compared to the FY12 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

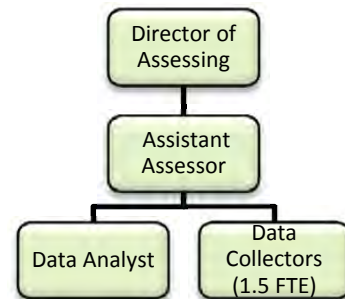
To ensure an equitable share of the tax burden to all taxable real and personal property entities, by regular review and analysis.

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 4.6)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
ASSESSORS				
Assessor	84,869	87,401	89,453	89,424
Clerical	165,172	169,519	174,409	174,260
Stipend	1,000	1,000	1,000	1,000
Sick Buy Back	3,084	3,511	4,373	4,458
Sub Total: Personal Services	254,125	261,431	269,235	269,142
General Expense	5,353	5,408	4,999	3,904
Contracted Services	1,600	11,605	10,213	41,200
Sub Total: Expenses	6,953	17,014	15,212	45,104
Total: Assessors	261,078	278,444	284,447	314,246
OFFSET Overlay Surplus				(26,000)
Net Assessors	261,078	278,444	284,447	288,246

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 of 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 FY13 budget is decreasing by \$93 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town, and the one employee of this department who is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is increasing by \$29,892, compared to the FY12 budget. Contracted services include funding for special assessment activities and appellate board cases. Additionally, this line item pays for outside services for the Town's interim and triennial revaluation programs required for MA DOR tax rate setting purposes. Contract services for FY13 including our latest triennial revaluation process is expected to be \$25,000 - \$30,000. A transfer of abatement overlay surplus of \$26,000 was approved at Town Meeting to partially offset these additional costs.

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

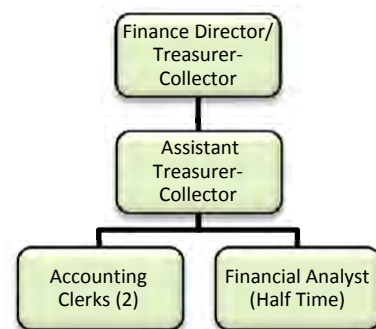
with all State and local regulations, in a manner that that best meets the needs of the individual taxpayer and the community as a whole.

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 4.6)

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	FY12
Collections Activities				
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
Treasury Activities				
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%
Passport Activities				
Processing Satisfaction	Effectiveness	100%	100%	100%
Applications processed	Output	500	550	600
Budget/Finance Activities				
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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
TREASURER/COLLECTOR				
Fin. Director/Treas.-Collector	97,315	103,242	108,547	112,827
Clerical	140,356	146,544	159,225	162,184
Stipends	2,500	2,500	2,500	2,500
Sick Buy Back	139	1,091	1,265	1,485
Sub Total: Personal Services	240,310	253,377	271,536	278,996
General Expense	27,342	16,572	8,000	8,000
Equipment Maint	2,997	1,339	1,800	1,800
Travel	1,069	536	1,069	1,069
Tax Collection	14,063	13,893	16,000	14,000
Tax Title Expense	0	0	3,000	1,433
Sub Total: Expenses	45,470	32,340	29,869	26,302
Total: Treasurer-Collector	285,780	285,717	301,405	305,298

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 FY13 budget is increasing by \$7,460, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town, including all employees of this office are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is decreasing by \$3,567, compared to the FY12 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

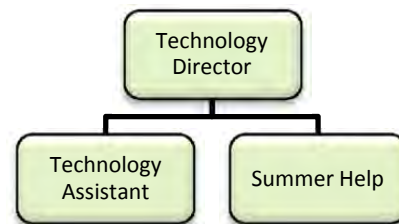
The mission of the Information Systems Office is to increase productivity by streamlining the flow of information through the Town's internal and external network, website and document stores, and provide technical support and training to all Town offices.

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
INFORMATION SYSTEMS				
Technology Administrator	87,891	90,526	92,474	92,473
Non-clerical	61,232	63,053	64,523	64,890
Sick Leave Buy Back	1,961	2,061	3,790	4,329
Summer Help	10,586	17,260	10,969	10,969
Sub Total: Personal Services	161,671	172,899	171,755	172,661
General Expense	2,829	3,987	4,000	4,000
Software	52,756	43,599	47,391	47,500
Equipment Maint	10,570	10,795	7,000	7,000
Travel	64	101	400	400
Contracted Services	26,966	25,534	36,200	36,200
Equipment	44,585	44,497	41,000	50,000
Professional Development	1,226	1,950	2,750	2,750
WAN/Telephone Connections	4,491	10,455	7,500	6,660
Network	2,856	6,359	4,175	4,000
Internet	4,353	2,154	8,000	8,000
Sub Total: Expenses	150,696	149,432	158,416	166,510
Total: Information Systems	312,367	322,331	330,171	339,171

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 FY13 budget is increasing by \$906, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town, and the one employee of this department who is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is increasing by \$8,094, compared to the FY12 budget. The increase will go towards replacing some of 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

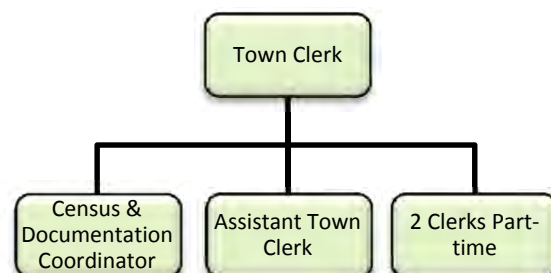
The Town Clerk is the official keeper of the Town Seal and the Town's Oath Book. The Town Clerk oversees and ensures statutory and by-law required functions are performed correctly and efficiently. In conjunction with the Board of Selectmen's Administrative Assistant, Town Moderator and Town Counsel, 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 4.2)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
TOWN CLERK & REGISTRARS				
Town Clerk	62,890	65,989	68,725	71,612
Overtime	2,354	999	1,500	1,500
Clerical	124,934	129,665	135,555	129,548
Election Workers	14,047	12,496	13,000	16,000
Sick Leave Buy Back	-	3,023	-	
Registrars	882	882	932	932
Sub Total: Personal Services	205,107	213,054	219,712	219,592
General Expense	8,213	11,119	8,201	9,234
Equipment Maint	0	0	0	1,000
Travel	1,031	203	850	550
Tuition	543	309	500	500
Elections	16,791	13,525	12,500	10,886
Sub Total: Expenses	26,577	25,156	22,051	22,170
Total: Town Clerk & Registrars	231,684	238,210	241,763	241,762

BUDGET ISSUES

Personal Services - The FY13 budget is decreasing by \$120, compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union

employees of the Town, and the one employee of this department who is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is increasing by \$119, compared to the FY12 budget. This level of budget 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

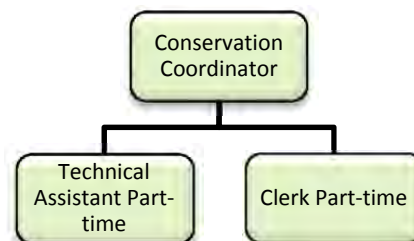
The Sudbury Conservation Commission was established in 1962 to protect local natural resources and features and to act as stewards of the Town's conservation properties. The Conservation Commission's primary mission is to protect the ecological integrity of Sudbury's wetlands and the surrounding landscape.

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 1.8)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
CONSERVATION				
Conservation Coordinator	72,607	75,567	77,191	77,192
Non Clerical	19,302	20,204	21,205	19,056
Clerical	10,933	11,409	11,568	11,930
Sick Leave Buy Back	1,637	1,719	1,775	1,775
Sub Total: Personal Services	104,479	108,899	111,738	109,953
General Expense	657	124	2,000	2,000
Clothing	450	415	450	450
Trail Equipment Maint	922	472	240	240
Travel	758	531	240	240
Sub Total: Expenses	2,787	1,541	2,930	2,930
Total: Conservation	107,266	110,440	114,668	112,883

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 FY13 budget is decreasing by \$1,785 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town, and the one employee of this department who is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget will remain the same, compared to the FY12 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

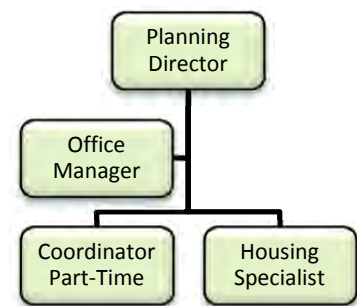
The mission of the department is to provide technical advisory services and coordination of Town officials, committees, and commissions on issues involving planning, zoning, land management, development/re-development and affordable housing.

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 2.6)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
PLANNING & COMMUNITY DEVELOPMENT				
Planning Director	95,801	98,036	103,817	103,854
Clerical	57,749	54,243	74,074	68,471
Stipend	1,000	1,000	1,000	1,000
Sick Leave Buy Back	1,932	2,304	2,303	2,380
Sub Total: Personal Services	156,482	155,583	181,195	175,705
General Expense	801	1,299	1,120	3,620
Professional Development	272	700	500	500
Clothing Allowance	0	0	125	125
Sub Total: Expenses	1,073	1,999	1,745	4,245
Total: Planning	157,555	157,581	182,940	179,950

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 FY13 budget is decreasing by \$5,490 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document all non-union employees of the Town, including all employees of this office are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is increasing by \$2,500, compared to the FY12 budget. Aside from maintaining a modest budget for professional development, this department been operating using a minimal amount of supplies and other office consumables.

Public Safety Services



**Sudbury Fire
Headquarters**



**Sudbury Police
Station**

Summary of inputs FY10-FY12 for Public Safety

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
PUBLIC SAFETY				
Police	2,505,324	2,630,878	2,784,137	2,606,774
Fire	2,945,144	3,003,025	3,224,037	3,244,091
Combined Dispatch	0	0	0	466,714
Building Department	846,601	920,738	1,008,760	1,014,260
Total Public Safety	6,297,069	6,554,642	7,016,935	7,331,839
Personal Services	5,241,809	5,359,454	5,717,784	5,997,622
Expenses	960,960	1,107,252	1,204,851	1,205,417
Capital	94,300	87,936	94,300	128,800
Total Public Safety	6,297,069	6,554,642	7,016,935	7,331,839
Salary	4,291,495	4,359,379	4,747,605	4,886,775
Overtime	826,106	824,611	703,227	872,097
Other payroll-related compensation	124,209	175,465	266,952	238,750
Total Personal Services	5,241,809	5,359,454	5,717,784	5,997,622

PUBLIC SAFETY: Police Department

MISSION OF THE DEPARTMENT

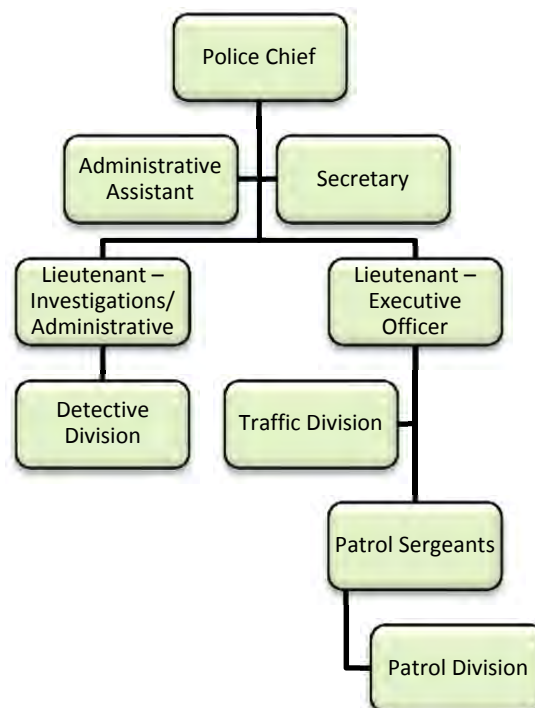
The mission of the Sudbury Police Department is to work with all residents of the community to create a positive partnership emphasizing equality, fairness, integrity and professionalism. Our objective is to provide the most responsive and highest quality police services possible by working in a collaborative 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 30.0)

The Sudbury Police Department has a sworn staff of 25 personnel (one chief, two lieutenants, five sergeants, and twenty patrol officers) plus 2 administrative positions.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
POLICE				
Police Chief	116,615	121,994	128,026	133,035
Lieutenant	121,200	205,705	215,918	219,659
Patrol Officers	1,445,354	1,401,678	1,489,491	1,485,680
Night Differential	24,657	26,142	25,760	22,646
Overtime	252,868	272,528	255,000	227,845
Clerical	93,349	96,698	100,292	101,882
Dispatchers	116,204	132,503	178,254	0
Sick Leave Buy Back	3,062	3,525	9,714	5,714
Holiday Pay	12,333	16,379	15,329	15,329
Non-accountable Clothing	10,975	11,130	11,760	11,760
Stipend	32,308	28,612	30,625	30,550
Sub Total: Personal Services	2,228,925	2,316,894	2,460,169	2,254,100
General Expense	50,793	62,228	52,208	51,008
Maintenance	56,883	57,583	60,080	60,080
Travel	1,932	3,852	3,000	3,000
Clothing	18,754	17,355	20,880	19,286
Tuition	2,708	2,173	9,000	6,000
Equipment	2,785	20,820	7,500	7,500
Gasoline	48,244	62,036	77,000	77,000
Sub Total: Expenses	182,099	226,048	229,668	223,874
Police Cruisers	94,300	87,936	94,300	128,800
Sub Total: Capital	94,300	87,936	94,300	128,800
Total: Police	2,505,324	2,630,878	2,784,137	2,606,774
OFFSET Dispatch Grant	-	-	(25,000)	-
Net Police	2,505,324	2,630,878	2,759,137	2,606,774

BUDGET ISSUES

Personal Services - The FY13 budget is decreasing by \$206,069 compared to the FY12 budget. As of FY13, all civilian police and fire dispatch wage and salary expenditure line items have been moved to a new combined dispatch department. The budget remaining in the Police department provides for the same level of personnel as the FY12 budget. Some employees in this department will

receive a step increase in FY13. As of the printing of this document, all public safety union as well as all non-union employees of the Town are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is decreasing by \$5,794 compared to the FY12 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 FY13.

Operating Capital - Timely replacement of police cruisers 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. Sector vehicles are operational 24 hours a day, 7 days a week and therefore their useful life does not extend much beyond one year. In FY13 we have restored enough funding for maximum vehicle replacements so long as pricing for these specially equipped items remains steady.

PUBLIC SAFETY: Fire Department

MISSION OF THE DEPARTMENT

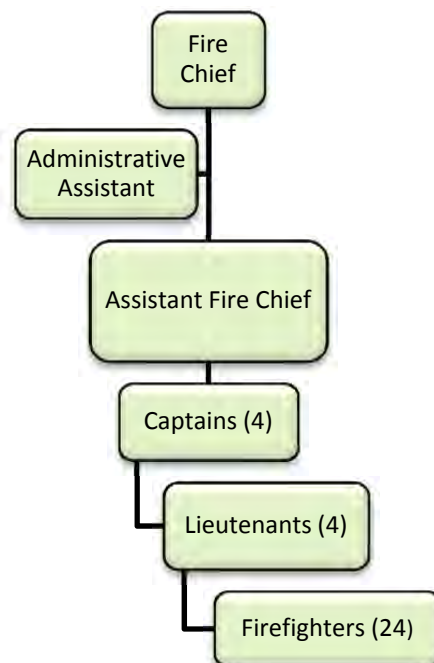
The mission of the Sudbury Fire Department is to protect the lives and property of the community from emergencies involving fire, medical, hazardous materials, and environmental causes.

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 35.0)

Currently the Department consists of 1 Chief, 1 Assistant Chief, 4 Captains, 4 Lieutenants and 24 firefighters, and an administrative assistant. The Captains, Lieutenants and firefighters are organized into four groups, with each group comprising one Captain, 1 Lieutenant and 6 firefighters. Thirty-four personnel are certified Emergency Medical Technicians.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
FIRE				
Fire Chief	126,772	119,493	111,935	120,251
Deputy Chief	100,803	75,992	91,285	90,491
Firefighters/EMTs	1,666,194	1,715,004	1,901,971	1,925,822
Overtime	573,238	552,082	443,227	556,752
Weekend Differential	0	5,185	5,220	5,220
Clerical	36,783	38,437	40,345	48,912
Dispatchers	107,013	83,415	107,467	0
Non-accountable Clothing	22,014	21,800	25,400	25,400
Sick Buy Back	6,240	33,699	8,209	8,209
Fire Stipends	11,175	27,792	78,050	48,250
Sub Total: Personal Services	2,650,232	2,672,900	2,813,109	2,829,307
General Expense	33,883	36,618	53,562	63,177
Maintenance	64,828	64,868	64,828	68,093
Alarm Maint.	4,373	3,353	4,373	4,373
Travel	1,001	704	2,130	2,130
Utilities	42,998	49,610	52,770	52,770
Clothing	7,996	22,668	19,020	17,426
Tuition	11,768	1,069	35,768	35,768
CERT Expense	0	0	0	500
Contracted Services	87,406	82,690	107,873	102,443
Equipment	17,738	38,482	38,750	36,250
Gasoline/Diesel Fuel	22,921	30,064	31,854	31,854
Sub Total: Expenses	294,912	330,125	410,928	414,784
Total: Fire	2,945,144	3,003,025	3,224,037	3,244,091
OFFSET Ambulance RRA	(381,600)	(429,089)	(587,592)	(711,673)
Net Fire	2,563,544	2,573,936	2,636,445	2,532,418

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$16,198 compared to the FY12 budget. As of FY13, all civilian police and fire dispatch wage and salary expenditure line items have been moved to a new combined dispatch department. The budget remaining in the Fire department provides

for the same level of personnel as the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all public safety union as well as all non-union employees of the Town are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses – The FY13 budget is increasing by \$3,856, compared to the FY12 budget. The budget remaining provides for the same level of spending as the FY12 budget.

Ambulance Services Offset – The FY13 budget is increasing by \$124,081 compared to the FY12 budget. This line item will be used to offset payroll and general expenses relating to the Town's enhanced ambulance services.

PUBLIC SAFETY: Public Safety Communications Center

MISSION OF THE DEPARTMENT

The mission of the Public Safety Communications Center is to provide the public with a vital link to public safety emergency services through use of certified and professional public safety dispatchers. As of July 1, 2012, this includes providing emergency medical dispatch services, as required by state law.

DESCRIPTION OF SERVICES

The Public Safety Communications Center is the Town of Sudbury's Public Safety Answering Point (PSAP) for all emergencies (9-1-1) and public safety requests for assistance.

STAFFING (FTE's 7.40)

FY13 staffing consists of seven full time civilian public safety dispatchers and one part-time civilian public safety dispatcher.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
PUBLIC SAFETY COMMUNICATIONS CENTER				
Dispatchers	0	0	0	373,523
Overtime	0	0	0	82,500
Night Differential	0	0	0	6,753
Sub Total: Personal Service	0	0	0	462,776
Clothing allowance	0	0	0	3,938
Sub Total: Expenses	0	0	0	3,938
Total: Combined Dispatch	0	0	0	466,714
OFFSET Dispatch Grant	0	0	0	(25,000)
OFFSET Ambulance RRA	0	0	0	(35,000)
Net: Combined Dispatch	0	0	0	406,714

BUDGET ISSUES

Personal Services - As of FY13, all civilian dispatch wage and salary expenditure line items (from police and fire) are reflected in the budget for the new Public Safety Communications Center. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all public safety union employees are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The communications center is currently located within Police Headquarters.

Services Offset - The FY13 budget includes small offsets from other sources to support this budget.

PUBLIC SAFETY: Building Department

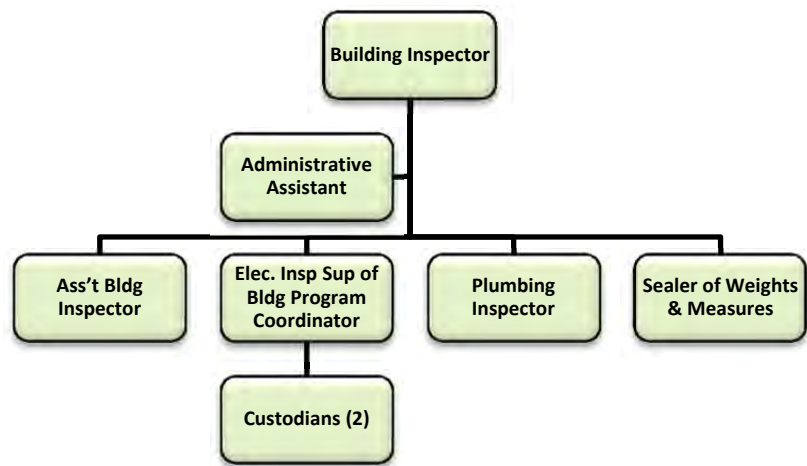
MISSION OF THE DEPARTMENT

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

DESCRIPTION OF SERVICES

The Building Department staff enforces State building, electrical, plumbing, gas and mechanical codes, as well as local zoning by-laws and Architectural Access Board Regulations. The Commonwealth of Massachusetts, including enforcement and implementation of the State building code, the State-zoning act, the State gas and plumbing codes, and the State architectural access code, mandates many of the functions of the Department. Additional local codes and standards must also be enforced. Staff issue permits, inspect construction sites, conduct periodic safety inspections of restaurants, schools, religious institutions, and other places of assembly, and levy fines or prosecute when necessary to obtain code compliance. This office processes more than 2,000 permits a year.

The Building Maintenance function of this department plans and budgets for the energy needs of Town buildings, 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 6.5)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
BUILDING INSPECTION				
Building Inspector	83,982	86,643	88,499	88,499
Supv. of Town Bldgs.	64,746	67,178	68,613	68,613
Asst. Bldg Inspector	56,533	54,502	62,097	64,728
Combined Facilities Director	0	0	55,337	55,337
Clerical	49,202	50,544	52,006	52,174
Deputy Inspector	1,440	1,980	2,000	2,500
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	90,106	92,413	94,205	95,806
Sick Buyback	1,444	1,201	1,548	3,582
Sub Total: Personal Services	362,652	369,660	444,505	451,439
General Expense	8,811	8,325	7,500	10,000
Town Bldg. Utilities	263,528	312,056	329,647	322,713
Town Bldg. Maint.	161,241	176,623	164,347	164,347
Vehicle Maintenance	1,631	3,214	2,500	2,500
Contracted services	44,381	44,975	55,286	55,286
Clothing allowance	1,475	1,475	1,475	1,475
In-State Travel	2,883	4,412	3,500	6,500
Sub Total: Expenses	483,949	551,078	564,255	562,821
Total: Building	846,601	920,738	1,008,760	1,014,260

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$6,934 compared to the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town, and two employees of this department who are members of the Supervisory Association, are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is decreasing by \$1,434 compared to the FY12 budget. Utilities are expected to decrease by \$6,934 due to efficiencies and favorable pricing. Most of the savings from this line item will be spent elsewhere to restore the budget for in-state travel expenses.

Public Works Department



**Public Works
Building**

Summary of inputs FY10-FY13 for Public Works

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
PUBLIC WORKS				
Engineering	316,116	310,106	410,986	478,312
Streets & Roads	2,434,193	2,567,748	2,382,393	2,451,976
Trees and Cemetery	335,913	343,368	337,985	367,716
Parks and Grounds	278,030	225,239	172,782	202,040
Total Public Works	3,364,252	3,446,462	3,304,146	3,500,044
<i>% Change from Prior FY</i>	<i>-1.2%</i>	<i>2.4%</i>	<i>-4.1%</i>	<i>5.9%</i>
Personal Services	1,677,233	1,624,142	1,750,564	1,806,771
Expenses	1,109,370	1,109,286	1,128,832	1,268,523
Snow & Ice	577,649	713,033	424,750	424,750
Total Public Works	3,364,252	3,446,462	3,304,146	3,500,044
Salary	1,615,377	1,561,011	1,677,133	1,734,175
Overtime (excl'd snow & ice)	35,496	29,141	34,455	34,000
Temporary/Seasonal	21,104	13,570	18,043	17,586
Other payroll-related compensation	5,257	20,421	20,933	21,010
	1,677,233	1,624,142	1,750,564	1,806,771

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.

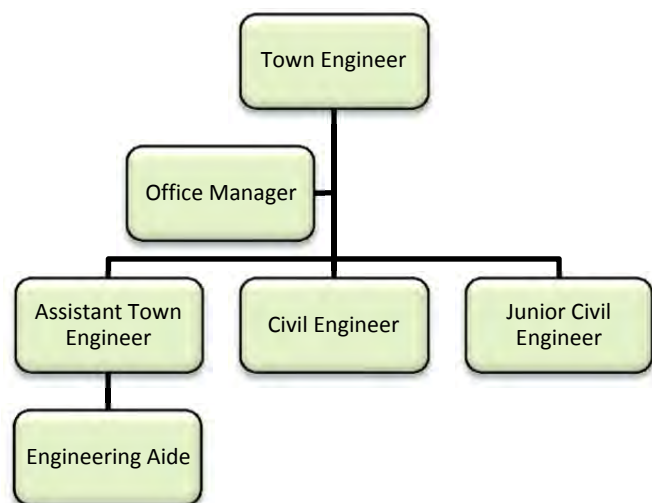
DESCRIPTION OF SERVICES

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 6.0)

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



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11
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				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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
ENGINEERING DEPARTMENT				
Dir. of Public Works	113,586	116,586	120,082	120,124
Non-Clerical	134,484	126,997	223,749	240,940
Clerical	49,352	50,894	52,158	52,174
Sick Leave Buy Back	4,399	2,611	2,611	2,688
Sub Total: Personal Services	301,821	297,088	398,600	415,926
General Expense	10,735	7,078	7,161	7,161
Maintenance	1,113	1,499	1,500	1,500
Contracted Services		0	0	50,000
Travel	16	0	100	100
Clothing	2,431	4,440	3,625	3,625
Sub Total: Expenses	14,295	13,018	12,386	62,386
Total: Engineering	316,116	310,106	410,986	478,312

BUDGET ISSUES

Personal Services – The FY13 budget is increasing by \$17,326 compared to the FY12 budget. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13. All public works union employees will receive a 1% wage COLA.

Expenses – The FY13 budget is increasing by \$50,000 compared to the FY12 budget. The increase to the contracted services line is for a consultant to help develop a 5-year stormwater management plan for Sudbury as part of a new EPA/DEP permit system expected to be released later this year. Among the challenges to be met by municipalities in their new Stormwater Management Program (SWMP), they must implement stormwater outfall monitoring programs, and develop strategies to meet bacteria and nitrogen Total Maximum Daily Loads (TMDLs). The total cost of administering a plan under a new municipal MS4 (stormwater) permit is unknown at this time.

PUBLIC WORKS: Streets and Roads

MISSION OF THE OFFICE

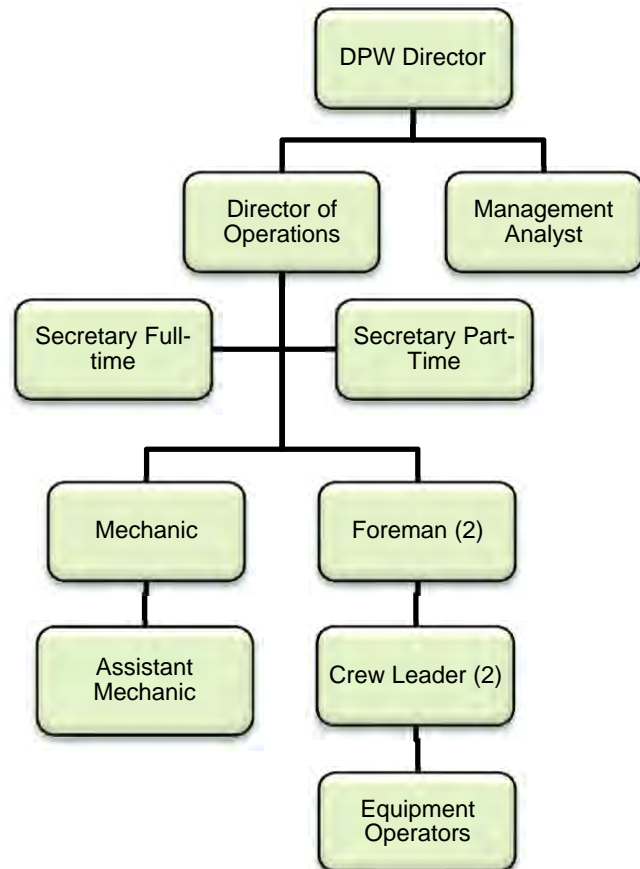
The mission of the Streets and Roads Division is to protect the safety, health and welfare of the Town Residents by maintaining the Town streets, walkways and storm water system in a safe and clean condition. This department also provides for the safe movement of vehicular traffic by performing minor 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 16.4)

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 2 Light Equipment Operators.

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	FY12
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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
STREETS & ROADS				
Highway Dir. of Operations	79,015	81,447	84,188	84,118
Management Analyst	75,704	77,755	80,001	80,030
Non-Clerical	640,594	615,567	673,661	678,061
Overtime	23,380	16,996	22,000	22,000
Clerical	51,226	55,574	57,050	58,583
Stipends	0	8,190	8,190	8,190
Summer Temp. Labor	5,668	5,664	5,068	5,068
Sick Leave Buy Back	858	1,158	1,942	1,942
Sub Total: Personal Services	876,445	862,351	932,100	937,992
General Expense	6,671	10,240	10,000	10,000
Gasoline	102,372	131,532	145,037	166,070
Bldg. Maintenance	14,836	13,556	16,000	16,000
Vehicle Maintenance	165,357	185,651	175,500	190,500
Utilities	12,047	8,020	15,150	15,150
Street Lighting	54,814	33,443	57,858	43,000
Travel	376	286	300	300
Clothing	14,621	15,581	18,000	18,000
Tuition	0	0	1,500	1,500
Police detail	42,314	46,858	38,000	38,000
Roadwork	566,691	547,197	548,198	590,714
Sub Total: Expenses	980,099	992,364	1,025,543	1,089,234
Snow & Ice Overtime	144,584	170,795	120,750	120,750
Snow & Ice Contractors	139,239	224,412	109,000	109,000
Snow & Ice Materials	293,826	317,826	195,000	195,000
Sub Total: Snow & Ice	577,649	713,033	424,750	424,750
Total: Streets & Roads	2,434,193	2,567,748	2,382,393	2,451,976

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$5,892 compared to the FY12 budget. This budget provides for the same level of staffing as FY12. Some employees in this department will receive a step increase in FY13. As of the printing of this document, all non-union employees of the Town are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13. All public works union employees will receive a 1% wage COLA.

Expenses - The FY13 budget is increasing by \$63,691 compared to the FY12 budget. Under this budget request, more has been added to the gasoline, vehicle maintenance and roadwork line items. All of these items have been underfunded over the last few years especially, resulting in these accounts being depleted long before the end of the fiscal year. All other line items are kept level or have been somewhat reduced to fund other areas.

Snow and Ice expense is the same, compared to the FY12 budget. 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.

PUBLIC WORKS: Trees and Cemetery

MISSION OF THE DIVISION

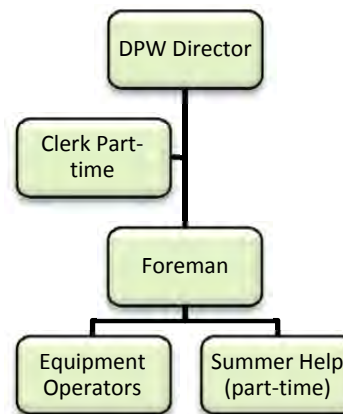
The Mission of this division is twofold: to protect and keep in a healthy state an important public asset of the Town – the beautiful shade trees that are found in the Town's public ways and that staff provide compassionate, courteous and professional service to bereaved families and strive to maintain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

DESCRIPTION OF SERVICES

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

STAFFING (FTE's 5.4)

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	FY12
Tree Removals	Output	30	30	15
Interments	Output	50	50	50
Cemetery Maintenance acres	Output	27.2	27.2	27.2

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
TREES & CEMETERY				
Non-Clerical	245,834	244,802	257,444	265,267
Overtime	9,924	9,567	8,000	8,000
Clerical	12,859	10,480	15,050	16,958
Stipends	0	4,252	4,095	4,095
Summer help	3,174	7,906	5,018	5,018
Sub Total: Personal Services	271,792	277,006	289,607	299,338
Cemetery Materials	11,059	22,388	16,500	16,500
Tree Contractors	53,063	43,975	31,878	51,878
Sub-Total: Expenses	64,121	66,363	48,378	68,378
Total: Trees & Cemetery	335,913	343,368	337,985	367,716

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$9,731 compared to the FY12 budget. This budget provides for the same level of staffing as FY12. Some employees in this department will receive a step increase in FY13. All public works union employees will receive a 1% wage COLA.

Expenses - The FY13 budget is increasing by \$20,000 compared to the FY12 budget. Funding for tree contractor expense has been increased significantly to address the growing backlog of dead and dying trees along Town roadways.

PUBLIC WORKS: Parks and Grounds

MISSION OF THE OFFICE

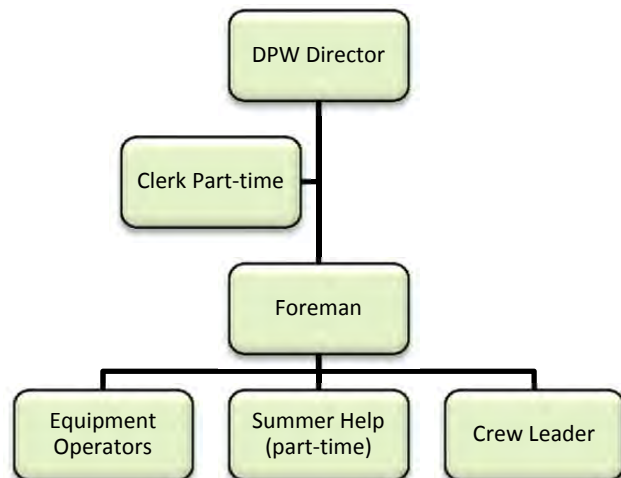
The Mission of this division is to maintain landscaping throughout the Town in park and field areas, public right-of-ways and around all public buildings and school grounds.

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 2.2)

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. The positions are shared with the Field Maintenance Enterprise.



PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
PARKS & GROUNDS				
Non-Clerical	204,452	172,382	104,866	129,030
Overtime	2,192	2,578	4,455	4,000
Clerical	8,269	8,528	8,884	8,890
Stipends	0	4,210	4,095	4,095
Summer help	12,261	0	7,957	7,500
Sick Leave Buy Back	0	0	0	0
Sub Total: Personal Services	227,175	187,698	130,257	153,515
Maintenance	48,056	35,097	39,325	45,325
Clothing	2,799	2,445	3,200	3,200
Sub Total: Expenses	50,855	37,542	42,525	48,525
Total: Parks & Grounds	278,030	225,239	172,782	202,040

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$23,258 compared to the FY12 budget. This budget reflects having to add back a portion of personnel costs previously allocated to the Recreational Field Maintenance Enterprise fund. Some employees in this department will receive a step increase in FY13. All public works union employees will receive a 1% wage COLA.

Expenses - The FY13 budget is increasing by \$6,000 compared to the FY12 budget. This will provide for much needed grounds work around Town and school buildings. The budget for this line item remains significantly lower than what is needed for maintaining all parks and grounds.

Human Services



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

Summary of inputs FY10-FY13 for Human Services

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
HUMAN SERVICES				
Board of Health	370,083	369,430	377,636	377,633
Council on Aging	134,301	119,611	139,187	136,741
Veterans Affairs	15,825	18,858	17,415	29,415
Total Human Services	520,208	507,899	534,239	543,789
<i>% Change from Prior FY</i>	<i>0.9%</i>	<i>-2.4%</i>	<i>5.2%</i>	<i>1.8%</i>
Personal Services	361,213	340,448	363,947	359,399
Expenses	158,995	167,451	170,292	184,390
Total Human Services	520,208	507,899	534,239	543,789
Salary	359,267	338,403	361,842	357,294
Other payroll-related compensation	1,946	2,044	2,105	2,105
	361,213	340,448	363,947	359,399

HUMAN SERVICES: Board of Health

MISSION OF THE OFFICE

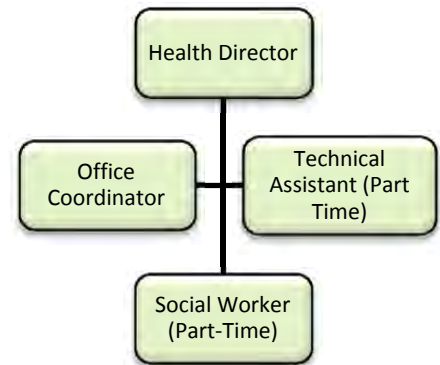
Mission of this office is to assess and address the health needs of the community and to contribute to the safety and quality of life through a variety of health programs, public outreach, services and enforcement of Town and State public health regulations.

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 3.3)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
BOARD OF HEALTH				
Director	86,998	89,611	91,744	91,743
Town Social Worker	86,819	77,516	58,958	58,993
Non-Clerical	0	0	21,205	19,056
Clerical	43,016	43,527	44,782	44,796
Sick Buy Back	1,946	2,044	2,105	2,105
Sub Total: Personal Services	218,779	212,698	218,794	216,693
General Expense	2,861	5,347	4,100	4,650
Maintenance	215	0	0	0
Mental Health	10,240	6,210	10,400	7,000
Nursing Services	51,347	51,347	51,347	51,860
Contracted Services	2,580	7,945	11,300	11,300
Lab Expense	0	0	0	0
Mosquito Control	45,415	45,415	45,415	45,870
Animal/ Rabies Control	8,365	8,400	8,800	8,800
Animal Inspector	2,501	1,779	2,000	2,000
Senior Outreach	26,625	29,750	23,680	27,660
Community Outreach Prog	1,154	538	1,800	1,800
Sub Total: Expenses	151,303	156,731	158,842	160,940
Total: Board of Health	370,083	369,430	377,636	377,633

BUDGET ISSUES

Personal Services - The FY13 budget is decreasing by \$2,101 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town, and the one employee of this department who is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is increasing by \$2,098 compared to the FY12 budget. This budget is expected to provide for similar services as in FY12.

HUMAN SERVICES: Council on Aging

MISSION OF THE DEPARTMENT

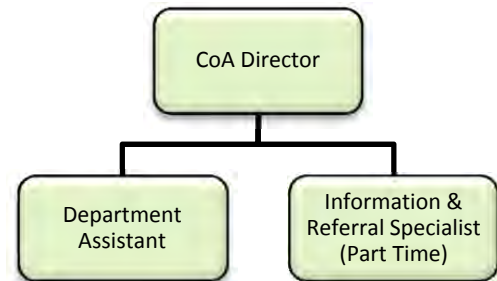
The mission of the Council on Aging (COA) is dedicated to serving the social, recreational, health and educational needs of older adults in the community. The Sudbury Senior Center has been a fully accredited center since December 2003, (one of only seven in Massachusetts).

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 2.5)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
COUNCIL ON AGING				
Director	67,721	62,645	66,752	66,952
Clerical	41,573	43,763	44,782	44,796
Information/Reference	21,603	9,494	21,653	18,993
Sub Total: Personal Services	130,897	115,902	133,187	130,741
General Expense	3,404	3,709	6,000	6,000
Contracted Services	0	0	0	0
Sub Total: Expenses	3,404	3,709	6,000	6,000
Total: Council on Aging	134,301	119,611	139,187	136,741

BUDGET ISSUES

Personal Services - The FY13 budget is decreasing by \$2,446 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town and the one employee of this department which is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is the same compared to the FY12 budget. The general expense line includes 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 (FTE 0.3).

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
VETERANS AFFAIRS				
Veteran Agent	11,537	11,847	11,965	11,965
Sub Total: Personal Services	11,537	11,847	11,965	11,965
General Expense	137	112	550	550
Veteran's Grave Markers	876	790	900	900
Veteran's Benefits	3,274	6,109	4,000	16,000
Sub Total: Expenses	4,288	7,011	5,450	17,450
Total: Veterans Affairs	15,825	18,858	17,415	29,415

BUDGET ISSUES

This budget provides for approximately the same level of part-time personnel and general expenses as the FY12 budget. Benefits claims can be difficult to predict from year to year. The increase in Veteran's benefits expense for FY13 reflects the recent rise in the number of benefits recipients in Sudbury.

Culture & Recreational Services



Goodnow Library



Hosmer House

Summary of inputs FY10-FY13 for Culture & Recreational Services

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
CULTURE & RECREATION				
Goodnow Library	971,918	1,010,602	1,015,308	1,015,308
Recreation	132,729	129,956	142,641	126,558
Historical Commission	5,386	5,308	5,309	5,309
Historic Districts Commission	2,253	2,148	2,751	2,751
Total Culture & Recreation	1,112,286	1,148,014	1,166,009	1,149,926
<i>% Change from Prior FY</i>	<i>3.0%</i>	<i>3.2%</i>	<i>1.6%</i>	<i>-1.4%</i>
Personal Services	754,680	776,337	788,891	783,296
Expenses	357,606	371,677	377,118	366,630
Total Culture & Recreation	1,112,286	1,148,014	1,166,009	1,149,926
Salary	752,141	773,339	775,066	765,296
Overtime	0	0	13,825	18,000
Other payroll-related compensation	2,540	2,998	0	0
	754,680	776,337	788,891	783,296

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.

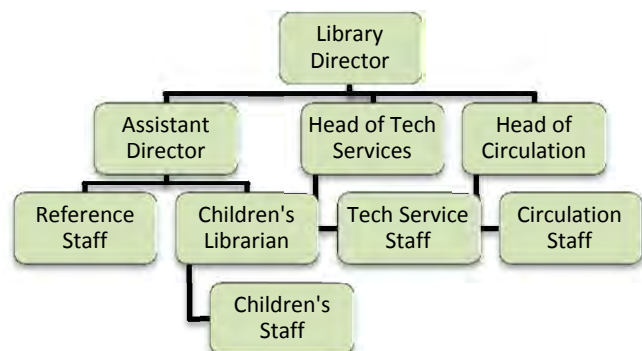
DESCRIPTION OF SERVICES

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 14.8)

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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
GOODNOW LIBRARY				
Library Director	94,223	91,817	82,368	79,270
Non-Clerical	568,499	598,607	595,480	590,771
Other	0	-	13,825	18,000
Sick Leave Buy Back	2,540	2,998	0	0
Sub Total: Personal Services	665,262	693,422	691,673	688,041
General Expense	7,049	7,173	8,500	8,500
Automation	42,716	42,000	43,560	43,560
Books and Materials	124,501	128,800	131,600	131,802
Maintenance	19,404	20,398	23,340	23,340
Utilities	74,282	83,242	79,570	83,000
Travel	97	66	270	270
Contracted Services	38,607	35,501	36,795	36,795
Sub Total: Expenses	306,656	317,180	323,635	327,267
Total: Goodnow Library	971,918	1,010,602	1,015,308	1,015,308

BUDGET ISSUES

Personal Services - The FY13 budget is decreasing by \$3,632 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget. As of the printing of this document, all non-union employees of the Town, and the one employee of this department who is part of the Supervisory Union Association, are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses – The FY13 budget is increasing by \$3,632, compared to the FY12 budget. The additional funds will be used towards utilities.

CULTURE & RECREATION: Park & Recreation

MISSION OF THE OFFICE

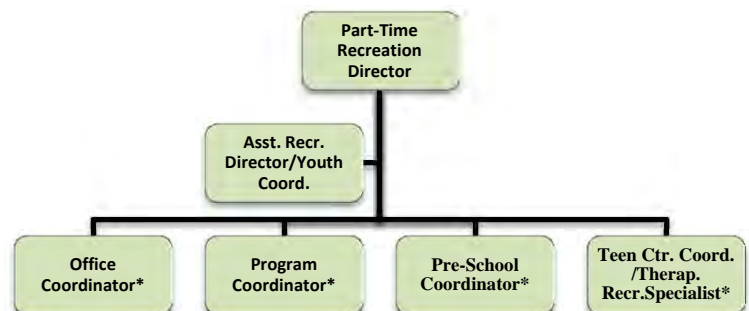
The Mission of The Sudbury Park & Recreation Department is to provide recreation activities, leisure services, facilities and general amenities to the public. The Department strives to enhance the quality of life for the Town of Sudbury residents by providing clean, safe and attractive parks and recreation 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 1.5)

Staffing in this department consists of 1.5 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	FY12
Park & Recreation Programs Offered	Output	660	680	700
Activity Participants	Output	7300	7600	7700
6 th 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%

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
RECREATION				
Recreation Director	0	0	0	0
Assistant Director/Youth Serv	49,308	40,198	52,482	23,512
Youth/Teen Coordinator	0	0	0	0
Non-Clerical	0	0	0	0
Program Coordinator	19,806	22,338	23,069	25,390
Clerical	18,136	18,347	19,202	43,888
Sub Total: Personal Services	87,250	80,883	94,753	92,790
General Expense	264	2,948	0	0
Recr. Director Contract Serv	45,000	46,125	47,888	33,768
Youth Services Expense	0	0	0	0
Clothing	215	0	0	0
Sub Total: Expenses	45,479	49,073	47,888	33,768
Total: Recreation	132,729	129,956	142,641	126,558

BUDGET ISSUES

Personal Services - The FY13 budget is decreasing by \$1,963 compared to the FY12 budget. This budget provides for the same total personnel costs being charged against the tax levy as the FY12 budget. As of the printing of this document, all non-union employees of the Town are being paid in accordance with the FY12 salary grids without any COLA (cost of living adjustment) in FY13.

Expenses - The FY13 budget is decreasing by \$14,120, compared to the FY12 budget. Starting in FY13, contracted services reflects the net savings of sharing two part-time employees with the

town of Wayland. In addition to sharing the costs of a part-time Director from Wayland, Sudbury is now contracting out with Wayland for part-time services provided by our Youth Services Coordinator. 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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
HISTORICAL COMMISSION				
General Expenses	5,386	5,308	5,309	5,309
Sub Total: Expenses	5,386	5,308	5,309	5,309
Total: Historical Commission	5,386	5,308	5,309	5,309

BUDGET ISSUES

This budget is level funded for FY13.

CULTURE & RECREATION: Historic Districts Commission

MISSION OF THE OFFICE

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

DESCRIPTION OF SERVICES

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

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

PERFORMANCE/WORKLOAD INDICATORS

Indicator	Type	FY10	FY11	FY12
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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
HISTORIC DISTRICTS COMMISSION				
Clerical	2,168	2,032	2,465	2,465
Sub Total: Personal Services	2,168	2,032	2,465	2,465
General Expenses	85	115.62	286	286
Sub Total: Expenses	85	116	286	286
Total: Hist Dist Commission	2,253	2,148	2,751	2,751

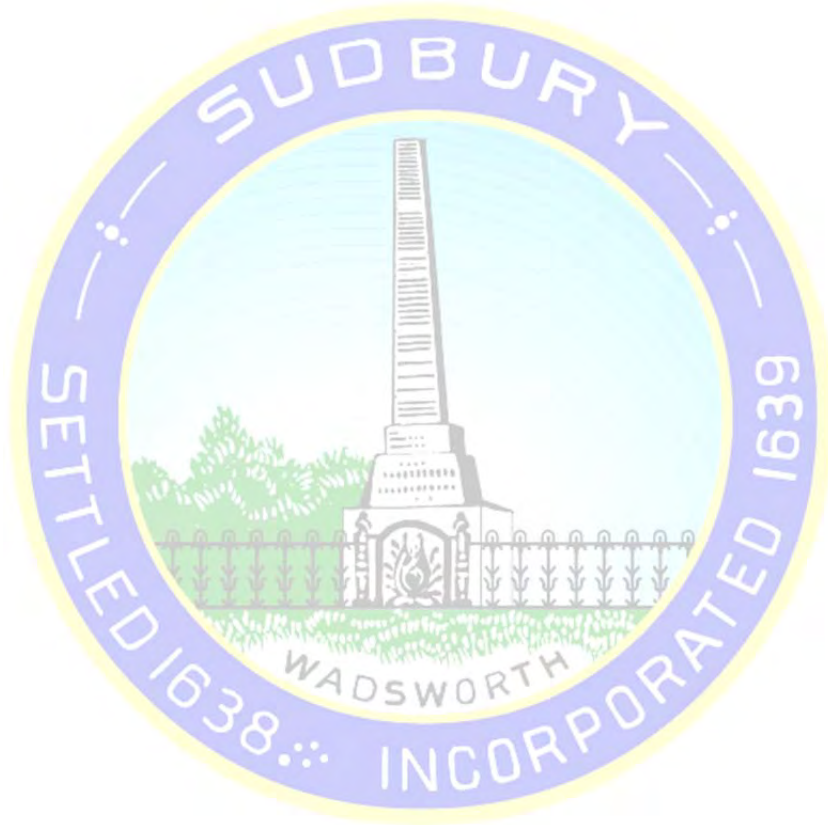
BUDGET ISSUES

This budget is level funded for FY13.

Section Six

Budget Detail – Education

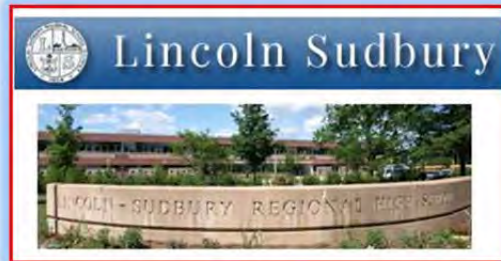
Budget requests for all education cost centers



Education



**Sudbury Public
Schools**



**Lincoln-Sudbury
Regional High School**



**Minuteman Regional
High School**

Summary of inputs FY10-FY13 for all Education Cost Centers

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
Schools				
SPS Operating Expenses	34,019,971	34,315,578	35,407,571	36,593,725
LSRH Operating Assessments	16,805,045	17,577,379	18,079,955	18,694,852
Minuteman	298,098	195,498	321,590	274,416
Total Schools	51,123,114	52,088,455	53,809,116	55,562,993

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 377.7)

Staffing consists of the following:

	Actual FY2010	Actual FY2011	Budget FY2012	Appropriated FY2013
System Administration	12.10	14.00	15.50	15.50
Elementary Instruction	154.82	155.83	141.82	142.82
Middle School Instruction	78.38	78.38	79.53	76.53
Curriculum, Instruction, Technology	7.00	7.00	7.00	7.00
Special Ed Instruction	103.20	100.50	100.50	100.50
Health, Transportation & Cafeteria	21.81	19.86	19.86	19.86
Plant Maintenance	16.00	15.00	15.00	15.50
Total:	393.31	390.57	379.21	377.71

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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
Summary - Salaries				
System Administration	756,778	793,751	910,503	1,006,869
Elementary Instruction	8,867,186	8,852,613	9,953,424	10,279,669
Middle School Instruction	4,914,598	4,919,712	5,242,543	5,620,652
Curriculum, Library, Media	465,558	496,571	529,363	713,122
PS/Special Education Instruction	4,331,802	4,340,086	5,293,624	5,502,290
Health & Transportation	365,718	339,550	649,534	368,542
Plant Maintenance	780,895	777,787	883,905	931,194
Other	527,051	506,653	614,263	714,263
Total Salaries:	21,009,586	21,026,723	24,077,159	25,136,601
Salary Offsets:			(1,611,335)	(1,444,931)
Net Salaries:	21,009,586	21,026,723	22,465,824	23,691,670
Summary - Expenses				
System Administration	541,065	617,266	303,762	412,875
Elementary Instruction	350,672	357,722	333,491	333,640
Middle School Instruction	147,667	156,774	172,637	187,673
Curriculum, Library, Media	261,160	315,033	329,785	411,873
PS/Special Education Instruction	3,242,841	3,356,945	3,621,118	4,013,830
Health & Transportation	660,289	600,599	1,092,098	1,007,203
Utilities	932,320	973,580	1,191,882	1,191,882
Plant Maintenance	670,097	898,645	454,637	468,276
Total Expenses:	6,806,111	7,276,564	7,499,411	8,027,252
Expense Offsets:			(1,230,440)	(1,330,440)
Net Expenses:	6,806,111	7,276,564	6,268,971	6,696,812
Total Expense & Salary:	27,815,697	28,303,287	31,576,569	33,163,853
Less: Total Offsets	0	0	(2,841,775)	(2,775,371)
Total Net Operating Budget:	27,815,697	28,303,287	28,734,794	30,388,482
Benefits:	6,204,274	6,037,617	6,672,777	6,205,243
	34,019,971	34,340,904	35,407,571	36,593,725

BUDGET ISSUES

Salaries & Wages (net)-The FY13 budget is increasing by \$1,225,846 compared to the FY12 budget. This budget level requires a reduction of 1.5 FTE's. All Teachers Union employees of SPS will receive a 3% wage COLA in FY13. 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 FY13 budget is increasing by \$427,841 compared to the FY12 budget. The majority of this increase is within PS/Special Education Instruction. For further details regarding this budget grouping, see **SPS budget information located on their website**.

Offsets - The FY13 budget is decreasing by \$66,404 compared to the FY12 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 FY13 budget is decreasing by \$467,543, compared to the FY12 budget. The majority of this decrease is within medical benefits as a result of switching to the GIC system as of July 1, 2012. (The 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 205.3)

Staffing consists of the following:

TOTAL STAFFING (FTEs)				
FY10	FY11	FY12	FY13	
8.20	8.00	8.00	8.00	Administration
139.85	137.78	135.06	135.06	Teaching
1.00	1.00	1.00	1.00	Admin Support
15.43	14.94	14.67	14.67	Admin Assistants
25.83	26.98	25.15	25.15	Educational Support
10.80	10.80	9.80	9.80	Buildings & Grounds
201.11	199.50	193.68	193.68	Subtotal
10.43	13.68	11.61	11.61	Grants
211.54	213.18	205.29	205.29	Total

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)

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
LINCOLN-SUDBURY REGIONAL HS				
Sudbury Apportionment	84.51%	84.36%	84.88%	85.07%
LSRHS Benefits Assessment	3,142,491	3,206,376	3,506,669	3,116,699
LSRHS Oper. Assessment	16,854,852	17,011,347	17,333,368	18,582,065
LSRHS Oper. Offsets	(3,192,298)	(2,640,344)	(2,760,082)	(3,003,912)
	16,805,045	17,577,379	18,079,955	18,694,852
LSRHS Debt Assessment	2,298,949	2,237,147	2,193,072	2,139,028
Total LSRHS (Sudbury Portion)	19,103,994	19,814,526	20,273,027	20,833,880

BUDGET ISSUES

Benefits Assessment - The FY13 budget is decreasing by \$389,970 compared to the FY12 budget. This represents Sudbury's share of benefits costs for the District.

Operating Assessment - The FY13 budget is increasing by \$1,248,697 compared to the FY12 budget. This represents Sudbury's share of all other operating expenses for the District.

Assessment Offsets - The FY13 budget is increasing by \$243,830 compared to the FY12 budget. Assessment Offsets are made up of State Aid, fees and reapportionment (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 FY13 budget is decreasing by \$54,044 compared to the FY12 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 debt service and assessment allocation to members (Sudbury and Lincoln) and net of all offsets.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
Salaries & Other Cash Compensation	14,976,897	15,106,883	15,059,054	15,457,858
Expenses	5,119,831	5,180,180	5,416,606	6,585,106
Benefits & Insurances	3,098,093	3,485,520	4,076,956	3,663,688
Total LSRHS (net) Operating Expenses	23,194,822	23,772,583	24,552,616	25,706,652

BUDGET ISSUES

Salaries & Wages - The FY13 budget is increasing by \$398,804 compared to the FY12 budget. This budget level requires the same total FTE's (including grant positions) as FY12. The increase in personal services relates to all steps, lane and other wage components for the same or similar level of staffing as in FY12. As of the printing of this document, all non-union employees of the District as well as all union employees are being paid in accordance with the FY12 salary grid without any COLA (cost of living adjustment) in FY13. For further details regarding this budget grouping, see **LSRHSD budget information located on their website.**

Benefits and Insurances - The FY13 budget is decreasing by \$413,268 compared to the FY12 budget. The majority of this decrease is within medical benefits as a result of significant plan design changes as of July 1, 2012. For further details regarding this budget grouping, see **LSRHSD budget information located on their website.**

Expenses - The FY13 budget is increasing by \$1,168,500 compared to the FY12 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

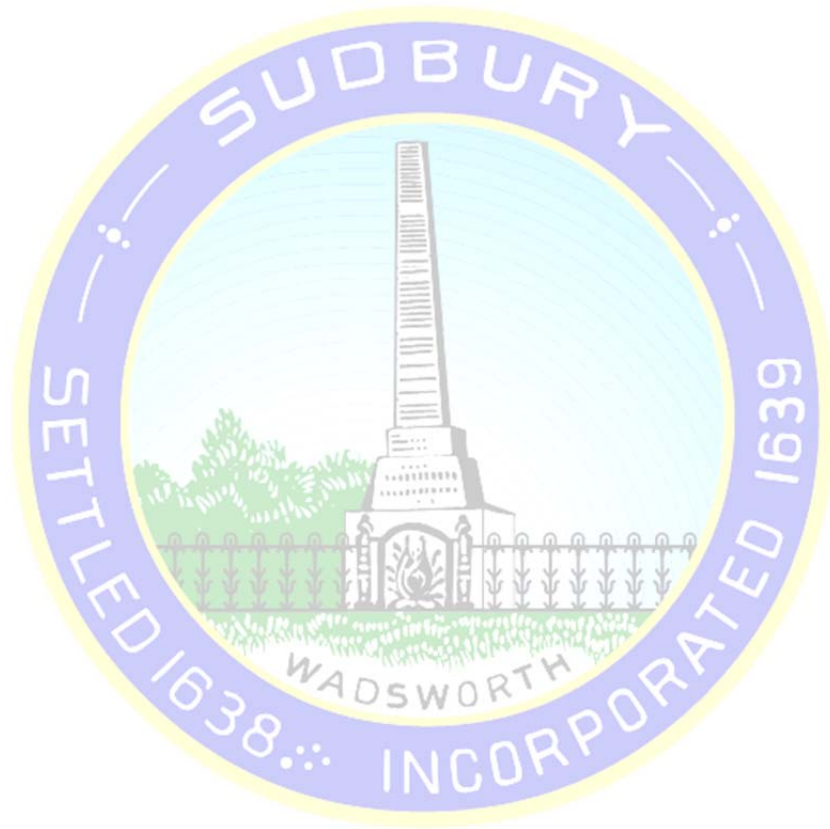
	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
MINUTEMAN VOCATIONAL				
Operating Assessment	298,098	195,498	321,590	274,416
Total: Minuteman Vocational	298,098	195,498	321,590	274,416

BUDGET ISSUES

The FY13 budget assessment for Sudbury is decreasing in total by \$47,174, compared to the FY12 budget. The overall FY13 budget for the District is expected to increase by \$816,240, compared to FY12. The decrease in assessment for Sudbury is due to changes in enrollment. Sudbury student enrollment at Minuteman is expected to decrease from 16 to 11 students in FY13. For further details regarding this budget grouping, see **MRVTHS budget information located on their website**.

Section Seven

Capital Investment Budget



FY13 CAPITAL BUDGET

MISSION OF THE PROGRAM

For the Town of Sudbury to accomplish its mission, 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 \$80 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. Further, the Five-Year Capital Plan is designed to ensure that the Town develops annual operating and capital plans in awareness of the long-range needs and plans of the Town (see next subsection).

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 and the Assistant Town Manager are ex-officio members of the **Capital Improvement Planning Committee (CIPC)** and provide 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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
Capital				
Town Buildings	70,000	116,771	59,607	51,925
General Government	22,622	11,955	0	37,000
Public Safety	25,000	10,000	72,396	61,659
Public Works	325,761	298,328	316,944	346,837
Culture & Recreation	80,000	42,000	0	0
Sudbury Public Schools	0	50,000	90,000	55,000
Total: Operating Expenses	523,383	529,054	538,947	552,421

FY13 PROJECT DETAIL		
Projects	FY13 Appropriated	Notes
<u>Ongoing Leases:</u>		
Unit # PR-6: Landscape Tractor w/Bucket (Town share)	4,560	Started FY12
Unit #10: 2011 Freightliner 10 Wheel Dump	28,187	Started FY12
Unit #37: 2011 Chevy One Ton Rack Body	10,015	Started FY12
Unit #35: Kobuta Tractor	15,664	Started FY11
Unit #54: Elgin Pelican Sweeper	33,235	Started FY11
Unit #14: 2009 Chevy pick-up	6,715	Started FY10
Unit #20: 2009 6-Wheel Dump Truck	25,595	Started FY10
Unit #8: 2009 John Deere loader	27,315	Started FY10
Unit #PR-2: 2011 Chevy Pickup	8,347	Started FY10
Unit #22: 2009 John Deer Backhoe	25,183	Started FY09
Unit #27: 2007 Mack 10-Wheel	27,390	Started FY09
Unit #33: 2009 Multipurpose Tractor	25,231	Started FY09
Total for On-Going Leases	237,437	
<u>DPW:</u>		
Bombardier Tractor (#21)	30,400	New Lease
6 Wheel Dump Truck (#4)	29,000	New Lease
Conversion on GMC G-Quip	50,000	Purchase
	109,400	
<u>Fire:</u>		
Vehicle Replacement (Car#2) *	30,909	Net Purchase
<u>Police:</u>		
IP Phones and Fire Alarm Monitor Receiver ¹	30,750	Net Purchase
<u>Building:</u>		
Various Building Improvements	51,925	Purchase
<u>Information Technology:</u>		
Telephone System Upgrade for DPW	37,000	Purchase
<u>SPS:</u>		
Noyes Switch Gear Replacement	55,000	Purchase
Total FY13 Operating Capital Requests	552,421	
<u>From Prior Year Capital Articles</u>		
Vehicle Replacement (Car#2) *	7,091	From ATM 2011 Article #5
Library Telephone System Upgrade	9,800	From ATM 2009 Article #5
	16,891	

1 IP Phones and Fire Alarm Monitor Receiver project includes other costs to be funded by 911 grant monies.

BUDGET ISSUES

The discussion below relates to the capital budget issues associated with the projects reviewed and presented by the CIPC in Article 5 of the 2012 Annual Town Meeting. The FY13 Budget is increasing by \$13,474, compared to the FY12 budget. Individual project costs range from starting annual lease payments of approximately \$4,560 to school equipment upgrades of \$55,000. Combined, all FY13 capital expenditures represent less than 1% of total General fund operating costs.

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

Public Safety: This funding will pay for the replacement of a Fire Department vehicle and for a portion of a Fire Alarm Box Monitor and Vocal Alarm System at the Police Department. A portion of funding for the latter will come from 911 grant monies.

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.

General Government: This funding will pay for a telephone system upgrade at the DPW facility. The Town's telecommunications goal is to consolidate our telephony services into one unified VoIP telephone system thus allowing our buildings to share telephony services. Achieving this goal will result in significant savings on our annual telecommunication costs and help streamline the management and functionality of the Town's telecommunications network.

Sudbury Public Schools: This funding will replace the electrical switch gear at the Peter Noyes School. The existing switch gear for the electrical service at this school is the original and urgently needs replacement before it wears out. Its replacement has been postponed for the last six years and now has become a priority. The design phase for the replacement project is being funded by the FY12 operating budget.

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 FY13, the Chapter 90 apportionment for Sudbury is \$764,639. 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 FY13

The matrix on the following page lists all the capital-related FY13 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 FY13 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 **FY2013 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 FY13 will generate any material cost savings or new revenues for the Town.

All Capital Matrix for FY13

CLUSTER	DESCRIPTION	FY2013 COST	FUNDING SOURCE	FUNDING HORIZON	TAX LEVY	OPERATIONAL COSTS (INCREMENTAL) *
Buildings	Various Bldg Improvements	\$ 51,925	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
General Gov't	Telephone System Upgrade for DPW	\$ 37,000	GF-Cash	1 yr	Yes	None, improves functionality
Public Safety	Replace Fire Car 2	\$ 30,909	GF-Cash	1 yr	Yes	None, replacement of existing item. No add'l maintenance.
Public Safety	Fire Alarm Box Monitor & Vocal Alarm System	\$ 30,750	GF-Cash	1 yr	Yes	None, supports combined dispatch at Police headquarters ⁴
Public Works	GMC Truck Conversion	\$ 50,000	GF-Cash	1 yr	Yes	None, improves functionality
Public Works	Existing equipment leases	\$ 237,437	GF-Cash	1-4 yrs	Yes	Replaced existing units. No new rolling stock ²
Public Works	Bombadier Tractor (#21)	\$ 30,400	GF-Cash	5 yrs	Yes	Replaces existing units. No new rolling stock ²
Public Works	6 Wheel Dump Truck (#4)	\$ 29,000	GF-Cash	5 yrs	Yes	Replaces existing units. No new rolling stock ²
Schools	Switch Gear Replacement	\$ 55,000	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
	Article 5 Capital Program Budget Sub-total	\$ 552,421				
Buildings	Natorium HVAC & Associated Roofing	\$ 300,000	GF-Cash	1 yr	Yes	None, replacement of existing items. No add'l maintenance.
Public Safety	Fire Department Safety Equipment Purchase	\$ 22,000	GF-Cash	1 yr	Yes	None, improves functionality
	Other Articles Capital Items Sub-total	\$ 322,000				
Public Safety	Police Cruisers ¹	\$ 100,000	GF-Cash	1 yr	Yes	None, replacement of existing cruisers.
Culture & Rec	Library Telephone System Upgrade	\$ 17,800	Multiple-Cash	1 yr	No	None, improves functionality
Enterprise	Share of Lawn Tractor Lease	\$ 4,560	ENT-Cash	2 yrs	No	Replaced existing units. No new rolling stock ²
	Operating Budget Sub-total	\$ 122,360				
CPA	Town Clerk Historic Document Preservation	\$ 106,000	CPA-Cash	1 yr	No	None. Some cost may be reimbursed by outside source.
CPA	Town Hall Architectural and Design Study	\$ 50,000	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 Budget Sub-total	\$ 256,000				
	Total Capital Related Budget Items FY13	\$ 1,252,781				

5-YEAR CAPITAL PLAN – Starting Point for a Comprehensive Strategic Plan

The tables on the following pages show all capital projects that have been requested and scheduled for municipal departments over the next five years, irrespective of funding source (e.g., normal capital budget, separate Town Meeting article, CPA funds, bonding, grants, or other).

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 been postponed pending the completion of an architectural and design study.

Items submitted but not approved for FY13 have been postponed to FY14 or beyond. Most items are considered vital replacements or improvements and therefore find their way back into our long-range capital plans. Typically, any items with a project cost greater than \$100,000 (and certainly all building renovations going forward) are candidates for either 1-year capital exclusions or long-term debt exclusions simply because the Town does not have sufficient operating resources to fund outright large asset/infrastructure development.

During FY13, Town staff and others will work towards developing a comprehensive strategic plan that will be comprised of the existing 5-year Capital Plan and all other significant long-term financial obligations (i.e. unfunded OPEB liability, stabilization, special purpose reserves, etc.) In addition to identifying all of Sudbury's longer-term financial expenditures it will be imperative to identify and/or develop funding solutions.

Town of Sudbury Five Year Capital Improvement Program Summary Department Totals						
	FY13-FY17					
Department/Committee	Total	FY13	FY14	FY15	FY16	FY17
Information Systems	53,500	37,000	16,500	-	-	-
Town Clerk	106,000	106,000	-	-	-	-
Planning	3,100,000	100,000	2,600,000	200,000	-	200,000
Police	530,750	130,750	100,000	100,000	100,000	100,000
Fire	1,766,909	52,909	220,000	850,000	540,000	104,000
Building	10,046,887	401,925	7,129,434	534,149	1,245,647	735,732
Schools	3,497,546	55,000	1,097,546	1,420,000	400,000	525,000
Streets & Roads	2,138,098	333,930	483,339	475,214	458,315	387,300
Transfer Station	155,000	-	155,000	-	-	-
Parks & Grounds	359,908	12,907	189,507	69,947	70,947	16,600
Library	127,800	17,800	-	110,000	-	-
Recreation	1,827,220	4,560	13,160	967,300	383,600	458,600
Totals:	23,709,618	1,252,781	12,004,486	4,726,610	3,198,509	2,527,232

Other Large Pending Projects Schedules Yet To Be Determined			
Description	Total Cost	Last Estimated	Previous Target Date
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 currently on Sudbury's five-year Capital Improvement Plan.

Town of Sudbury												
Five-Year Capital Plan Projects Listing												
CIP N	Project Description	R/N	Just.	FY13-FY17	Cost	FY13	FY14	FY15	FY16	FY17		
			Co									
Information Systems												
1	Email Archiving	NR			\$ 16,500		\$ 16,500					
1	DPW Telephone System Upgrade	R	C		\$ 37,000	\$ 37,000						
Information Systems Subtotals					\$ 53,500	\$ 37,000	\$ 16,500	\$ -	\$ -	\$ -		
Town Clerk												
	Historic Records Conservation	NR	B		\$ 106,000	\$ 106,000						
Town Clerk Subtotals					\$ 106,000	\$ 106,000	\$ -	\$ -	\$ -	\$ -		
Planning & Community Development												
	Town Center Traffic Impvts	NR	A/D		\$ 1,500,000		\$ 1,500,000	\$ -	\$ -	\$ -		
	Town-wide Walkways	R	A		\$ 600,000	\$ 100,000	\$ 100,000	\$ 200,000		\$ 200,000		
	Route 20 Sewer Design	NR	C		\$ 1,000,000		\$ 1,000,000	\$ -	\$ -	\$ -		
Planning & Community Development Subtotals					\$ 3,100,000	\$ 100,000	\$ 2,600,000	\$ 200,000	\$ -	\$ 200,000		
Police Department												
	Fire Alarm Box Monitor &	NR	A		\$ 30,750	\$ 30,750						
	Vocal Alarm System											
	Police Cruisers	R			\$ 500,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		
Police Department Subtotals					\$ 530,750	\$ 130,750	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000		
Fire Department												
	Car 2 Replacement	R	A		\$ 30,909	\$ 30,909						
	FEMA Grant Coverage	NR	A		\$ 22,000	\$ 22,000						
	**Ambulance Replacement	R	A		\$ 220,000		\$ 220,000					
	Ladder Truck Replacement	R	A		\$ 850,000			\$ 850,000				
	Engine 4 replacement	R	A		\$ 450,000				\$ 450,000			
	Fire HQ's Roof Replacement	NR	B		\$ 90,000				\$ 90,000			
	Station 2 Roof Replacement	NR	B		\$ 41,000					\$ 41,000		
	Station 3 Roof Replacement	NR	B		\$ 63,000					\$ 63,000		
Fire Department Subtotals					\$ 1,766,909	\$ 52,909	\$ 220,000	\$ 850,000	\$ 540,000	\$ 104,000		

Building Department											
03-021	Police Station Roof	NR	B	\$	47,840	\$	47,840				
03-108	Town Hall Bathrooms	NR	B	\$	30,000				\$	30,000	
03-025	Town Hall Boiler Replacement	NR	B	\$	60,000						
05-015	Atkinson Pool Roof & gutters	NR	B	\$	214,003				\$	214,003	
05-016	Town Hall Roof Repairs	NR	B	\$	39,600						
06-019	Fairbank Window Replacement	NR	D	\$	30,000						
07-01	Various Building Improvements	R	B	\$	217,925	\$	51,925	\$	46,000	\$	40,000
07-03	Town Hall Fire Alarm/Sprinkler	NR	B	\$	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
08-02	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 Rooftop 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 Parsonage Painting	R	B	\$	16,000						\$ 16,000
11-02	Police Station 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

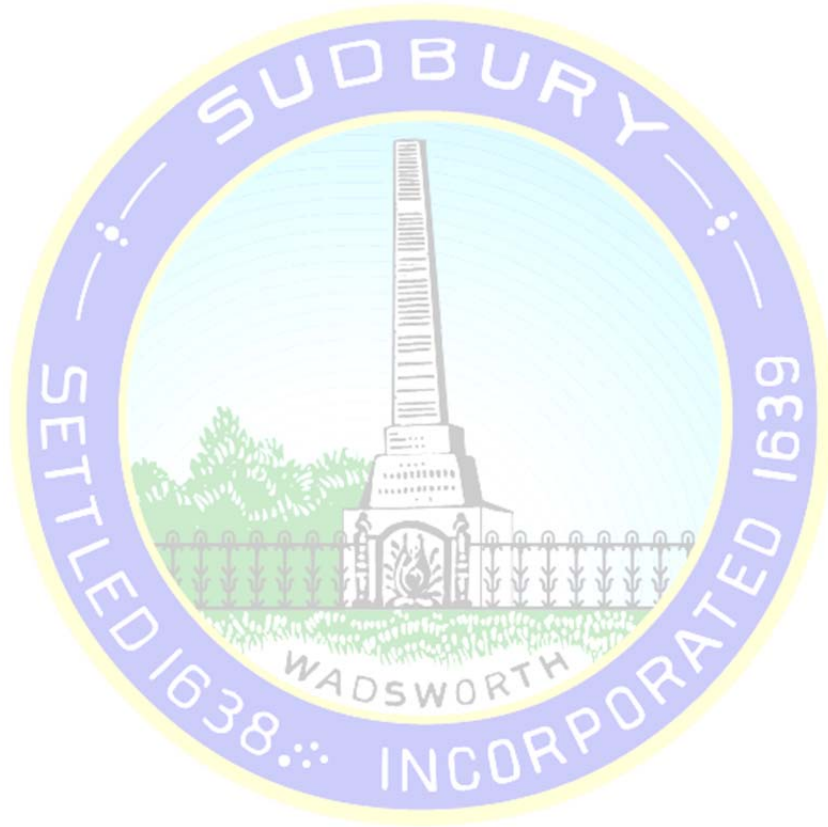
12-01	Hosmer House Roof	NR	B	\$	36,400				\$	36,400			
12-02	DPW Garage Roof	NR	B	\$	18,250							\$	18,250
12-03	Goodnow Library Roof	NR	B	\$	38,898			\$	17,548			\$	21,350
12-04	DPW Hiway Garage Roof	NR	B	\$	124,743			\$	101,346		\$	23,397	
12-05	Flynn Building Roof	NR	B	\$	33,746					\$	33,746		
12-06	South Fire Station Roof - B.Post Rd	NR	B	\$	41,057							\$	41,057
12-07	Main Fire Station Roof - Hudson R	NR	B	\$	90,295							\$	90,295
12-09	Carding Mill House Roof	NR	B	\$	15,600			\$	15,600				
12-10	DPW Office HVAC	NR	B	\$	30,000					\$	30,000		
13-1	Fairbank Fire Alarm replacement	NR	B	\$	95,000							\$	95,000
13-2	Fairbank - Fire Sprinkler System	NR	B	\$	200,000						\$	200,000	
13-3	Town Hall Reconstruction	NR	B	\$	6,000,000			\$	6,000,000				
13-4	Fairbank HVAC upgrade	NR	C	\$	151,000			\$	151,000				
13-5	Fairbank Pool Rooftop HVAC	NR	A	\$	250,000	\$	250,000						
13-6	Fairbank Roof Area No. 2	NR	A	\$	50,000	\$	50,000						
13-7	Fairbank - SPS HVAC Replaced	NR	B	\$	16,000			\$	16,000				
13-8	North Fire Sta Roof - North Rd	NR	B	\$	63,430							\$	63,430
13-9	Shed roof Storage - DPW	NR	C	\$	50,000			\$	50,000				
13-10	Town Hall Fire Sprinkler System	NR	C	\$	550,000						\$	550,000	
13-11	Town Hall Design Study	NR	B	\$	50,000	\$	50,000						
Building Department Subtotals				\$	10,046,887	\$	401,925	\$	7,129,434	\$	534,149	\$	1,245,647
												\$	735,732

Streets & Roads														
Conversion on GMC G-Quip	NR	B	\$	50,000	\$	50,000								
2006 Chevy Silverado Pick-Up	R	B	\$	43,000			\$	43,000						
2001 Chevy Silverado 1 Ton	R	B	\$	50,000			\$	50,000						
2001 Chevy Silverado 1 Ton	R	B	\$	53,000			\$	53,000						
2006 Chevy Silverado Pick-Up	R	B	\$	43,000					\$	43,000				
Tagalong Trailer - 20 Ton	R	B	\$	25,000					\$	25,000				
2005 Chevy Pick Up	R	B	\$	43,000					\$	43,000				
2002 Chevy 1 Ton P/U	R	B	\$	48,000					\$	48,000				
2002 Chevy Silverado - 1 Ton	R	B	\$	53,000						\$	53,000			
2003 Bobcat or Equivalent	R	B	\$	53,000						\$	53,000			
1984 Bombadier	R	B	\$	152,000	\$	30,400	\$	30,400	\$	30,400	\$	30,400	\$	30,400
1988 Mack Sander 6-Wheel	R	B	\$	116,000			\$	29,000	\$	29,000	\$	29,000	\$	29,000
1991 Mack Dump 6-Wheel	R	B	\$	145,000	\$	29,000		29,000	\$	29,000	\$	29,000	\$	29,000
1988 Bombadier Tractor	R	B	\$	121,600					\$	30,400	\$	30,400	\$	30,400
2000 Chevy 1 Ton Dump Truck	R	B	\$	44,000					\$	11,000	\$	11,000	\$	11,000
2000 Volvo Loader	R	B	\$	120,000					\$	30,000	\$	30,000	\$	30,000
1999 John Deere Backhoe	R	B	\$	108,000					\$	27,000	\$	27,000	\$	27,000
2005 Chevy Silverado 1 Ton	R	B	\$	30,000					\$	10,000	\$	10,000	\$	10,000
1991 GMC Top Kick	R	B	\$	60,000					\$	20,000	\$	20,000	\$	20,000
2004 GM 2400 Utility Truck	R	B	\$	25,500					\$	8,500	\$	8,500	\$	8,500
2004 Mack 6 Wheel Dump Truck	R	B	\$	54,000							\$	27,000	\$	27,000
2000 Mack 10 Whl Dump	R	B	\$	62,000							\$	31,000	\$	31,000
2004 Mack 6 Wheel Dump Truck	R	B	\$	54,000							\$	27,000	\$	27,000
1997 Bandit Chipper	R	B	\$	10,000									\$	10,000
2006 Mack 10-Wheel Dump	R	B	\$	38,000									\$	38,000
2005 Multi-Purpose Tractor	R	B	\$	29,000									\$	29,000
2011 Chevy One Ton Rack Body	R	B	\$	40,059	\$	10,015	\$	10,015	\$	10,015	\$	10,015		
2011 Freightliner 10-Wheel Dump	R	B	\$	124,187	\$	28,187	\$	32,000	\$	32,000	\$	32,000		
Kubota Tractor/Boom Flail Mower	R	B	\$	46,991	\$	15,664	\$	15,664	\$	15,664				
Elgin Pelican Sweeper	R	B	\$	99,706	\$	33,235	\$	33,236	\$	33,236				
2009 John Deere 544K Loader	R	B	\$	54,629	\$	27,315	\$	27,315						
2009 Chevy Pick-Up	R	B	\$	13,431	\$	6,715	\$	6,715						
2009 6-Wheel Dump Truck	R	B	\$	51,190	\$	25,595	\$	25,595						
2009 John Deere Backhoe	R	B	\$	25,183	\$	25,183								
2007 Mack 10-Wheel	R	B	\$	27,390	\$	27,390								
2009 MB Multi-Purpose Tractor	R	B	\$	25,231	\$	25,231								
Streets & Roads Subtotals			\$	2,138,097	\$	333,929	\$	483,339	\$	475,214	\$	458,315	\$	387,300

Parks & Grounds													
	3/4 or 1 ton Pick-Up Truck	R	B	\$	40,000			\$	40,000				
	One Storage Building	NR	B	\$	80,000			\$	80,000				
	2001 Chevy Dump 6-Wheel	R	B	\$	48,000			\$	48,000				
	2002 Chevrolet Pick-Up	R	B	\$	45,000					\$	45,000		
	2007 Chevrolet Pick-Up	R	B	\$	46,000							\$	46,000
	Landscape Tractor	R	B	\$	34,400					\$	8,600	\$	8,600
	1998 Jacobsen Gangmower	R	B	\$	24,000					\$	8,000	\$	8,000
	2011 Chevrolet Pick-Up	R	B	\$	33,387		\$	8,347	\$	8,347		\$	8,347
	2010 John Deere Tractor	R	B	\$	9,120		\$	4,560	\$	4,560			
	Parks & Grounds Subtotals			\$	359,908	\$	12,907	\$	189,507	\$	69,947	\$	70,947
Goodnow Library													
	Telephone Upgrade	R	C	\$	17,800	\$	17,800						
	Recarpeting Library	R	B	\$	80,000					\$	80,000		
	Interior Painting	R	B	\$	30,000					\$	30,000		
	Goodnow Library Subtotals			\$	127,800	\$	17,800	\$	-	\$	110,000	\$	-
Parks & Recreation													
	Building Renovations	NR	D	\$	20,000					\$	20,000		
	Feeley Field Improvements	NR	D,C	\$	400,000					\$	400,000		
	Davis Field Improvements	NR	D,C	\$	500,000					\$	500,000		
	Building Renovations	NR	B	\$	150,000							\$	150,000
	Pool Rehabilitation Project	NR	A,B	\$	238,700					\$	38,700	\$	200,000
	Building Expansion-Feasibility Study	NR	D	\$	25,000							\$	25,000
	Building Expansion	NR	A,C	\$	450,000								\$ 450,000
	Landscape Tractor	R	B	\$	34,400					\$	8,600	\$	8,600
	2010 John Deere Tractor	R	B	\$	9,120	\$	4,560	\$	4,560				
	Parks & Recreation Subtotals			\$	1,827,220	\$	4,560	\$	13,160	\$	967,300	\$	383,600
Transfer Station													
	Rolloff 10-Wheel Truck for Hazardous Waste	R	B	\$	155,000					\$	155,000		
	Transfer Station Subtotals			\$	155,000	\$	-	\$	155,000	\$	-	\$	-

Sudbury Public Schools										
		NR	B	\$ 55,000	\$ 55,000					
	Noyes Switch Gear Replacement									
	Curtis Inside /Outside Door Replacement	R	A, B	\$ 40,000		\$ 20,000	\$ 20,000			
	Curtis, Haynes, Nixon, Noyes, & Loring Flooring Repair & Replacement									
	Capital Roof Repairs (4 schools)	R	A, B	\$ 400,000		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
	Nixon Roof Replacement	R	B	\$ 110,000		\$ 110,000				
	Nixon replace windows in 1960 section inc. asbestos removal	R	B	\$ 524,546		\$ 524,546				
	Replace front and side Café Glass & Door	R	B, C	\$ 90,000		\$ 90,000				
	Haynes, Nixon & Noyes Heating System Control Upgrade	NR	C			\$ 60,000				
	Curtis Parking lot & Walk-way Replacement	R	A, B	\$ 225,000			\$ 225,000			
	Nixon Parking lot & Walk-way Replacement	R	A, B	\$ 150,000				\$ 150,000		
	Loring Parking lot & Walk-way Replacement	R	A, B	\$ 175,000					\$ 175,000	
	Generator Replacement - Noyes	R	A	\$ 85,000				\$ 85,000		
	Generator for Curtis	R	A	\$ 100,000			\$ 100,000			
	Loring Boiler Control w/Johnson DDC & modulating boiler control	NR	C	\$ 100,000					\$ 100,000	
	Curtis - 2 Condensing Units (Replacement)	R	B	\$ 65,000				\$ 65,000		
	Haynes Roof Replacement	R	B	\$ 975,000			\$ 975,000			
	Hayes Circulating Pump	NR	A, B	\$ 25,000					\$ 25,000	
	Nixon Septic Repair	R	A, B	-					X	
	Noyes Septic System	R	A, B	-					X	
	5 School Phone System									
	Compatible with Town	NR	D	\$ 125,000					\$ 125,000	
	Lawn Riding Tractor (Zero Turn)	R	B	\$ 18,000		\$ 18,000				
	1 tone Diesel Truck w/lift gate & Plow	R	A, B	\$ 50,000		\$ 50,000				
	Sudbury Public Schools Subtotals			\$ 3,497,546	\$ 55,000	\$ 1,097,546	\$ 1,420,000	\$ 400,000	\$ 525,000	
	GRAND TOTAL*			\$ 23,709,617	\$ 1,252,780	\$ 12,004,486	\$ 4,726,610	\$ 3,198,509	\$ 2,527,232	

Section Eight
Unclassified & Transfer Expenses



UNCLASSIFIED – Town Wide Operating Expenses

MISSION OF THE PROGRAM

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

DESCRIPTION OF SERVICES

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

STAFFING

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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
TOWN-WIDE OPERATING EXPENSES				
Copier Supplies & Service	7,600	8,883	12,500	9,500
Postage	34,143	37,938	38,900	38,900
Town Audit Fees	30,000	30,000	48,500	30,000
Telephone	15,310	19,679	20,000	32,325
Town Meetings and Elections	13,866	16,500	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
Total: Operating Expenses	106,619	118,700	142,100	132,925

BUDGET ISSUES

The FY13 budget is decreasing by \$9,175 compared to the FY12 budget. This budget includes a large decrease in audit fees to reflect the direct payment by SPS for a portion of Sudbury's annual audit. Telephone expense has been increased to accommodate the centralization of all charges relating to the Town's main telephone communications networks.

UNCLASSIFIED – Transfer Accounts

MISSION OF THE PROGRAM

Town Meeting is the appropriating body for the Town budget, and yet it usually only meets 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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
Transfer Accounts				
Reserve Fund	0	0	248,983	248,983
Salary Contingency	0	0	10,065	209,783
Total Transfer Accounts	0	0	259,048	458,766

BUDGET ISSUES

Reserve Fund - The FY13 budget is the same, compared to the original budget for FY12. (As reserves are used during the year, budget transfers are posted from the reserve account to the expense line items requiring additional funding. Reserve appropriations that are not expended during the fiscal year are closed out to Free Cash.

Salary Contingency - FY13 is the first year for the current three-year contracts for most of the Town's collective bargaining groups. 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.

Section Nine

Shared Programs & Costs



	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
SHARED PROGRAMS & COSTS				
Debt Service	6,568,173	6,417,501	6,076,932	5,937,549
Town/SPS Benefits & Insurance	10,138,123	10,234,256	11,130,333	10,680,551
Total Shared Programs & Costs	16,706,295	16,651,756	17,207,265	16,618,100

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 2012 is \$4,110,402,700. The normal debt limit (of 5% EQV) is therefore, \$205,520,135. As of June 30, 2012, the Town's permanent debt outstanding was \$31,970,000 (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, 2012, the Town has \$16,215,000 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 is considering another refunding for CPA bonds in FY13 that may yield a present value savings in excess of \$400,000 over the next 14 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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
DEBT SERVICE				
Short-term Loan Interest	7,620	-	-	-
Long Term Bond Int.	1,151,604	1,025,354	893,860	768,521
Long Term Bond Principal	3,110,000	3,155,000	2,990,000	3,030,000
Town Debt Service Subtotal	4,269,224	4,180,354	3,883,860	3,798,521
LSRHS Debt Service, Sudbury Portion	2,298,949	2,237,147	2,193,072	2,139,028
Total: Debt Service	6,568,173	6,417,501	6,076,932	5,937,549
NON-EXEMPT DEBT/ADJUSTMENTS				
Non-Exempt Debt Service	(7,620)	-	-	-
Premium on Bonds	(7,007)	(5,605)	(3,737)	(7,474)
SBAB Debt Reimbursement	(1,702,596)	(1,702,596)	(1,681,224)	(1,681,224)
Sub-Total: Non-exempt debt adjustments	(1,717,223)	(1,708,201)	(1,684,961)	(1,688,698)
Total Exempt Debt to be raised	4,850,950	4,709,300	4,391,971	4,248,851

BUDGET ISSUES

Total debt service including Sudbury's share of LSRHS debt continues to decline. The FY13 budget is decreasing in total by \$139,383, compared to the FY12 budget. This represents the amount of debt service (principal and interest) that Sudbury has to pay in FY13. The FY13 exempt debt calculation represents the net taxes to be raised (in addition to proposition 2 ½). The *tax levy* for debt service for FY13 will increase slightly by \$3,737 commensurate with bond premium amortization for the recent debt issues. Tax levy for exempt debt only lasts as long as the debt service to be paid. Therefore, an 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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
EMPLOYEE BENEFITS & INSURANCE				
Workers' Compensation	25,090	30,123	41,055	49,642
Town:	12,545	15,062	13,138	15,885
School:	12,545	15,062	27,917	33,757
Unemploy. Compensation	41,730	106,599	121,905	140,000
Town:	8,346	15,030	17,238	19,600
School:	33,384	91,569	104,667	120,400
Medicare Tax	421,241	442,938	483,624	498,133
Town:	130,585	137,311	146,150	144,459
School:	290,656	305,627	337,474	353,674
Life Insurance	3,620	3,531	4,343	4,430
Town:	1,194	1,165	1,650	1,683
School:	2,425	2,365	2,693	2,747
Employee Medical Premiums	5,946,450	5,706,281	6,144,460	5,476,773
Town:	1,868,155	1,945,343	2,056,074	1,901,765
Enterp Offsets	(30,953)	(29,595)	(33,146)	(20,062)
School:	4,109,248	3,790,533	4,121,532	3,595,070
Retiree Medical Premiums/ OPEB	782,694	883,488	1,021,396	904,884
Town:	295,076	333,075	385,081	350,406
School:	487,618	550,413	636,315	554,478
Employee Benefits Reserve	-	-	67,812	175,000
Town:	0	0	24,725	75,000
School:	0	0	43,087	100,000
Retirement Assessment	2,717,879	2,847,815	2,961,642	3,121,597
Town:	1,549,191	1,677,363	1,704,598	1,831,526
School:	1,168,688	1,170,452	1,257,044	1,290,071
Property/Liab. Insurance	199,420	213,481	284,096	310,092
Town:	99,710	106,740	142,048	155,046
School:	99,710	106,740	142,048	155,046
Total: Employee Benefits	10,138,123	10,234,255	11,130,333	10,680,551
Town:	3,933,849	4,201,494	4,457,556	4,475,308
School:	6,204,274	6,032,762	6,672,777	6,205,243

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
BENEFITS & INSURANCE				
Workers' Compensation	25,090	30,123	41,055	49,642
Unemployment Compensation	41,730	106,599	121,905	140,000
Medicare Tax	421,241	442,938	483,624	498,133
Life Insurance	3,620	3,531	4,343	4,430
Employee Medical Premiums	5,946,450	5,706,281	6,144,460	5,476,773
Retiree Medical Premiums/ OPEB	782,694	883,488	1,021,396	904,884
Employee Benefits Reserve	-	-	67,812	175,000
Retirement Assessment	2,717,879	2,847,815	2,961,642	3,121,597
Property/Liab. Insurance	199,420	213,481	284,096	310,092
New Hires Estimate	-	-	-	-
Total: Employee Benefits	10,138,123	10,234,255	11,130,333	10,680,551
	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
BENEFITS & INSURANCE				
Town	3,933,849	4,201,494	4,457,556	4,475,308
Schools	6,204,274	6,032,762	6,672,777	6,205,243
	10,138,123	10,234,256	11,130,333	10,680,551

BUDGET ISSUES

Workers' Compensation – The FY13 budget is increasing by \$8,587 compared to the FY12 budget. Sudbury runs this type of insurance program on a self-insurance basis. 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 FY13 budget is increasing by \$87 compared to the FY12 budget.

Unemployment – The FY13 budget is increasing by a total of \$18,095 compared to the FY12 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 FY13, 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 FY13 budget is increasing by \$14,509 compared to the FY12 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 FY13 budget is decreasing by \$784,199 compared to the FY12 budget. The Town (including SPS) has been able to reduce the rate of growth in healthcare costs since FY07 by, in order of adoption/implementation: (1) adopting M.G.L. C.32B S.18, (2) making significant plan design changes, (3) negotiating new contribution splits with all collective bargaining groups, (4) successfully adding a new, lower cost alternative, (5) offering existing active employees opt-out incentives and most recently (6) migrating to the GIC health insurance program as of July 1, 2012.

Employee Benefits Reserve - The FY13 budget for this temporary reserve is increasing by \$107,188 compared to the FY12 budget. In FY13, the Town and SPS are setting aside this amount in reserve, which represents further potential savings in health insurance. If necessary this balance in reserve will go towards paying for various benefit categories, or else may be transferred elsewhere within the Town (and SPS).

Retirement Program – The FY13 budget is increasing in by \$159,955 compared to the FY12 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 FY13 budget is increasing by \$25,996 compared to the FY12 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 (LOD) ***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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
STABILIZATION FUND				
Additions to Fund	0	0	0	0
Total Stabilization Fund	0	0	0	0

BUDGET ISSUES

Expenses–The FY13 budget is zero. Should an extraordinary need arise in FY13, 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 Ten

Unappropriated Accounts

– All other charges to be raised



OTHER CHARGES TO BE RAISED (OR UNAPPROPRIATED ACCOUNTS)

DESCRIPTION OF SERVICES

As we have seen throughout this document, almost everything Sudbury does is paid for by the General fund (which becomes part of the tax levy and part of your tax bill). Everything that Sudbury spends from General fund (and most funds, in fact) must be budgeted for. Going one-step further, almost everything Sudbury budgets for must be appropriated (authorized for expenditure) by Town Meeting. There are however, a few exceptions to the rules that govern the General fund and by extension the tax levy. This handful of items must be raised as part of the tax levy, but do not require appropriation. Instead, municipalities 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.

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
Other amounts to be raised				
Cherry Sheet Assessments	164,445	192,672	183,605	161,434
Cherry Sheet Offsets	32,413	31,509	34,013	32,672
Recap. Snow & Ice Deficits	0	0	0	100,000
Abatements & Exemptions	533,388	428,876	508,032	400,000
Overlay deficits of prior years	0	9,785	11,835	0
Other Charges to be Raised	730,246	662,842	737,485	694,106
Miscellaneous funded from prior years	0	0	300	0
Total Other Charges	730,246	662,842	737,785	694,106

BUDGET ISSUES

Cherry Sheet Charges

FY13 Estimate: \$161,434

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

FY13 Estimate: \$32,672

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**FY13 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**FY13 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).

Overlay Deficits from Prior Years**FY13 Estimate: \$0**

This is an amount which is added to the property tax levy when request for abatements or exemptions exceeds the overlay reserve for any prior year's tax levy. Such instances are rare and involve amounts of personal property taxes deemed uncollectible.

Section Eleven

Enterprise Funds





Transfer Station/Recycle Center



Atkinson Pool



Recreational Field Maintenance

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
ENTERPRISE FUND EXPENDITURES				
Transfer Station	256,534	260,805	290,389	297,461
Pool	455,118	485,381	517,230	516,197
Recreation Field Maintenance	113,606	150,908	309,614	217,260
Total Enterprises (Direct)	825,257	897,094	1,117,234	1,030,918
	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
ENTERPRISE FUND REVENUES				
Transfer Station	297,529	330,644	290,389	297,461
Pool	474,265	487,506	517,230	516,197
Recreation Field Maintenance	170,493	183,976	309,614	217,260
Total Enterprises (Direct)	942,286	1,002,125	1,117,233	1,030,918

ENTERPRISE FUNDS: Transfer Station/Recycling Center

MISSION OF THE ENTERPRISE

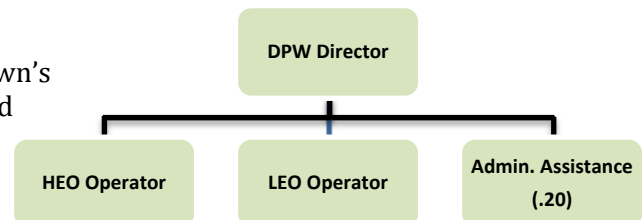
The Enterprise mission is to operate a secure, safe and environmentally friendly Transfer Facility for the residents of Sudbury to properly dispose of and/or recycle common household items and non-hazardous waste. The station provides excellent recycling opportunities in which residents can exercise 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 (2.2 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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
TRANSFER STATION ENTERPRISE FUND				
Non-Clerical	86,826	95,774	98,708	99,876
Overtime	7,300	5,851	7,000	7,000
Stipends	0	4,095	4,095	4,095
Clerical	8,269	8,686	9,086	8,890
Sub Total: Personal Services	102,396	114,406	118,889	119,861
General Expense	15,253	18,591	19,000	20,150
Maintenance	13,547	18,228	25,000	30,450
Hauling & Disposal	104,017	95,331	106,000	107,000
Resource Recovery	21,321	14,249	21,500	20,000
Sub Total: Expenses	154,138	146,399	171,500	177,600
Direct Costs (Budget)	256,534	260,805	290,389	297,461
INDIRECT COSTS: (Not Budget)				
Benefits/Insurance	30,953	29,595	33,146	20,062
Indirect Costs*	30,953	29,595	33,146	20,062
TOTAL: TRANSFER STATION ENTERPRISE	287,487	290,400	323,535	317,523

* Budget within unclassified benefits budget.

BUDGET ISSUES

Personal Services - The FY13 budget is increasing by \$972 compared to the FY12 budget. This budget provides for the same level of staffing as FY12.

Expenses - The FY13 budget for direct expenses is increasing by \$6,00 compared to the FY12 budget. The budget for indirect costs of \$20,062 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

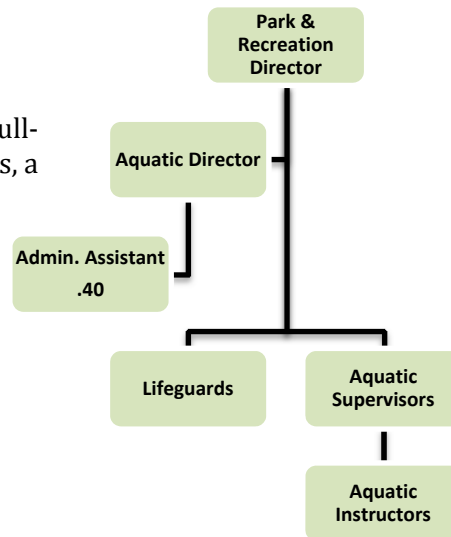
The mission of the Atkinson Pool is to provide aquatic activities, fitness swimming, and leisure services to the public. The Pool strives to enhance the quality of life for Town of Sudbury residents by providing a clean, safe and attractive aquatic facility that promotes a strong sense of community.

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 (10.6 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	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

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
POOL ENTERPRISE FUND				
Non-Clerical	152,684	159,627	165,280	167,264
Head Lifeguards	35,124	36,189	37,868	37,875
Overtime	529	0	800	1,200
Clerical	17,791	18,487	18,848	18,855
Part Time Supervisors	5,712	6,652	8,092	8,092
Receptionists	21,045	20,184	24,143	24,143
WSI Lifeguards	55,975	59,751	65,644	68,000
Sick Leave Buyback	289	578	730	1,943
Instructors	11,367	12,150	12,825	12,825
Sub Total: Personal Services	300,516	313,619	334,230	340,197
General Expense	9,754	16,680	33,000	38,000
Utilities	91,871	97,651	97,000	98,000
Maintenance	49,210	50,999	23,000	30,000
Programs	3,767	1,797	6,000	4,000
Equipment	0	4,636	4,000	6,000
Sub Total: Expenses	154,602	171,762	163,000	176,000
Building improvements	0	0	20,000	0
Sub Total: Capital Expenses	0	0	20,000	0
Direct Costs (Budget)	455,118	485,381	517,230	516,197
INDIRECT COSTS: (Not Budget)				
Insurance & Benefits	61,905	55,841	62,542	64,441
Indirect Costs*	61,905	55,841	62,542	64,441
TOTAL: POOL ENTERPRISE	517,023	541,222	579,772	580,638

* Budget within unclassified benefits budget.

BUDGET ISSUES

Personal Services – The FY13 budget is increasing by \$5,967 compared to the FY12 budget. This budget provides for the same level of personnel as the FY12 budget.

Expenses – The FY13 budget for direct expenses is decreasing by \$7,000, compared to the FY12 budget. The budget for indirect costs of \$64,441 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 and 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 (2.5 FTE's Allocated)

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	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%

	FY10	FY11	FY12	FY13
	Actual	Actual	Appropriated	Appropriated
RECREATION FIELD MAINTENANCE ENTERPRISE FUND				
Clerical	0	0	23,653	0
Non-Clerical ¹	0	32,495	108,918	91,030
Summer Help	7,383	16,665	11,000	6,669
Sub Total: Personal Services	7,383	49,160	143,571	97,699
Field Maintenance	57,545	53,009	75,000	75,000
Park Maintenance	24,790	26,403	30,000	30,000
Utilities	13,138	8,846	20,000	10,000
Office Expense	0	0	1,500	0
General Expense	10,750	8,930	34,982	0
Sub Total: Expenses	106,223	97,189	161,482	115,000
Capital Expense	0	4,559	4,561	4,561
Sub Total: Capital Expenses	0	4,559	4,561	4,561
Direct Costs (Budget)	113,606	150,908	309,614	217,260
INDIRECT COSTS: (Not Budget)				
Insurance & Benefits	0	0	0	0
Indirect Costs*	0	0	0	0
TOTAL: RECR FIELD MAINT ENTRP	113,606	150,908	309,614	217,260

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 FY13 budget is decreasing by \$45,872 compared to the FY12 budget. This budget provides seasonal work provided by DPW staff specifically for public recreational field maintenance. The allocation of wages for DPW personnel is decreasing for FY13.

Expenses – The FY13 budget for direct expenses is decreasing by \$46,482 compared to the FY12 budget. The budget represents a decrease in the allocation of benefits for DPW personnel. At the present level of user fees, the Enterprise does not have enough revenue to pay for a portion of 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 FTE Housing Specialist, .29 FTE allocation for the Assistant Planner, and the Director of Planning and Community Development, as needed.

	FY10	FY11	FY12	FY13
CPA Operating	Actual	Actual	Appropriated	Appropriated
Salaries & Wages	41,644	45,095	50,000	24,000
Administrative Expenses	27,619	14,939	35,000	30,121
Debt Service	1,119,954	1,052,035	1,226,556	5,521,498
Total: CPA Operating Expense ¹	1,189,217	1,112,068	1,311,556	5,575,619
	FY10	FY11	FY12	FY13
CPA Capital Projects	Actual	Actual	Appropriated	Appropriated
Capital Project Expense	371,981	1,622,246	1,020,000	9,022,500
Total: CPA Capital Projects ^{2,3}	371,981	1,622,246	1,020,000	9,022,500
Total CPA Expenses Only ¹	1,561,198	2,734,314	2,331,556	14,598,119
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. 3. Capital projects that require borrowing do not show up in CPA operating until debt service is due.				
	FY10	FY11	FY12	FY13
CPA Articles	Actual	Actual	Appropriated	Appropriated
Open/Recreational Space	25,000	200,000	160,000	8,222,500
Historic Resources	18,000	167,795	154,000	223,000
Community Housing	378,000	180,000	190,000	200,000
Total: CPA Articles	421,000	547,795	504,000	8,645,500

BUDGET ISSUES

Personal Services – The FY13 budget is decreasing by \$26,000 compared to the FY12 budget. This budget provides for a lower level of salary allocation to CPA than in FY12.

Expenses – The FY13 budget for other expenses is increasing by \$4,290,063 compared to the FY12 budget. The significant increase in debt service is to pay off previous debt issues.

Capital Project Expenditures – The FY13 budget for capital expense is increasing by \$8,002,500, compared to the FY12 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.

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. Capital article appropriations for FY13 include the purchase of a conservation restriction for Pantry Brook Farm with an estimated cost to the Town of Sudbury of \$7.82 million. The Town hopes to receive as much as \$400,000 reimbursement from the State's CPA grants program. 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 FTE Housing Specialists along with assistance from the Director of Planning & Community Development, as needed.

	FY10	FY11	FY12	FY13
SUDBURY HOUSING TRS	Actual	Actual	Appropriated	Appropriated
Salaries & Wages	37,247	34,957	42,000	30,000
General Expenses	227,951	192,444	358,000	495,000
Total: SHT Operating Expense¹	265,198	227,401	400,000	525,000
1. Represents expenditures made year-to-year not capital appropriations made at Town Meeting. Capital articles may stay open for several years. Budget for expenditures may vary greatly from actual capital expenditures depending on project progress.				

BUDGET ISSUES

Personal Services – The FY13 budget is decreasing by \$12,000 compared to the FY12 budget.

Expenses – The FY13 budget for expenses is increasing in total by \$137,000 compared to the FY12 budget. Approximately \$50,000 of expenses for FY13 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 SHT 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).

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
FTMS	Financial Trend Monitoring System
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
LOD	Line of Duty

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
NOO	Net OPEB Obligation
NYSE	New York Stock Exchange
OFS	Operating Funding Sources
OPEB	Other Post-Employment Benefits
PC	Personal Computer
PEC	Public Employees Committee
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
SWMP	Storm Water Management Program
TAC	Technical Advisory Committee
TMDL	Total Maximum Daily Load
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

Phase	CY 2011						CY 2012						
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Policy/Strategy													
Financial Capacity													
Needs Assessment													
Town Budget Development/Review													
Consolidated Budget and Financing Plan Development													
FinCom Review													
Appropriation													
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 200 lists key milestone dates for the FY13 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

FY13 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.

2011

Sep 16	Town Manager issues capital budget letter to town departments and SPS
Oct 3	Capital requests due to Town Manager
Oct 7	CIP draft compilation report completed, distributed to department heads
Oct 13	CIP staff committee meets
Oct 26	Town Manager submits capital request report to CIPC
Oct 27	Finance Committee Budget memorandum distributed to all cost centers
Nov 4	Town Manager issues budget instructions to department heads, committee chairs
Nov 28	Municipal Department & Committee Operating budget requests due at Finance Director's Office
Dec 7 & 8	Budget hearings with Town Manager and Finance Director
Dec 14&15	CIP Committee holds hearings

2012

Jan 4	CIP Committee votes a recommended CIPC budget/ project list
Jan 13	CIP Committee submits recommended capital budget/project list, due to Town Manager, Selectmen and Finance Committee
Jan 13	Town, Lincoln-Sudbury Regional High School, Sudbury Public Schools operating budgets due to Finance Director
Jan 31	Town Finance Director delivers comprehensive FY2013 Proposed Budget and Financing Plan delivered to Finance Committee, Board of Selectmen
Feb 14	CIP Committee meet with Selectmen to review submitted CIPC budget and projects list
Feb 6-Feb 29	Finance Committee holds public hearings on operating and capital budget requests
Mar 1	Finance Committee votes operating and capital budget recommendations
Mar 5	All Finance Committee reports due to Finance Director
Mar 12	All Finance Committee reports due to Selectmen's Office
April 13	Town Meeting Warrant and Report of the Finance Committee mailed to residents
May 7-9	Town Meeting - consideration of FY13 operating and capital budget; enactment of appropriations, budget amendments to FY12 budget, if any
June	Board of Selectmen to vote to accept final FY13 Goals
July 1	FY2013 Budget takes effect

**SUDBURY FINANCE COMMITTEE
FY13 Budget Hearing Schedule**

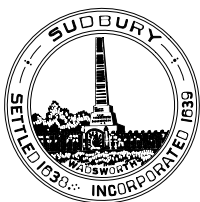
Sudbury Budget Hearings

Day	Date	Meeting Description	Location
Thursday	February 3, 2011 - 7:30 PM	Joint Meeting with Lincoln FinCom	Town Hall
Monday	February 7, 2011 - 7:30 PM	Minuteman, CPA, & CIPC Hearings	Grange Hall
Thursday	February 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	February 14, 2011 - 7:00 PM	Presentation of the no override budgets by the 3 cost centers.	Town Hall
Thursday	February 17, 2011 - 7:30 PM	Other Articles; Finance Committee deliberations	Flynn
Tuesday	March 1, 2011 - 7:45 PM - 8:30 PM	Joint Board of Selectmen / Finance Committee meeting	Town Hall
		Finance Committee final votes	Flynn
Wednesday	March 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 6:30PM

E. Budget Instructions

SUDBURY FINANCE COMMITTEE INSTRUCTION LETTER FOR FY13



Town of Sudbury Finance Committee

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

November 1, 2011

To: Board of Selectmen of the Town of Sudbury
Mr. Jeffrey Beeler, Chair of the Sudbury Public School Committee
Mr. Scott Carpenter, Superintendent of Lincoln-Sudbury Regional High School
Mr. Theodore H. Fedynyshyn, Chair of the Capital Improvement Planning Committee
Mr. David R. Manjarrez, Minuteman Regional High School Representative
Ms. Nancy Marshall, Chair of the Lincoln Sudbury Regional School District Committee
Ms. Maureen Valente, Town Manager for the Town of Sudbury
Dr. Anne Wilson, Superintendent of the Sudbury Public Schools

RE: FY 2013 Budget Guidelines

Dear Town and School Officials and Administrators:

The Finance Committee (the “Committee”) looks forward to working with you on the FY13 budget. The municipal budgeting process follows up a challenging FY12 process with a budget year that currently projects to be just as challenging given continued economic uncertainty at the state and federal level. 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 13th**, to be provided on 3-hole punched paper. For FY13, the FinCom requests that an initial “No Override” budget submission be prepared that assumes an increase no greater than 2.5% over the FY12 budget (including pension and insurance costs). This preliminary projection will be refined throughout the budget process as we obtain additional information regarding State Aid and other revenue assumptions leading up to our Annual Town Meeting in May 2012. Consistent with past budgets, cost centers may also submit a “Roll-Up” or “Level Staff” budget for consideration.

While we recognize that each cost center has certain unique characteristics, it is important that there be a level of consistency in which all budget submissions are prepared. As a result, we ask that you assume the following when constructing your budget submissions:

- no cost of living increase (i.e. COLAs) when forecasting your compensation costs for FY13;
- normal salary steps given your current employee demographic;
- your best estimate of expected health and benefit costs increases or decreases - please clearly document those assumptions in your submission; and
- your best estimate of utilities and, where applicable, transportation and special education cost increases or decreases – again, please clearly document those assumptions in your submission.

In addition, from a longer term planning perspective, the conditions surrounding our collective revenue forecast are not expected to show much improvement given continued economic uncertainty. As a result, consistent with revenue forecast assumptions, we recommend that you assume 2.5% annual budget growth over the next three fiscal years (FY13-FY15) for planning purposes. Please refer to Exhibit I for a summary of the drivers of the revenue forecast.

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 II 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 19th**. 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 9th**: FinCom budget liaisons to meet with their respective Cost Centers to review the answers and information requested above. **If the meeting cannot be scheduled prior to December 9th, please plan to provide the information to your Liaison in electronic form by that date so that they can make it available to the full Finance Committee so that everyone may begin reviewing it in advance of the next FinCom meeting.** From this information, the Committee will look to review cost trends and determine if costs are tracking in line with budgeted expectations, what unexpected costs or events have occurred, and what impacts these may have on FY13 budget requests.

December 19th: 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**

19th 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 19th FinCom meeting.

By **January 13th**, submission of the FY13 No Override and, if applicable, the FY13 Roll-Up/Level Staff budget.

By **January 31st**, the addition of FY13 No Override and, if applicable, the FY13 Roll-Up/Level Staff budget numbers to the FinCom spreadsheet, to be delivered in electronic form.

We hope that this process will again allow for greater input and information flow prior to formal hearings in 2012. 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: Three Year No Override Revenue Forecast Assumptions

Set forth below is a summary of the drivers resulting in FinCom's revenue growth projection of 2.5% per annum over the next three fiscal years (FY13 to FY15) as shown in the Table 1.

Table 1

	FY11	FY12	FY13 Forecast	FY14 Forecast	FY15 Forecast	FY12 to FY15 CAGR
State Aid	\$ 5,537,686	\$ 5,410,602	\$ 5,275,337	\$ 5,143,454	\$ 5,014,867	-2.5%
Levy for General Use	62,729,996	64,648,246	66,614,452	68,629,813	70,695,559	3.0%
Local Receipts	3,652,860	3,657,581	3,657,581	3,657,581	3,657,581	0.0%
	\$ 71,920,542.00	\$ 73,716,429.00	\$ 75,547,370.00	\$ 77,430,848.00	\$ 79,368,007.00	2.5%
	<i>Annual Growth</i>	2.50%	2.48%	2.49%	2.50%	

While discussions continue regarding opportunities to diversify our tax base, as evidenced by Table 2 below the vast majority of tax revenues continue to come from property taxes, both residential and commercial. Fortunately, from a forecasting perspective, growth of these tax revenues has been fairly consistent over the past several years. Including new growth, revenues from property taxes have grown at an annual rate of approximately 3% per annum and are expected to continue to do so over the next three years.

While difficult to forecast, the reality is that State Aid is a relatively small component of our overall tax base and has declined each of the last three years. As a result, we have assumed a decline of (2.5%) per annum over the forecast period. The last and smallest component of our tax base, local receipts, has been fairly flat over the past several years so we have assumed no growth in local receipts over the forecast period.

Table 2

FY12 Projected Revenues \$ in Millions		
Property Taxes	\$64.6	88%
State Aid	5.4	7%
Local Receipts	3.7	5%
Total	\$73.7	100%

Exhibit II: Questions and information to discuss prior to the formal budget submission

- 1) An update on the impact of the FY12 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 FY12 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 \$25,000 received for FY12, 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 FY12 budget and their potential to impact the FY13 budget.
- 5) An update of any new or existing cost savings/revenue enhancement programs or initiatives presented during the last budget process.
- 6) Any new cost savings/revenue enhancement programs or initiatives being contemplated for the FY13 budget and their projected monetary impacts, if available.
- 7) Actual student enrollment statistics vs. budgeted.
- 8) An update to the "FinCom Spreadsheet" (an electronic copy of which will be distributed separately).
- 9) An update to the compensation information on highly paid employees contained in Appendix III of the April 2011 Warrant to include FY11 data.

F. Community Profile

SUDBURY AT A GLANCE

SETTLED:	1638 - Incorporated 1639; 373 years old in 2012	
POPULATION 2011:	18,160	VOTERS: 11,803
AREA:	24.7 Square Miles	DENSITY: 726 per Sq. Mile
ELEVATION:	190 Feet	
FY2012 BUDGET:	Operating Budget:	\$79,099,861
	Capital Budget:	538,947
	Other items to be raised	<u>1,234,281</u>
	TOTAL BUDGET:	\$80,873,089
TAX RATES:	FY2012:	\$17.60 Residential; \$22.95 Commercial/Ind./Personal Property
	FY2011:	\$17.03 Residential; \$22.27 Commercial/Ind./Personal Property
	FY2010:	\$16.08 Residential; \$20.13 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.

Radha R. Gargeya
Elena M. Kleifges
Nancy F. Marshall
Kevin J. Matthews
Patricia M. Mostue
Geraldine Quirk

Moderator

Myron J. Fox, Esq.

Park and Recreation Commission

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

Planning Board

Patricia A. Brown
Michael C. Fee
Michael J. Hunter
Christopher Morely
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

Robert CG Armour
Lisa A. Gutch
Richard J. Robison
Lucie S. St. George
Ellen S. Winer

Sudbury Water District Commission

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

PERMANENT TOWN BOARDS AND COMMITTEES

<u>Title</u>	<u>Appointed By</u>
Agricultural Commission	Selectmen
Board of Appeals	Selectmen
Board of Assessors	Elected
Board of Health	Elected
Board of Registrars	Selectmen
Board of Selectmen	Elected
Capital Improvement Planning Committee	Selectmen & Town Manager
Commission on Disability	Town Manager
Committee for the Preservation and Management of Town Documents	Selectmen
Community Preservation Committee	Selectmen
Conservation Commission	Town Manager
Constables	Selectmen
Council on Aging	Selectmen
Earth Removal Board	Selectmen
Energy & Sustainability Green Ribbon Committee	Selectmen
Finance Committee	Moderator
Goodnow Library Trustees	Elected
Historic Districts Commission	Selectmen
Historical Commission	Town Manager
Land Acquisition Review Committee	Selectmen
Lincoln-Sudbury Regional School District Committee	Elected
Local Emergency Planning Committee	Selectmen
Memorial Day Committee	Selectmen
Park and Recreation Commission	Elected
Permanent Building Committee	Selectmen
Permanent Landscape Committee	Selectmen
Ponds and Waterways Committee	Selectmen
Rail Trail Conversion Advisory Committee	Selectmen
September 11 th Memorial Garden Oversight Committee	Town Manager
Sewer Assessment Study Citizens Advisory	Selectmen
Sewer Assessment Technical Committee	Selectmen
Stormwater Compliance Committee	Town Manager
Sudbury Center Improvement Advisory Committee	Selectmen
Sudbury Cultural Council	Selectmen
Sudbury Day Committee	Selectmen
Sudbury Employees Group Insurance Advisory Committee	Selectmen
Sudbury Housing Authority	Elected
Sudbury Housing Trust	Selectmen
Sudbury School Committee	Elected
Sudbury Water District Commission	Elected
Town Report Committee	Selectmen
Traffic Safety Coordinating Committee	Selectmen
Trench Permitting Authority	Town Manager
Veterans' Advisory Committee	Selectmen
Youth Commission	Selectmen

FEDERAL, STATE AND COUNTY OFFICIALS

<u>Title/Position</u>		<u>Residence</u>	<u>Office Tel. No.</u>
<u>United States of America</u>			
President	Barack H. Obama	Washington, DC	(202) 456-1414
Vice President	Joseph R. Biden, Jr.	Washington, DC	(202) 456-2326
Senators	Scott P. Brown	Boston	(617) 565-3170
	John F. Kerry	Boston	(617) 565-8519
Representative 5 th Congressional District	Nicola S. Tsongas	Lowell	(978) 459-0101
<u>Commonwealth of Massachusetts</u>			
Governor	Deval Patrick	Milton	(617) 725-4000
Lt. Governor	Timothy Murray	Worcester	(617) 725-4005
Secretary of State	William F. Galvin	Boston	(617) 727-9180
Registrar of Deeds Middlesex Southern District	Eugene C. Brune	Somerville	(617) 679-6310
Treasurer and Receiver General County Treasurer/Chairman, Retirement Bd.	Timothy P. Cahill	Quincy	(617) 367-6900
Middlesex Retirement Board Chairman	Thomas F. Gibson	Watertown	(978) 439-3006
Attorney General	Martha Coakley	Medford	(617) 727-2200
Auditor	A. Joseph DeNucci	Newton	(617) 727-2075
Clerk of Courts	Michael A. Sullivan	Cambridge	(617) 494-4047
Councillor 3 rd District	Marilyn Petitto Devaney	Watertown	(617) 727-2756
District Attorney Northern District	Gerard T. Leone, Jr.	Hopkinton	(617) 494-4050
Registry of Probate/Insolvency	Tara E. DeCristofaro	Medford	(617) 768-5800
Senators in General Court: 3 rd Middlesex District	Susan C. Fargo (Pct. 1 & 4)	Lincoln	(617) 722-1572
Middlesex & Worcester	James G. Eldridge (Pct. 2, 3 & 5)	Acton	(617) 722-1120
Representative in General Court: 13 th Middlesex District	Thomas P. Conroy	Wayland	(617) 722-2000
Sheriff (of Middlesex County)	James V. DiPaola	Malden	(617) 494-4400

ECONOMIC AND DEMOGRAPHIC CHARACTERISTICS

Property Valuation

Property Classification	FY10 Assessed Valuation	% of Total Assessed Valuation	FY11 Assessed Valuation	% of Total Assessed Valuation	FY12 Assessed Valuation	% of Total Assessed Valuation
Residential	\$ 3,719,642,603	92.9%	\$ 3,599,570,656	92.9%	\$ 3,566,779,121	92.9%
Commercial	\$ 156,881,214	3.9%	\$ 145,535,412	3.8%	\$ 145,365,519	3.8%
Industrial	\$ 64,300,000	1.6%	\$ 60,872,200	1.6%	\$ 59,764,900	1.6%
Personal	\$ 62,837,650	1.6%	\$ 68,303,560	1.8%	\$ 66,426,000	1.7%
Total	\$ 4,003,661,467	100.0%	\$ 3,874,281,828	100.0%	\$ 3,838,335,540	100.0%

Largest Taxpayers

Largest Taxpayers, FY11	Nature of Business	Total Assessed Valuation, FY12	Amount of Tax	Percent of Levy
BOSTON EDISON COMPANY	Utility	29,956,650	687,505	1.00%
RAYTHEON COMPANY	Research & Development	29,686,200	681,298	0.99%
VERIZON NEW ENGLAND INC	Utility	17,213,500	395,050	0.57%
PARIS TRUST LLC	Manufacturer	13,435,900	308,354	0.45%
SUDBURY CROSSING LIMITED	Shopping Center	11,024,500	253,012	0.37%
RICHARDSON CHRISTINE L TRS	Shopping Center	8,903,900	204,345	0.30%
PRI-LONGFELLOW GLENN LLC	Apartments	11,088,000	200,950	0.29%
DOWIE WILLIAM J TRUSTEE	Real Estate Holdings	10,117,200	181,574	0.26%
BOSTON GAS COMPANY	Utility	7,587,550	174,134	0.25%
RICHARD J BOSSE HOLDINGS LLC	Health Club	6,646,300	152,533	0.22%
		\$145,659,700	\$3,238,755	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. *	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
* Seasonal business.		

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, County 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, FY11	3,487,160	286,943	8.2%
Massachusetts, May 2012*	3,458,700	209,200	6.0%
Middlesex County, June 2011*	835,670	53,102	6.4%
Middlesex County, May 2012*	831,104	38,238	4.6%
Sudbury, FY09	8,564	510	6.0%
Sudbury, FY10	8,634	507	5.9%
Sudbury, FY11	8,575	424	4.9%
Sudbury, May 2012*	8,696	335	3.9%
*Seasonally adjusted, from http://www.mass.gov/lwd/			

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

Population 2000-2009 American Community Survey		
	Number	%
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.

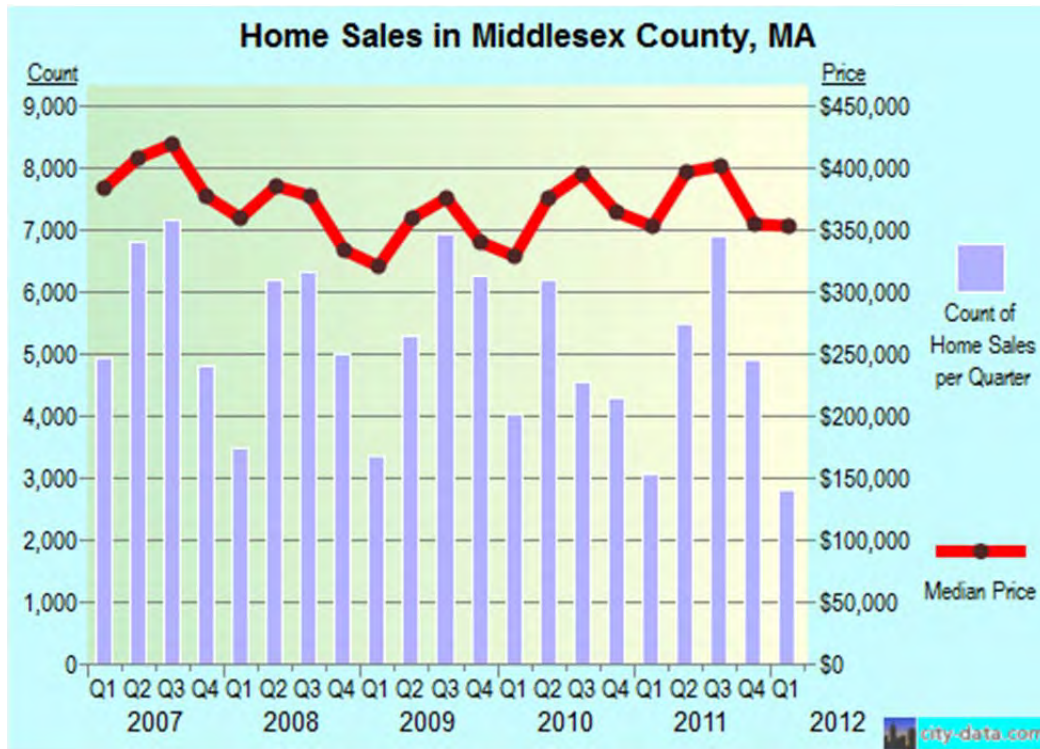
Population 2000-2009 American Community Survey		
Educational Attainment	Number	Percent
Population 25 years and over		
Less than 9th grade	49	0.50%
9th to 12th grade, no diploma	265	2.50%
High school graduate (includes equivalency)	1,078	10.10%
Some college, no degree	1,030	9.60%
Associate's degree	475	4.40%
Bachelor's degree	3,619	33.80%
Graduate or professional degree	4,192	39.10%
Total	10,708	100.0%
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
<i>Race alone or in combination with one or more other races</i>		
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%

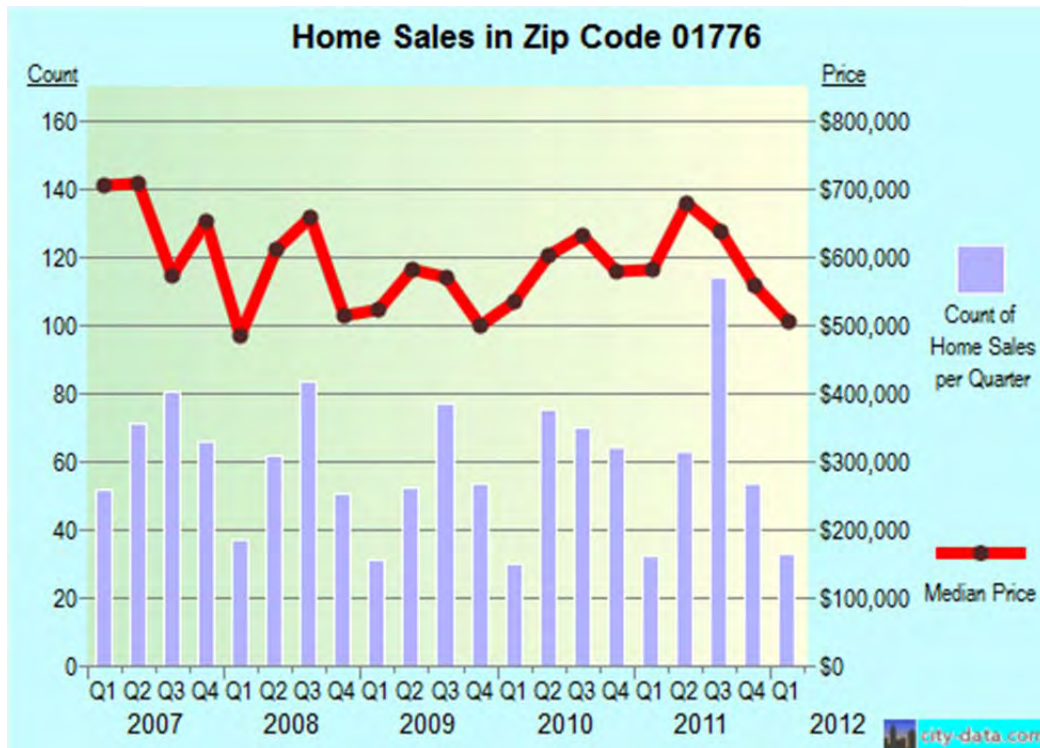
Home Sales, County

Source: http://www.city-data.com/county/Middlesex_County-MA.html



Home Sales, Town

Source: <http://www.city-data.com/zip/01776.html>



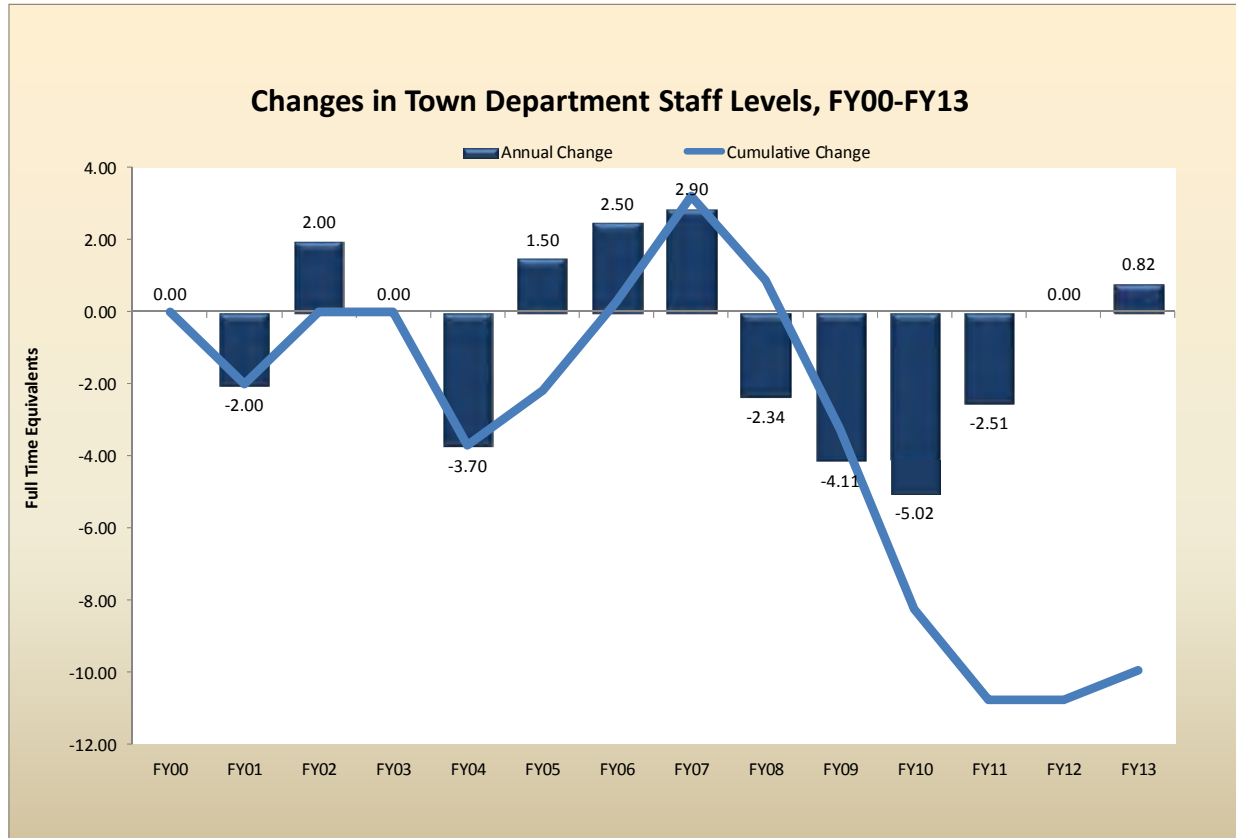
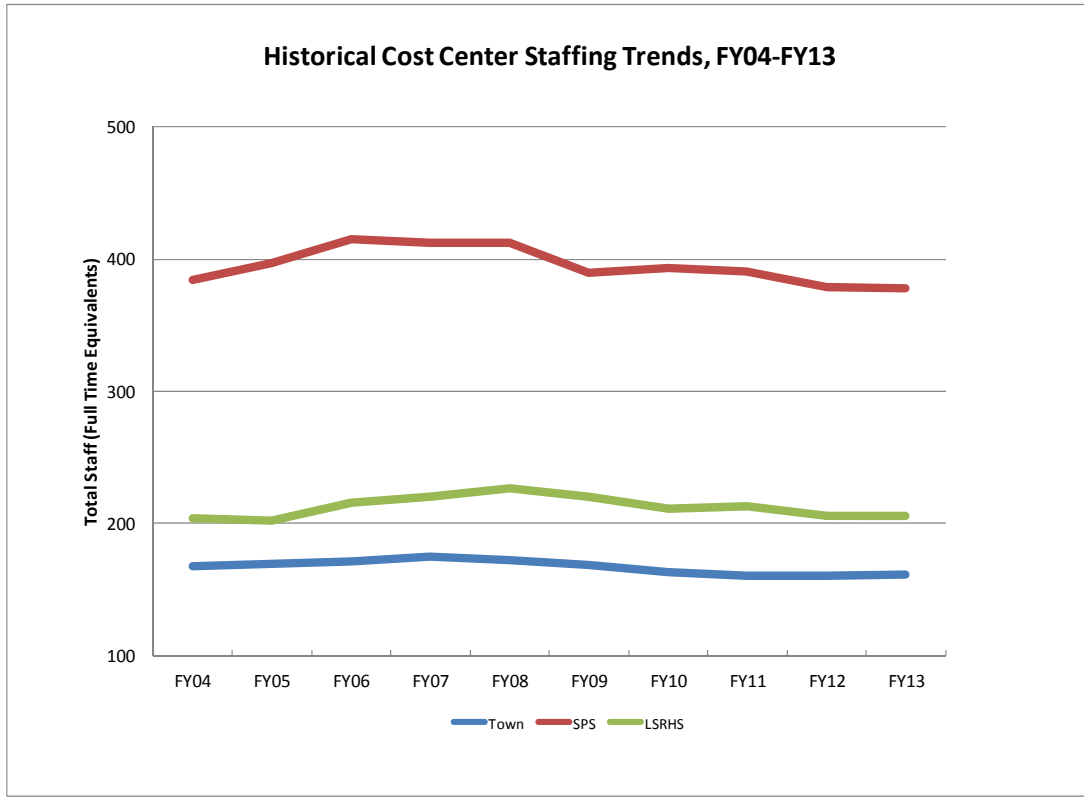
EMPLOYEE HEADCOUNT INFORMATION

Headcount, Recent

Cost Center	EMPLOYEE HEADCOUNT (Full Time Equivalents)			
	FY10 Actual	FY11 Actual	FY12 Current	FY13 Budget
LSRHS*	211.54	213.18	205.29	205.29
	-3.8%	0.8%	-3.7%	0.0%
Sudbury K-8 Schools *	393.31	390.57	379.21	377.71
	0.9%	-0.7%	-2.9%	-0.4%
Public Safety	77.93	77.93	77.93	78.94
Public Works	32.03	30.03	30.03	30.03
General Government	30.29	30.29	30.29	30.12
Human Services	6.08	6.08	6.08	6.08
Culture & Recreation	16.80	16.29	16.29	16.27
Town Operating Sub-total	163.13	160.62	160.62	161.44
	-3.0%	-1.5%	0.0%	0.5%
Town Enterprises	12.61	15.12	15.12	15.26
	0.0%	19.9%	0.0%	0.9%
TOTAL	780.59	779.49	760.24	759.70
% Change from Prior	-1.3%	-0.1%	-2.5%	-0.1%

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

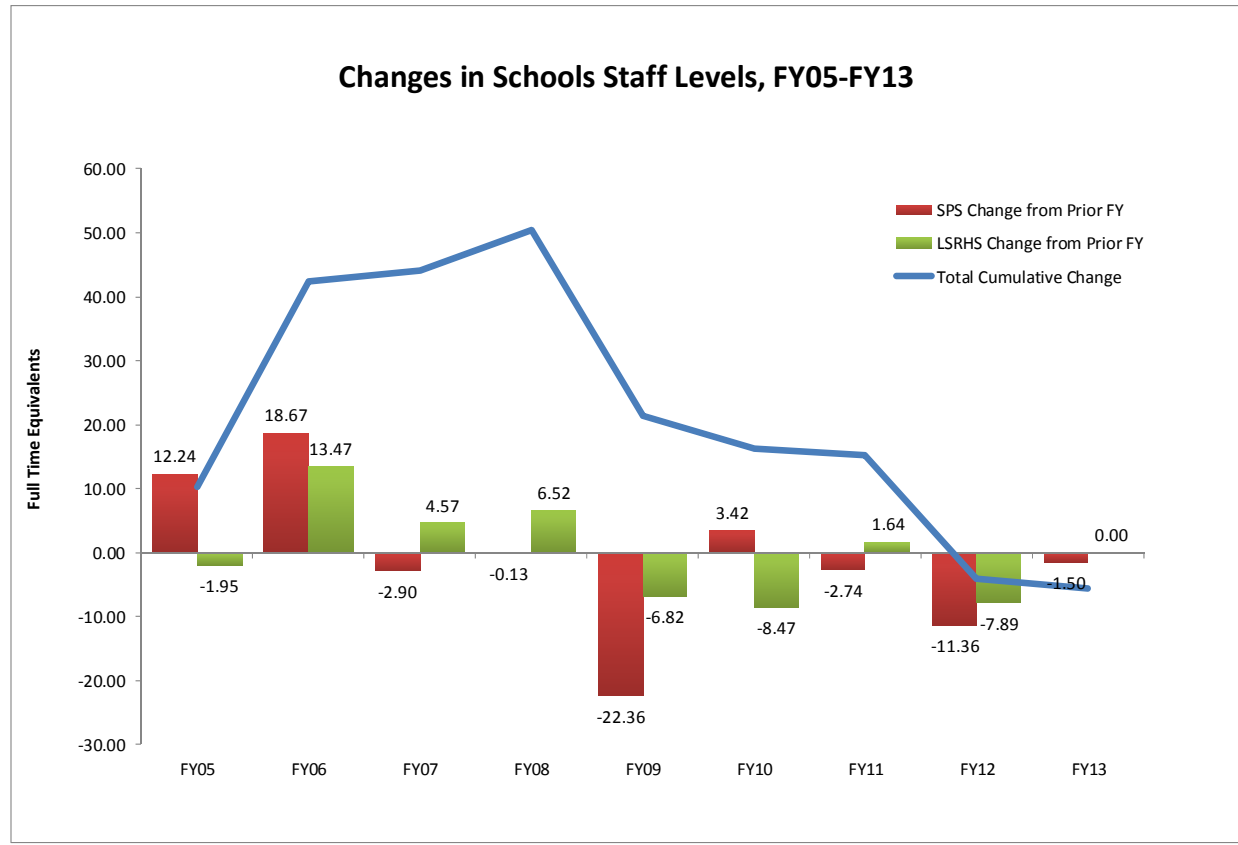
Headcount History



CHANGES IN TOWN DEPARTMENT STAFFING LEVELS

FISCAL YEAR	TOTAL FTE'S	CHANGE FROM PRIOR YEAR	NOTES
FY13	161.44	0.82	<i>Added: .87 FTE Dispatcher, .14 Fire Clerical. Eliminate: .17 General secretary hrs, .02 Library hrs.</i>
FY12	160.62	0.00	<i>No changes from FY11</i>
FY11	160.62	-2.51	<i>Eliminate: 2.0 P&G alloc to Enterprises, .31 Library Page, .20 Teen Ctr. Coord.</i>
FY10	163.13	-5.02	<i>Eliminated: 1 Police Officer, .24 Police Clerical, .3 Fin Admin Clerical, 1 GIS Administrator, 1.48 Recreation (Revolving), 1 COA van driver (funded by RTA)</i>
FY09	168.15	-4.11	<i>Added: .43 Deputy Inspector. Eliminated: 1 Engineering Aide, .67 DPW Clerical, .64 Planner Assist, .80 Buildings Admin, .52 Other inspectors, .91 Other misc. clerical reductions</i>
FY08	172.26	-2.34	<i>Added: .86 BOH-Cons. Assistant, .6 Financial Analyst; Eliminate: 1 Police Officer, .6 Tax Clerk, .5 Benefits Admin (Trust), .5 Plumbing & Gas Insp (Revolving), .2 Town Clerk (Revolving), 1.0 Park & Rec Admin (Revolving)</i>
FY07	174.60	2.90	<i>Added: 1 Police Officer, .5 Asst. Building Inspector, 1 Mechanic DPW, .4 Engineering Aide</i>
FY06	171.70	2.50	<i>Added: 1 Asst. Fire Chief, 1 LEO/Asst. Mechanic DPW, .5 police clerk</i>
FY05	169.20	1.50	<i>Added: 1 police officer (grant), .5 Asst. Library Director</i>
FY04	167.70	-3.70	<i>Eliminated: 1 LEO DPW, 1 Supt. Park and Grounds, 1 Sr. Outreach Worker, .7 DPW crew</i>
FY03	171.40	0.00	<i>No changes from FY02</i>
FY02	171.40	2.00	<i>Added: 1 Accounting Clerk DPW, 1 Sr. Outreach Worker</i>
FY01	169.40	-2.00	<i>Eliminated: 1 LEO DPW, 1 Benefits Administrator</i>
FY00	171.40		NET LOS FY00 - FY13 = (9.96) POSITIONS

* Excludes Town Enterprises



CHANGES IN LINCOLN-SUDBURY HIGH SCHOOL STAFFING LEVELS

FISCAL YEAR	TOTAL FTE'S	CHANGE FROM PRIOR YEAR	NOTES
FY13	205.29	0.00	<i>n/c</i>
FY12	205.29	-7.89	<i>Eliminated: 5.19, 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		NET GAIN FY04 - FY13 = 1.07 POSITIONS

CHANGES IN SUDBURY PUBLIC SCHOOLS STAFFING LEVELS

FISCAL YEAR	TOTAL FTE'S	CHANGE FROM PRIOR YEAR	NOTES
FY13	377.71	-1.50	<i>Add: 2.0 Other Teachers and .5 All Other; Eliminate: 3 K-8 Teachers and 1 Other Teacher</i>
FY12	379.21	-11.36	<i>Add: 1.5 Administrator, 1.15 K-8 Teachers and, 3.0 Other Teachers; Eliminate: 17.01 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 & 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		NET LOSS FY04 - FY13 = 6.66 POSITIONS

RESIDENTIAL TAX RATE HISTORY, 2000-2012

Residential Tax History Fiscal Year 2000 to 2012						
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
2012	5,386	621,410	\$17.60	10,937	2.3%	\$242

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 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 §53F1½](#) 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 2013 marks twelve 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. The strategic objectives are:

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 10 years;
2. The annual revenue forecast for the upcoming fiscal year;
3. Advance and refine the Town's 5-year revenue forecast; and
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.

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

Section Fourteen

Notes

(Notes pages for your use)

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