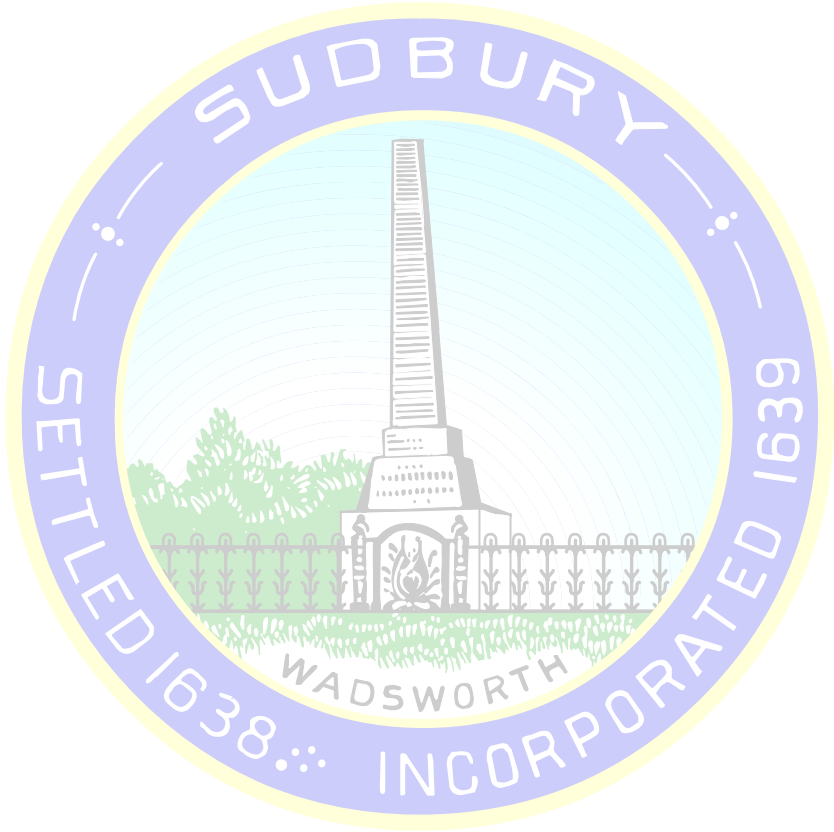
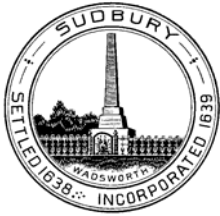


Section Two

CALENDARS, PROCEDURES & POLICIES





Town of Sudbury

Finance Committee

September 28, 2006

Board of Selectmen, Town of Sudbury
Ms. Maureen Valente, Town Manager, Town of Sudbury
Ms. Jane S. Santinelli, Sudbury Public Schools Committee, Chairman
Dr. John R. Brackett, Sudbury Public Schools, Superintendent
Mr. Mark Collins, Lincoln Sudbury Regional School District Committee, Chairman
Dr. John M. Ritchie, Lincoln-Sudbury Regional High School, Superintendent
Mr. Paul Lynch, Minuteman Regional High School Representative

Dear Town and School Leaders and Administrators:

The Finance Committee (the "Committee") looks forward to working with you on the FY08 budget. The municipal budgeting process never seems to get any easier. The Town continues to battle with cost increases, student and overall population growth, constrained revenue streams, and financial burdens to the taxpayers resulting in difficult choices to be made. We applaud the officials and representatives of the Town and its various committees for working together in the past in the best interests of the Town. It is the Committee's desire for everyone to continue in this vein as we all work together through this year's budget process.

The budget process, definitions and formats previously established will continue, as consistency is an inherently necessary function in budgeting. In previous years, the Committee has requested various budget scenarios be prepared and presented. We also issued a sensitivity analysis with our guidelines memo, based on certain revenue and cost assumptions in an effort to give an early indication of potential budget shortfalls. This year, we will be foregoing the sensitivity analysis, as we believe that our revenue projections have been overly conservative due to the early timing in the process, prior to more complete information being available. This year, we will wait until the latter half of November when we hope to have a clearer picture of free cash, local receipts and available funds. At that time, we will prepare a revenue projection in order to determine what budget increase or decrease will allow for a required no override budget.

Rather than request that various budget scenarios be prepared, we are requesting a single budget be submitted to Andrea Terkelsen by **December 15th** (preferably on 3-hole punched paper), assuming a 3.0% increase over the FY07 budget (excluding pension and insurance items, which should be reflected at projected total cost) as well as details of the impacts of this budget to services and programs. In no way should the 3.0% increase be considered the Finance Committee's projection of a no override budget as current projections indicate a budget shortfall under a 3.0% scenario. We will notify you of our "no override" projections as soon as we are able so that you may prepare to present plans to address any revisions necessary to obtain a required "no override" budget. A cost center may also submit one other budget it wishes the Committee to consider.

The biggest change to our budget guidelines process will be the heightened role we expect the budget liaison meetings to play. Rather than wait until budget submissions, the Committee has compiled a standard list of questions and information requests to be reviewed at these budget liaison meetings. It is our intention to have the FinCom liaisons present the answers and information requested in this letter to the Committee at its meeting on **November 20th**. We also request that the cost centers have their own representatives at this meeting to elaborate or clarify, as necessary, and insure a thorough understanding by the entire Committee of the information requested.

By **November 6th**, please provide to your FinCom budget liaisons the following information:

- Based upon the FY07 budget, please provide information about the status and projected full year cost, including benefits, of all new hiring made within the budget, with specifics as to positions. Also provide information about new hiring not included in the budget. In addition, please provide the total number of actual and budgeted FTE's by position.
- Please provide the highlights and FY07 budgetary impacts of each collective bargaining agreement approved since the April, 2006 Town Meeting, as well as the projected ramifications to the FY08 budget.
- Please provide details on grants in excess of \$5,000 received for FY07, including grantor, amount, use of these funds, and likelihood of continuation.
- Please provide details of costs and events, which were not anticipated and are impacting the FY07 budget and their potential to impact the FY08 budget.
- Please provide an update of any cost savings/revenue enhancement programs or initiatives presented during the FY06 and FY07 budget cycles.
- Please provide information about any cost savings/revenue enhancement programs or initiatives being contemplated for the FY08 budget and their projected monetary impacts.
- Please provide information about upcoming or recently completed insurance and benefits program renewals.
- Please provide actual student enrollment growth statistics vs. budgeted.

From this information, the Committee will look to determine if costs are tracking in line with budgeted expectations, what unexpected costs or events have occurred, and what impacts these may have on FY08 budget requests. We also suggest that a liaison meeting be scheduled **subsequent to November 20th and prior to any budget presentations that may need to be made to others** so that all parties have the opportunity to discuss issues that may have been raised at the November 20th FinCom meeting. We realize this process differs from the past, but we hope it will allow for greater input and information flow prior to formal hearings in January 2007.

Your cooperation is very much appreciated.

Members of the Finance Committee

Cc: Myron Fox, Town Moderator
Robert Steinbrook, Town of Lincoln Finance Committee, Chairman

Sudbury Finance Committee
FY08 Budget Hearings Schedule (Revised 12/18/06)

(All Hearings/Meetings begin @ 7:30 pm unless otherwise noted)

Monday	January 8	Budget Process Presentation/ Revenue Projection Presentation	Town Hall
Thursday	January 11	Town of Sudbury Budget Hearing/ Capital Improvements Planning Committee Hearing	Town Hall
Monday	January 15	(Martin Luther King Holiday)	
Thursday	January 18	Lincoln-Sudbury Regional School District Budget Hearing/ Sudbury Public Schools Budget Hearing	Town Hall
Monday	January 22	Minuteman Regional Vo-Tech/ CPA	Town Hall
Thursday	January 25	Joint meeting with Lincoln FinCom & LS School Committee/ Presentation on Proposed New Police Station	Town Hall
Monday	January 29	Revenue Update/ Other Articles	Town Hall
Tuesday	January 30	Joint meeting with Sudbury Board of Selectmen	Town Hall
Thursday	February 1	FinCom Deliberations, Final Votes*, Discussion of Warrant Reports	Fairbank
Friday	February 16	FinCom Reports due to Town Manager	

*Final Vote by Sudbury FinCom must be taken no later than Friday, February 9, 2007 for Non-Override Budget.

Override Budget (if any) and Warrant Article positions to be published.

Phases of Budget Preparation and Development

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 set goals for next fiscal year
 - Completed May 26, 2006
- Town Manager sets goals
 - Completed July, 2006
- Town Manager/Department heads jointly set their goals
 - Completed September, 2006

Financial Capacity Phase

- Short range forecast/sensitivity analysis conducted (FY07 specific)
 - By September 8, 2006
 - Andrea Terkelsen
 - Used in FinCom Instructions, Financial Summit and Financial Condition Analysis
 - Follow format already established
- Long range forecast/sensitivity analysis updated (3 year forecast)
 - By September 29, 2006
 - Andrea Terkelsen & Maureen Valente
 - Used in Financial Summit and Financial Condition Analysis
 - Follow format already established
- Financial condition analysis updated
 - By October 13, 2006
 - Andrea Terkelsen, Maureen Valente,
 - Format to be discussed, Financial Summit November 28, 2006
- Review of progress vis-à-vis policies and projects from prior years
 - By October 18, 2006
 - Town Manager Maureen Valente
 - Format to be developed

Needs Assessment Phase

- Departments review their current condition, goals, programs and needs
 - Town Manager's budget memo finalized, sent out by October 13, 2006
- Departments prepare workload indicators, performance indicators, other statistics
 - Andrea Terkelsen and Maureen Valente work with selected department heads
- Departments submit budget requests to Town Manager
 - Departments submit budget request to Andrea Terkelsen by November 2, 2006
- 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

Review/Development Phase for Town Budget

- Town Manager and her budget team review requests
- Town Manager holds Departmental hearings
- Andrea Terkelsen and Maureen Valente
 - November 9 – 14, Departmental budget hearings
 - Andrea Terkelsen, Maureen Valente, Fin Com liaisons
- Preliminary Town operating budget developed, presented to Selectmen
 - December 15, 2006 Board meeting
- Final Town operating budget assembled and published
 - By December 29, 2006
- Schools hold budget hearings

- School Committees vote final school budgets

Development for Fiscal Year Annual Budget and Financing Plan

- Town Manager and Finance Director receive School budget requests
 - By December 15, 2006
 - 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
 - By December 15, 2006
- Town Manager and Finance Director finalize charges from state, Assessors overlay etc.
 - By December 20, 2006
- Fiscal Year Annual Budget and Financing Plan delivered to FinCom
 - By December 29, 2006
 - To be published on web

FinCom Review Phase

- FinCom holds hearings on Town, School, capital budget requests
 - January 2007
- FinCom holds hearing on all money articles
 - January 2007
- FinCom votes on budget
 - February 2007
- FinCom votes on all money articles
 - February 2007

Appropriation Phase

- Town Meeting begins, votes appropriations
 - April 2007
- Town Meeting approves all bonding and capital articles
 - April 2007
- Town Meeting approves any budget amendments for current fiscal year, if any

Enactment Phase

- As Appropriated Budgets prepared, distributed
 - June 30, 2007

FY08 Budget Calendar

This calendar describes the steps 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 Town Meeting.

2006

- May 26 Board of Selectmen holds goal setting session
- September 8 Town Manager and Finance Director prepare preliminary three year forecast model, draft sensitivity analysis for use by Finance Committee
- September 8 Town Manager issues capital budget instructions
- September 28 Finance Committee Budget memorandum distributed to all cost centers (Town, SPS, LSRHS and CIP)
- October 13 Town Manager issues budget instructions to department heads, committee chairs
- October 13 Capital requests due to Town Manager
- October 16 CIP draft compilation due to Department Heads
- October 20 CIP staff committee meets
- October 27 CIP staff committee report sent to CIPC for consideration
- November 2 Department & Committee Operating budget requests due at Finance Director's Office
- November 9-14 Budget hearings with Town Manager and Finance Director
- November 29&30 CIP Citizens Committee holds hearing
- November 30 CIP Citizens Committee votes projects list for submission to Board of Selectmen
- December 4 CIP Committee draft report finalized to Town Manager
- December 15 Town Manager, Lincoln-Sudbury Regional High School, Sudbury Public Schools and CIP Committee budgets due to FinCom, Board of Selectmen
- December 15 CIPC report forwarded to Board of Selectmen for review
- December 19 CIP Committee presents report to Board of Selectmen for review
- December 29 ***FY2008 Budget and Financing Plan*** delivered to Finance Committee, Board of Selectmen

2007

- Jan 8 – Jan 30 Public hearings on budget requests held by Finance Committee
- February 1 Final vote of Finance Committee
- March 9 Town Meeting Warrant and Report of the Finance Committee mailed to residents
- April 4 Town Meeting - consideration of FY08 operating and capital budget; enactment of appropriations, budget amendments to FY08 budget if any
- July 1 FY2008 Budget takes effect

Town of Sudbury 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, fairly 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 minimizes the cost of government and financial risk.
- To employ balanced and fair revenue policies that provides 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 December 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 December 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 December 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 December 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 December 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.
- 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 for 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.
- 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 (Solid Waste and Atkinson Pool) 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 Solid Waste 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 those capital assets 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.

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.
- 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. There are several management practices that 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.

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, and the vote 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 Operating Budget Article is moved by the Finance Committee. The Capital Budget Article is moved by the Capital Improvement Planning Committee. After appropriation by Town Meeting, and following the adjournment of 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. Sudbury only occasionally has needed to amend the operating budget.