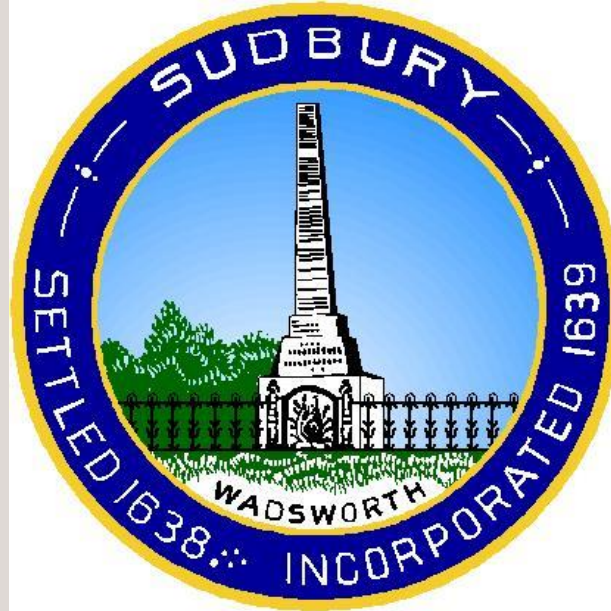


FINANCIAL CONDITION OF THE TOWN TOWN OF SUDBURY



Andrew Sheehan, Town Manager
November 18, 2025

LONG TERM SUCCESS

“If you want to go fast, go alone; if you want to go far, go together.”
African proverb



TOWN CHARTER

- Town Charter, Part IV, s. 10. Financial management responsibilities of the Town Manager
 - “to prepare, annually, a financial forecast of the town revenues, expenditures and the general financial condition of the Town.”
- Town Manager is “responsible for all the financial management functions of the Town” including preparing and submitting:
 - Operating budget
 - Capital improvement program

FINANCIAL CONDITION SUDBURY

- **S&P Global Ratings:** *AAA / Stable* (as of February 6, 2024)
- **OPEB Trust:** \$18 million
- **Stabilization Fund:** \$6.6 million
- **Capital Stabilization Fund:** \$2.5 million
- **Free Cash Certified:** September 26, 2025 – \$9.39 million
- **GFOA Certificate of Achievement for Excellence in Financial Reporting** – FY2024 Audit Report (*FY2025 audit currently in process*)
- **GFOA Distinguished Budget Presentation Award** – FY2026 Budget

WHAT IS A FINANCIAL FORECAST?

- Establishes a baseline - describes the Town's current financial condition.
- Makes reasonable assumptions about future conditions, including:
 - Revenues (e.g., property taxes, state aid, local receipts)
 - Expenditures (e.g., wages, benefits, operating costs, capital outlay)
- Provides an estimate of future conditions based on those assumptions.
- Identifies potential trends and fiscal imbalances.

WHAT IS A FINANCIAL FORECAST?

- **Forecasts projected revenues and expenditures** – a useful management tool to evaluate the Town's financial condition and guide fiscal policy.
- **Serves as an early warning system** to detect potential future gaps between revenues and expenditures.
- **Does not eliminate surprises or emergencies**, but allows the administration to plan for, anticipate, and correct potential issues in advance.
- **Like a weather forecast:** the farther out one looks, the less precise the projection yet it remains valuable for trend analysis and planning.

WHY FORECAST?

- **Good financial management practice** - A key component of responsible and proactive fiscal stewardship.
- **Promotes transparency and minimizes surprises** - Ensures officials, staff, and residents understand the Town's financial outlook.
- **Viewed favorably by bond rating agencies** - Demonstrates strong financial planning and long-term sustainability.
- **Required by Town Charter** - Reinforces accountability and compliance with local governance standards.
- **Charts a course for the future** - “I can’t change the direction of the wind, but I can adjust my sails to always reach my destination.” — Jimmy Dean

FINANCIAL SUMMARY DISCLAIMER

There are numerous factors that may affect both revenues and expenditures in future years. These projections are intended solely for use by Town Management as part of the Town's financial planning process. They are based on current information and reasonable assumptions; however, they should not be relied upon by any resident, committee, or commission as definitive forecasts.

FY2025 - BUDGET TO ACTUAL (REVENUES)

REVENUES	Original Budget	Budget Adjustments	Final Budget	Actual Revenue	Adjustments	Total Revenue	Difference Budget	% Over/ Under
Real Estate and Personal Property Taxes	\$ 109,643,754	\$ (209,419)	\$ 109,434,335	\$ 109,045,087	\$ -	\$ 109,045,087	\$ (389,248)	99.64%
Motor Vehicle Excise Tax	3,450,000	-	3,450,000	4,842,834	-	4,842,834	1,392,834	140.37%
Meals and Room Tax	375,000		375,000	513,672		513,672	138,672	136.98%
Tax Liens & Deferrals	-	-	-	332,078	-	332,078	332,078	
Payment in Lieu of Tax	41,000	-	41,000	12,069	-	12,069	(28,931)	29.44%
Intergovernmental	7,695,442	-	7,695,442	7,685,629	-	7,685,629	(9,813)	99.87%
MEDICAID Reimbursements	98,251		98,251	180,154		180,154	81,903	183.36%
Penalties and Interest on Taxes	211,000	-	211,000	317,413	-	317,413	106,413	150.43%
Licenses & Permits	795,000	-	795,000	1,199,878	-	1,199,878	404,878	150.93%
Fines and Forfeitures	8,000	-	8,000	16,040	-	16,040	8,040	200.50%
Departmental Revenue	595,000	-	595,000	693,588	-	693,588	98,588	116.57%
Investment Income	105,000	-	105,000	1,965,888	-	1,965,888	1,860,888	1872.27%
TOTAL REVENUES	\$123,017,447	\$ (209,419)	\$122,808,028	\$126,804,330	\$ -	\$ 126,804,330	\$ 3,996,302	103.25%
Transfers In - Ambulance	660,000		660,000	660,000	-	660,000	-	0.00%
Transfer In - Solar	44,494		44,494	44,494	-	44,494	-	0.00%
Transfer In - Closed Capital / Other	-	-	-	456,939	-	456,939	456,939	
TOTAL REVENUES & TRANSFERS	\$123,721,941	\$ (209,419)	\$123,512,522	\$127,965,763	\$ -	\$ 127,965,763	\$ 4,453,241	103.61%

FY2025 - BUDGET TO ACTUAL (EXPENDITURES)

EXPENDITURES	Original Budget	Budget Encumbrances & Transfers	Final Budget	Actual Expenditures	Encumbrances	Total Expen/Encum	Remaining	% of Budget
Education - Sudbury Public Schools (SPS)	\$ 45,785,871	\$ 443,523	\$ 46,229,394	\$ 45,929,835	\$ 272,568	\$ 46,202,404	\$ 26,990	99.94%
Education - LS Regional High School (LS)	29,497,481	-	29,497,481	29,363,324	-	29,363,324	134,157	99.55%
Education - Vocational	450,000	-	450,000	213,098	-	213,098	236,902	47.36%
General Government	3,817,526	61,438	3,878,964	3,613,386	67,533	3,680,918	198,046	94.89%
Public Safety	10,399,288	10,086	10,409,374	10,160,505	107,367	10,267,872	141,502	98.64%
Public Works	6,370,755	808,326	7,179,081	6,261,108	724,600	6,985,708	193,374	97.31%
Human Services	1,031,178	1,304	1,032,482	996,435	2,200	998,635	33,847	96.72%
Culture & Recreation	1,716,739	663	1,717,402	1,659,210	1,041	1,660,251	57,151	96.67%
Total Town Departments	\$ 99,068,838	\$ 1,325,341	\$100,394,179	\$ 98,196,902	\$ 1,175,308	\$ 99,372,210	\$ 1,021,969	98.98%
Reserve Fund	300,000	(100,000)	200,000	-	-	-	200,000	0.00%
Town-Wide Operating	191,205	24,170	215,375	204,121	300	204,421	10,954	94.91%
Town Debt Service	4,897,465	-	4,897,465	4,897,465	-	4,897,465	(0)	100.00%
Employee Benefits (Town and SPS)	15,925,519	2,560	15,928,079	15,615,750	10,500	15,626,250	301,829	98.11%
Property and Liability Insurance	561,895	-	561,895	535,798	-	535,798	26,098	95.36%
State and County Charges	310,312	-	310,312	262,046	-	262,046	48,266	84.45%
OPEB Trust Contribution (Town and SPS)	650,000	-	650,000	650,000	-	650,000	-	0.00%
Total Operating Budget	\$ 22,836,396	\$ (73,270)	\$ 22,763,126	\$ 22,165,180	\$ 10,800	\$ 22,175,980	\$ 587,146	97.42%
TOTAL EXPENDITURES:	\$121,905,234	\$ 1,252,071	\$123,157,305	\$120,362,082	\$ 1,186,108	\$ 121,548,190	\$ 1,609,115	98.69%
Transfer Out	10,100	-	10,100	10,100	-	10,100	-	100.00%
Reserve for Abatements	347,910	(209,419)	138,491	-	138,491	138,491	-	100.00%
TOTAL EXPENDITURES & TRANSFERS	\$122,263,244	\$ 1,042,652	\$123,305,896	\$120,372,182	\$ 1,324,599	\$ 121,696,781	\$ 1,609,115	98.70%

CAPITAL PROJECTS OUTSTANDING

Carry Forward Capital Projects 07/01/2025	\$ 9,014,434
Expenditures to date	(1,171,999)
Encumbrances	(252,303)
Pending to close (future meeting)	(416,072)
Capital Projects Prior - Balance	\$ 7,174,060
FY2026 Capital Projects	\$ 5,699,120
Expenditures to date	(1,949,875)
Encumbrances	(1,622,966)
Capital Projects FY2026 - Balance	\$ 2,126,279
Total Outstanding Capital Projects	\$ 9,300,338

CAPITAL PROJECTS STATUS

Department	Total
IT	\$ 333,745
Conservation	50,000
Planning	81,600
Fire	1,570,632
Lincoln Sudbury	156,790
Sudbury Public Schools	862,888
Engineering	849,550
Department of Public Works	1,752,455
Streets/Highway	755,980
Facilities	2,886,698
Total Outstanding Capital Projects	\$ 9,300,338

LARGE CAPITAL PROJECTS OUTSTANDING

Capital Project	Total
ATM 24/23 Atkinson Pool (Project ongoing)	\$ 1,303,307
ATM 23/23 Fire Engine (Truck Ordered)	980,110
ATM 25/31 Roads & Culverts (Project ongoing)	950,000
STM 23/10 RTE 117 Intersection (Project Ongoing)	774,820
ATM 25-30 Ambulance Replacement (Amb. Ordered)	500,000
ATM 25/33 6-Wheel Dump Truck (Truck Ordered)	382,000
ATM 24/20 Culvert and Drainage (Project Ongoing)	267,213
ATM25 SPS Current FY26 Articles (School Project)	220,016
ATM 20/18 Fairbank Building (Project complete, final bills)	204,423
ATM 23/25 DPW Roof Project (project 95% Complete, Legal involved)	202,180
ATM 24/21 DPW Rooftop HVAC (Engineering Design)	200,000
ATM 25/39 Fire Alarm System (School Project)	190,000
STM 23/11 Nixon Roof (MSBA Project ongoing)	187,350
Total Large Projects Outstanding	\$ 6,361,419

FINANCIAL SUMMARY (FY25 ACTUAL – PROJECTED FY29)

	FY25 Actual	FY26 Budget	FY27 Projected	FY28 Projected	FY29 Projected
<u>REVENUES</u>					
Real Estate/Personal Property Taxes	\$ 109,377,165	\$ 113,871,290	\$ 116,298,695	\$ 119,416,909	\$ 122,615,525
State Aid	7,685,629	8,089,560	8,292,754	8,501,694	8,716,551
MEDICAID Reimbursement	180,154	98,251	120,000	120,000	120,000
Local Receipts	9,561,382	6,176,000	7,020,000	7,110,000	7,201,800
Transfers	730,000	695,000	780,000	780,000	780,000
Free Cash	1,557,057	4,060,820	-	-	-
TOTAL REVENUES	\$ 129,091,387	\$ 132,990,921	\$ 132,511,449	\$ 135,928,604	\$ 139,433,877
<u>EXPENDITURES</u>					
Education - SPS	\$ 45,929,835	\$ 47,279,447	\$ 49,052,426	\$ 50,523,999	\$ 52,039,719
Education - LS	29,363,324	30,252,405	30,942,531	31,870,807	32,826,931
Education - Vocational	213,098	400,000	580,000	597,400	615,322
General Government	3,613,385	4,049,200	4,196,465	4,369,214	4,546,136
Public Safety	10,160,505	10,679,760	11,051,944	11,401,854	11,764,159
Public Works	6,261,108	6,414,764	6,676,871	6,851,405	7,032,869
Human Services	996,435	1,072,145	1,127,832	1,178,582	1,219,720
Culture & Recreation	1,659,210	1,773,678	1,834,879	1,900,398	1,970,320
Total Town Departments	\$ 98,196,901	\$ 101,921,398	\$ 105,462,947	\$ 108,693,660	\$ 112,015,177
Reserve Fund	\$ -	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Town-Wide Operating	204,121	216,664	228,969	235,838	242,913
Debt Service	4,897,465	4,969,223	4,841,335	4,743,135	4,628,385
Employee Benefits (Town and SPS)	15,615,750	17,346,530	18,944,549	20,572,175	22,304,967
Property & Liability Insurance	535,798	626,808	700,786	735,825	772,617
OPEB Trust Contr (Town and SPS)	650,000	650,000	500,000	500,000	500,000
State & County Charges	262,046	285,287	294,559	304,132	314,016
TOTAL OPERATING BUDGET	\$ 120,362,081	\$ 126,315,909	\$ 131,273,145	\$ 136,084,766	\$ 141,078,075
Town Manager's Capital Budget	628,697	1,219,400	1,200,000	1,200,000	1,200,000
Other Financing Uses (Capital/Articles)	2,517,157	4,070,920	10,100	10,100	10,100
Reserve For Abatements - Overlay	347,910	100,000	25,000	50,000	50,000
TOTAL EXPENSES	\$ 123,855,845	\$ 131,706,229	\$ 132,508,245	\$ 137,344,866	\$ 142,338,175
Net Surplus / Deficit	\$ 5,235,542	\$ 1,284,692	\$ 3,204	\$ (1,416,262)	\$ (2,904,298)

FINANCIAL SUMMARY % CHG. (PROJECTIONS FY27 – FY29)

Revenue	FY26	FY27	FY28	FY29
Real Estate & Personal Property	4.17%	2.13%	2.68%	2.68%
State Aid	2.53%	2.51%	2.52%	2.53%
Local Receipts	10.69%	13.67%	1.28%	1.29%
Ambulance Receipts & Other Transfers	-15.75%	12.23%	0.00%	0.00%
Total	4.10%	-0.36%	2.58%	2.58%
Expenditures	FY26	FY27	FY28	FY29
Education - SPS	3.00%	3.75%	3.00%	3.00%
Education - LS	2.56%	2.28%	3.00%	3.00%
Education - Vocational	-11.11%	45.00%	3.00%	3.00%
Town Departments	3.15%	3.75%	3.27%	3.24%
Reserve Fund	0.00%	0.00%	0.00%	0.00%
Town-Wide Operating	13.29%	5.68%	3.00%	3.00%
Debt Service	1.47%	-2.57%	-2.03%	-2.42%
Employee Benefits (Town and SPS)	7.53%	9.21%	8.59%	8.42%
Property & Liability Insurance	11.55%	11.80%	5.00%	5.00%
OPEB Trust Contr (Town and SPS)	0.00%	-23.08%	0.00%	0.00%
State & County Charges	3.25%	3.25%	3.25%	3.25%
Total Operating Budget	3.43%	3.92%	3.67%	3.67%

The Lincoln-Sudbury Regional High School assessment increases by 3.75% in FY2027.

The net difference from prior year totals reflects the retirement of exempt debt for the original building construction that had previously been included in the Town's levy.

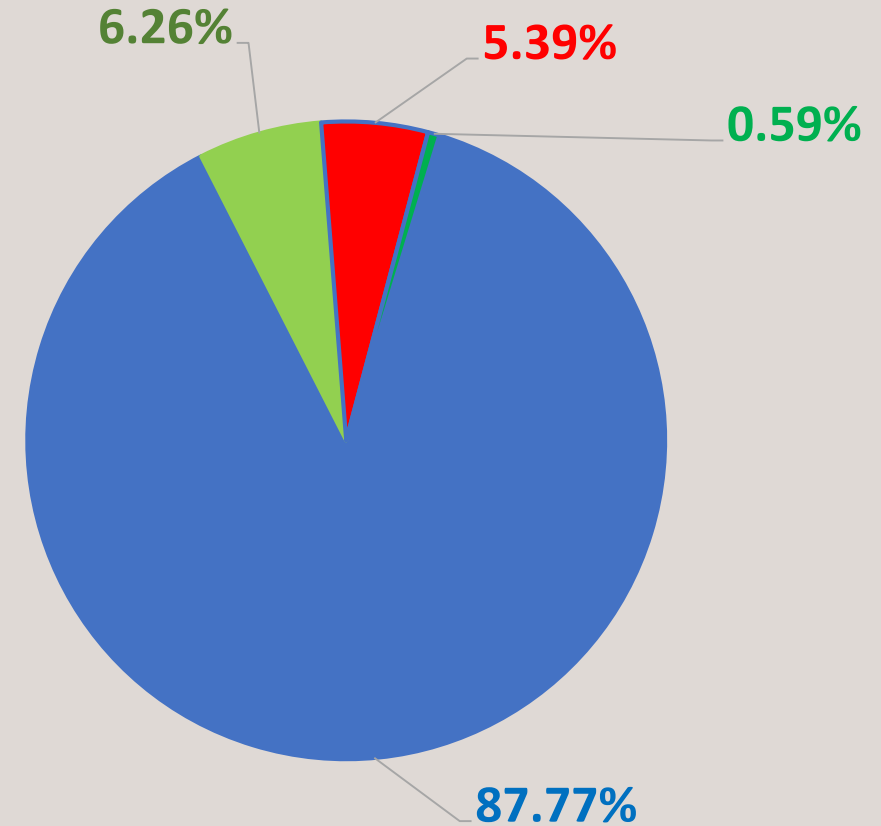
REVENUE FORECAST

- Identify the funds expected to be available to support Town operations.
- Highlight trends and anomalies in revenue sources.
- Support compliance with the Massachusetts requirement that each community adopt a balanced budget.
- Guide the development of a balanced budget for consideration at Annual Town Meeting.
- Serve as the foundation for achieving a sustainable financial plan.

REVENUES

Four major categories of revenues:

- **Real Estate & Personal Property Taxes: 87.7%**
- **Intergovernmental Aid: 6.26%**
- **Local Receipts: 5.39%**
- **Other Available Funds: <1%**

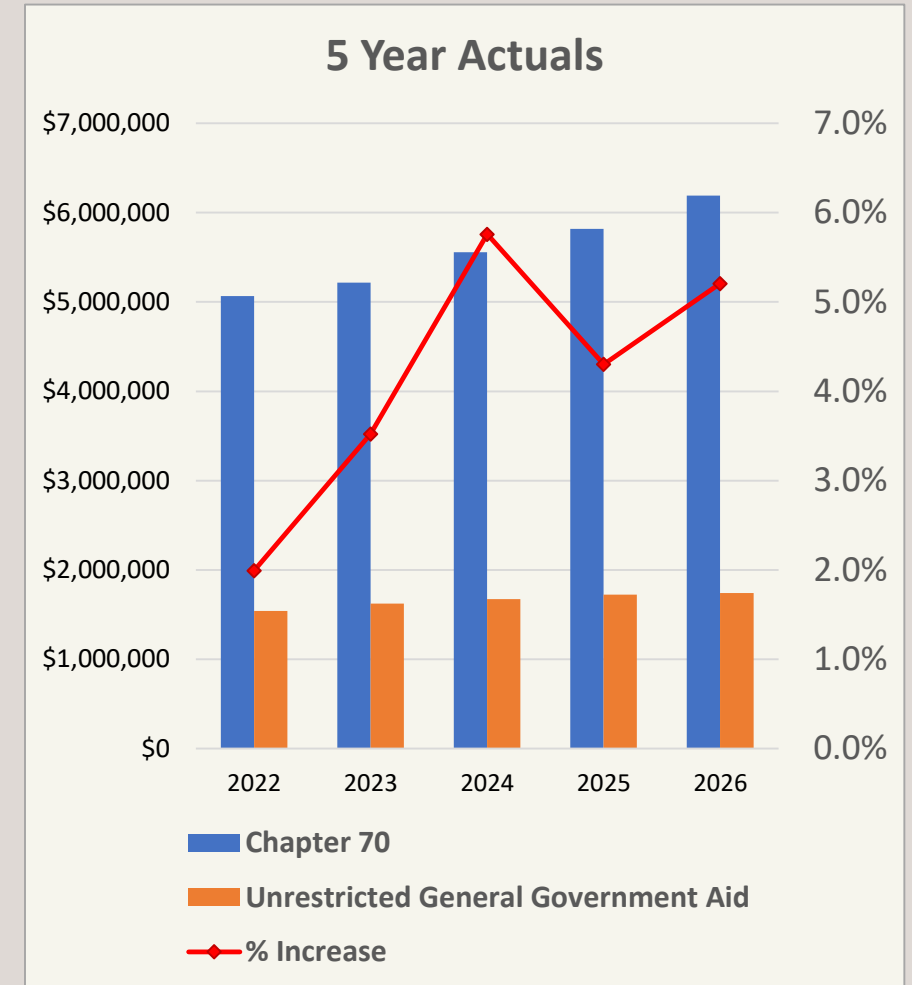


PROPERTY TAX LEVY

- **87.7% of Total Revenues** - Largest Portion of Municipal Revenues
- The **tax levy** is the amount raised through property taxes. Under **Proposition 2½**, the levy can increase annually by **2.5% plus new growth**.
- A municipality may raise more than 2.5% through three mechanisms:
 - **New Growth** – Taxes attributed to the value of new construction or property improvements, permanently added to the levy limit.
 - **Debt or Capital Exclusions** – Temporary increases above the levy limit to pay for voter-approved capital projects or debt service.
 - **Operating Override** – A permanent increase to the levy limit, approved by voters to support ongoing operating expenses.

INTERGOVERNMENTAL AID (STATE AID)

- 6.26% of revenue
- Comprised of 2 main components
 - Chapter 70 Education Aid
 - Unrestricted General Government Aid (UGGA)
- Smaller aid categories: Libraries, Veterans, PILOT, etc.
- Varies from year to year
- First indication of State aid to cities and towns is in January
- Not settled until State budget is adopted: Summer 2025



LOCAL RECEIPTS

- 5.39% of revenues
- Locally generated revenue including but not limited to:
 - Motor Vehicle Excise Tax - ***(16% increase from FY26)***
 - Licenses & Permits
 - Meals and Lodging Excise Taxes
 - Penalties & Interest - ***(10% increase from FY26)***
 - Investment income – ***(57% increase from FY26)***
 - MEDICAID – ***(22% increase from FY26)***
 - Departmental Revenues
- Conservatively budgeted: mitigate for unanticipated fluctuations

OTHER AVAILABLE FUNDS

- Smallest revenue source: less than 1% of revenues
- Ambulance Receipts
 - Increased in FY27
 - Supports Fire Department Ambulance capital needs, expenses and salaries
- Solar Revolving Fund
 - No funding budgeted in FY27
 - We are exploring using Solar Revolving Fund revenues to support the Sustainability Coordinator, agreement ended FY26

EXPENDITURE FORECAST

Expenses include:

- Education: SPS, LSRHS, Vocational
- General Government
- Public Safety
- Public Works
- Human Services
- Culture and Recreation
- Employee Benefits
- Other and transfers
- OPEB
- Debt Service
- Capital

WHAT DRIVES BUDGETARY INCREASES

- **Fixed Costs**

Health and property/casualty/liability insurance, pension obligations, and debt service. Health Insurance is projected to increase (12-14%).

- **Personnel**

- Unionized employees (7 bargaining units on municipal side; school units)
- Non-union employees
- New positions (none proposed)

- **Non-Personnel Contracts**

Fuel, utilities, materials, contracted services and vendor costs.

- **Increased Services**

Driven by changes in priorities, population, demographics, state/federal mandates, and by-law changes.

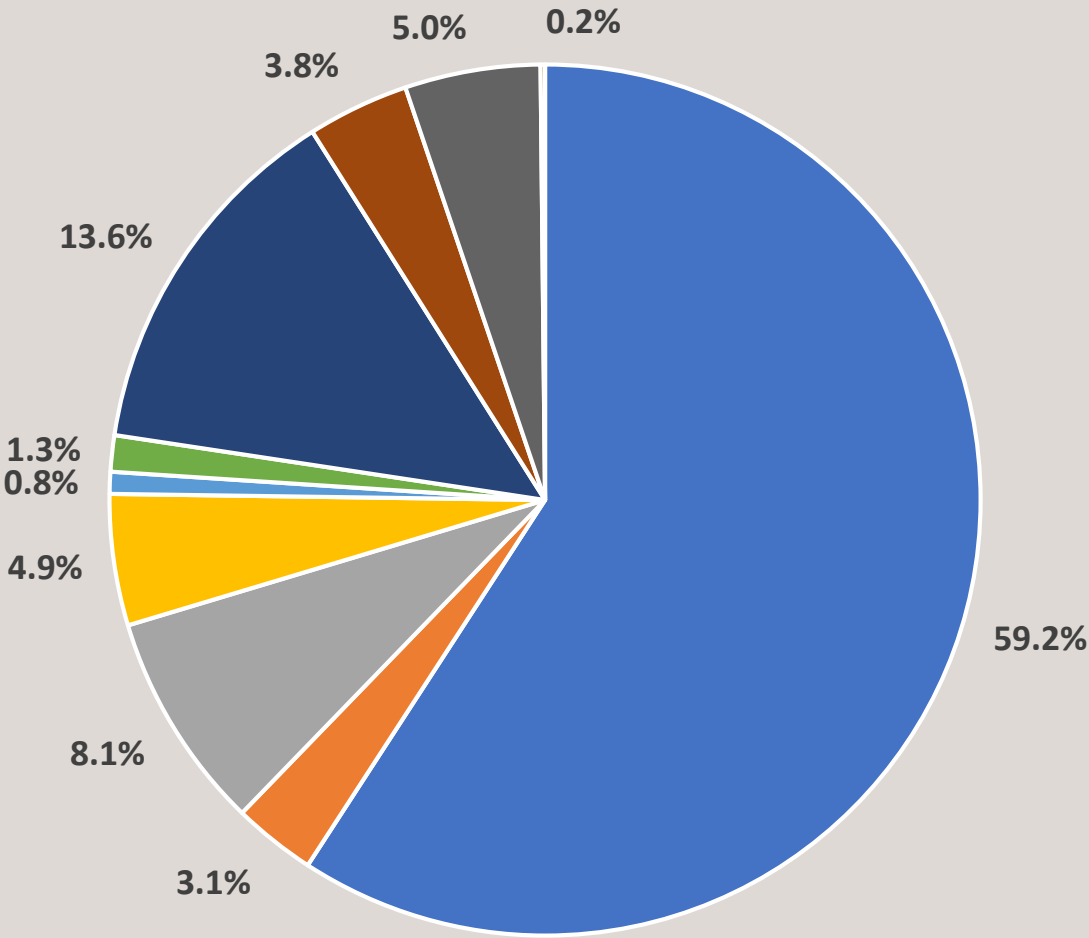
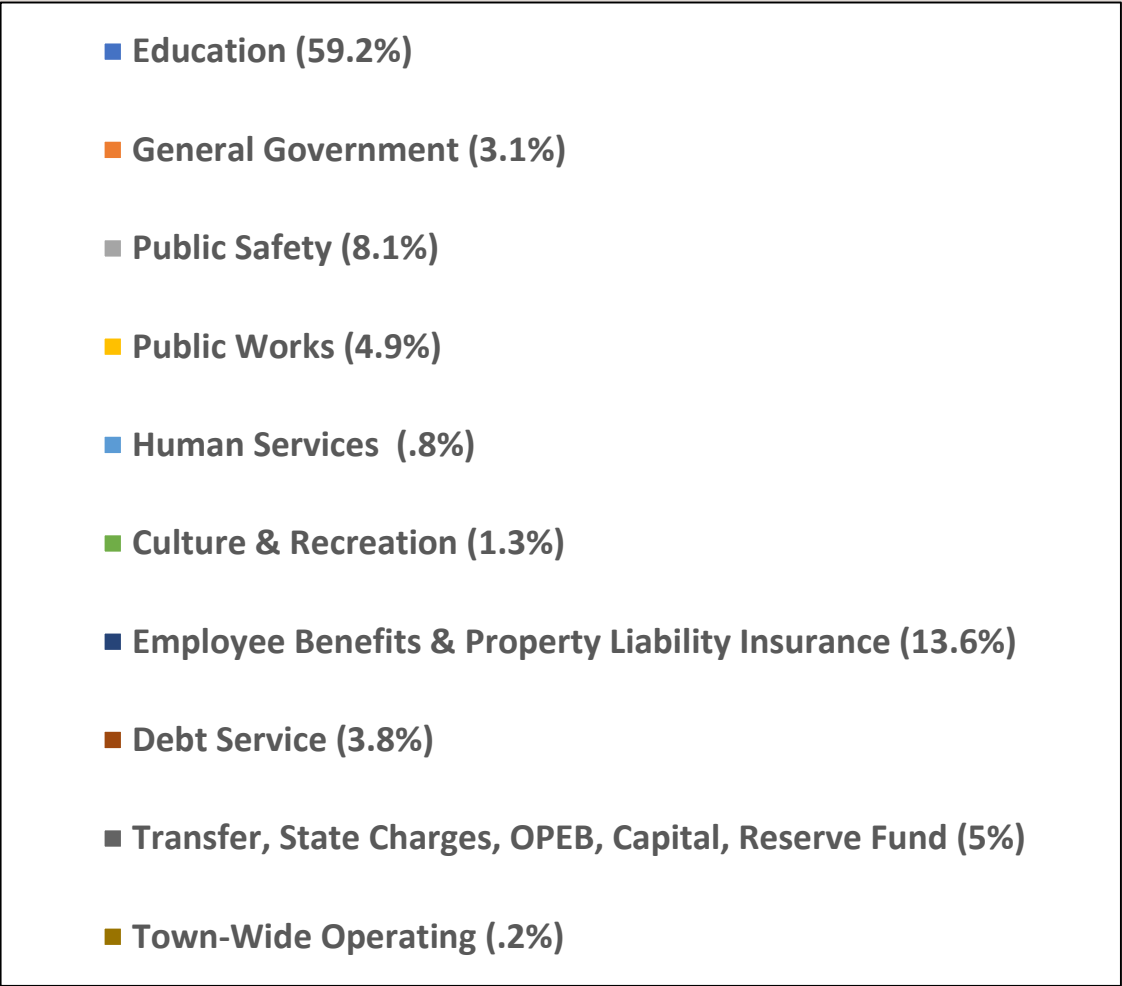
EXPENDITURE FORECAST

- **Known Contractual Increases**
 - Personnel and service contracts
 - Software licenses
 - Vendor agreements
- **Settled Collective Bargaining Agreements**
 - DPW, Supervisors, Firefighters, Police Lieutenants & Sergeants and Patrol
 - LSRHS
- **Contracts in Negotiation**
 - Engineers
 - SPS
- **Informed Estimates for All Other Expenditures**
 - Materials
 - Fuel
 - Services

EXPENDITURES (FY25 – FY27)

	FY25 Actual	FY26 Budget	FY27 Projected	Percentage Increase
Education - SPS	\$ 45,929,835	\$ 47,279,447	\$ 49,052,426	3.75%
Education - LS	29,363,324	30,252,405	30,942,531	2.28%
Education - Vocational	213,098	400,000	580,000	45.00%
General Government	3,613,385	4,049,200	4,196,465	3.64%
Public Safety	10,160,505	10,679,760	11,051,944	3.48%
Public Works	6,261,108	6,414,764	6,676,871	4.09%
Human Services	996,435	1,072,145	1,127,832	5.19%
Culture & Recreation	1,659,210	1,773,678	1,834,879	3.45%
Total Town Departments	\$ 98,196,901	\$ 101,921,398	\$ 105,462,947	3.47%
Reserve Fund	\$ -	\$ 300,000	\$ 300,000	0.00%
Town-Wide Operating	204,121	216,664	228,969	5.68%
Debt Service	4,897,465	4,969,223	4,841,335	-2.57%
Employee Benefits (Town and SPS)	15,615,750	17,346,530	18,944,549	9.21%
Property & Liability Insurance	535,798	626,808	700,786	11.80%
OPEB Trust Contr (Town and SPS)	650,000	650,000	500,000	-23.08%
State & County Charges	262,046	285,287	294,559	3.25%
TOTAL OPERATING BUDGET	\$ 120,362,081	\$ 126,315,909	\$ 131,273,145	3.92%
<i>Town Manager's Capital Budget</i>	\$ 628,697	\$ 1,219,400	\$ 1,200,000	-1.59%
<i>Other Financing Uses (Capital/Articles)</i>	2,517,157	4,070,920	10,100	-99.75%
<i>Reserve For Abatements - Overlay</i>	347,910	100,000	25,000	-75.00%
TOTAL EXPENDITURES	\$ 123,855,845	\$ 131,706,229	\$ 132,508,245	0.61%

EXPENDITURES – FY26 BUDGET



EXPENDITURES – FY26 BUDGET

Department/Budget	FY26 Budget	% of Budget
Education	\$ 77,931,852	59.2%
Employee Benefits & Property Liability Insurance	17,973,338	13.6%
Public Safety	10,679,760	8.1%
Public Works	6,414,764	4.9%
Debt Service	4,969,223	3.8%
General Government	4,049,200	3.1%
Transfer, State Charges, OPEB, Capital, Reserve Fund	6,625,607	5.0%
Culture & Recreation	1,773,678	1.3%
Human Services	1,072,145	0.8%
Town-Wide Operating	216,664	0.2%
Total	<u>\$ 131,706,229</u>	

FY2027 GUIDELINES – 3.75%

	FY26 Budget	FY27 Est Increase	FY27 Est Budget	% Change
SUDBURY PUBLIC SCHOOLS (SPS)				
Sudbury Public Schools (SPS)	47,279,447	1,772,979	49,052,426	3.75%
SPS Employee Benefits	10,335,980	1,169,566	11,505,546	11.32%
TOTAL SPS GUIDELINE	57,615,427	2,942,545	60,557,972	5.11%
LSRHS				
LS Regional High School - Operating	29,824,126	1,118,405	30,942,531	3.75%
LS Regional High School - Debt	428,279	(428,279)	-	-100.00%
TOTAL LSRHS GUIDELINE	30,252,405	690,126	30,942,531	2.28%
TOWN DEPARTMENTS				
General Government	3,952,959	243,506	4,196,465	6.16%
Public Safety	10,679,760	372,184	11,051,944	3.48%
Public Works	6,511,003	165,868	6,676,871	2.55%
Human Services	1,072,144	55,688	1,127,832	5.19%
Culture & Recreation	1,773,678	61,201	1,834,879	3.45%
Town-Wide Operating	216,664	12,305	228,969	5.68%
TOTAL TOWN	24,206,208	910,751	25,116,959	3.76%
Town Employee Benefits	7,637,358	502,431	8,139,789	6.58%
TOTAL TOWN GUIDELINE	56,049,774	2,323,934	58,373,708	4.15%

FORECAST SENSITIVITY

- Under the current projections and applying a 3% budget guidance for FY28 – FY29, the Town is facing **projected deficits of approximately \$1.4 million in FY28 and \$2.9 million in FY29.**
- This level of budget growth does **not provide capacity to address identified needs - result is reductions or impacts to existing services or an operating override.**

\$3M OVERRIDE – TAX IMPACT

Assessed Value	Current Residential Tax Bill	Estimated Residential Tax Bill	Annual Increase Residential	Current CIP Tax Bill	Estimated CIP Tax Bill	Annual Increase CIP
\$550,000	\$8,052	\$8,272	\$220	\$11,572	\$11,886	\$314
\$650,000	\$9,516	\$9,776	\$260	\$13,676	\$14,046	\$370
\$750,000	\$10,980	\$11,280	\$300	\$15,780	\$16,208	\$428
\$850,000	\$12,444	\$12,784	\$340	\$17,884	\$18,368	\$484
\$950,000	\$13,908	\$14,288	\$380	\$19,988	\$20,529	\$541
\$1,050,000	\$15,372	\$15,792	\$420	\$22,092	\$22,690	\$598
\$1,150,000	\$16,836	\$17,296	\$460	\$24,196	\$24,851	\$655
\$1,250,000	\$18,300	\$18,800	\$500	\$26,300	\$27,012	\$712
\$1,350,000	\$19,764	\$20,304	\$540	\$28,404	\$29,173	\$769
\$1,450,000	\$21,228	\$21,808	\$580	\$30,508	\$31,335	\$827
\$1,550,000	\$22,692	\$23,312	\$620	\$32,612	\$33,495	\$883

Sudbury Average House Value: \$1,121,972

FINANCIAL SUMMARY DISCLAIMER

There are numerous factors that may affect both revenues and expenditures in future years. These projections are intended solely for use by Town Management as part of the Town's financial planning process. They are based on current information and reasonable assumptions; however, they should not be relied upon by any resident, committee, or commission as definitive forecasts.

IDENTIFIED NEEDS

- **Public Safety**
 - Police Department: Sergeant, Detective, SRO, K9, Officer
 - Fire Department: Fire Inspector / Fire Prevention Officer
- **Community Services**
 - Senior Center Additional support staff and expanded hours
 - Goodnow Library: Program staff and additional hours
- **Parks & Recreation**
 - Assistant Director >to be funded through Revolving and Enterprise accounts
- **Transportation**
 - GoSudbury and CatchConnect services
- **Facilities**
 - Project Manager/Assistant Director
 - HVAC Technician and additional staffing for the Fairbank Community Center
 - Exploring in-house custodial; expected to be budget neutral
- **Public Works**
 - DPW: GIS Coordinator
 - Heavy Equipment Operator
- **Organization-wide – Plan for Retirements**

LONG TERM SUSTAINABILITY

Challenge: Develop a shared, long-term plan for sustainable operating and capital budgets that ensures financial stability and supports service excellence.

Goal: Chart a path that positions the Town to thrive as one community, balancing fiscal responsibility with community needs.

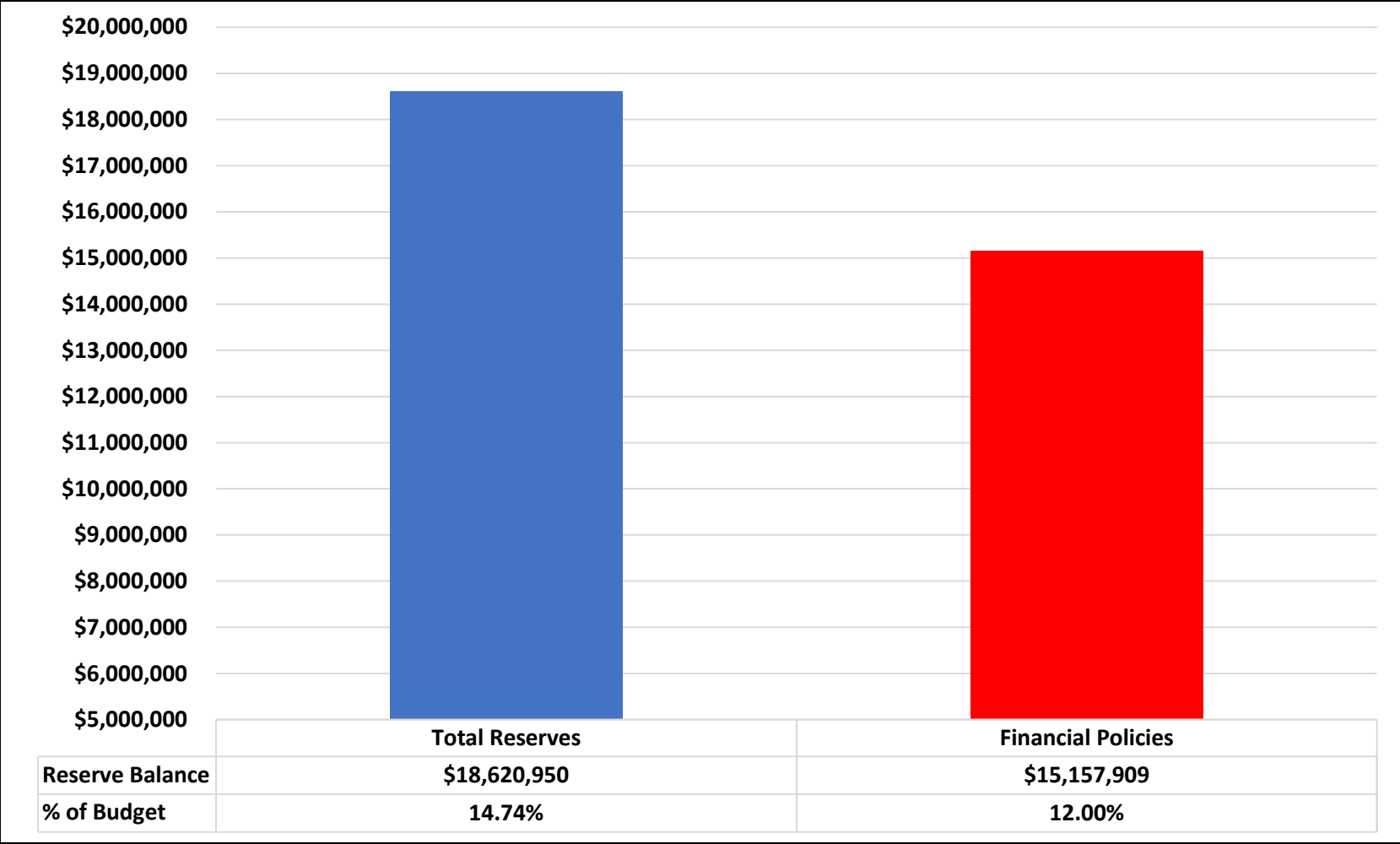
Avoid pitting departments against each other:

“If you want to go fast, go alone; if you want to go far, go together.”— African Proverb

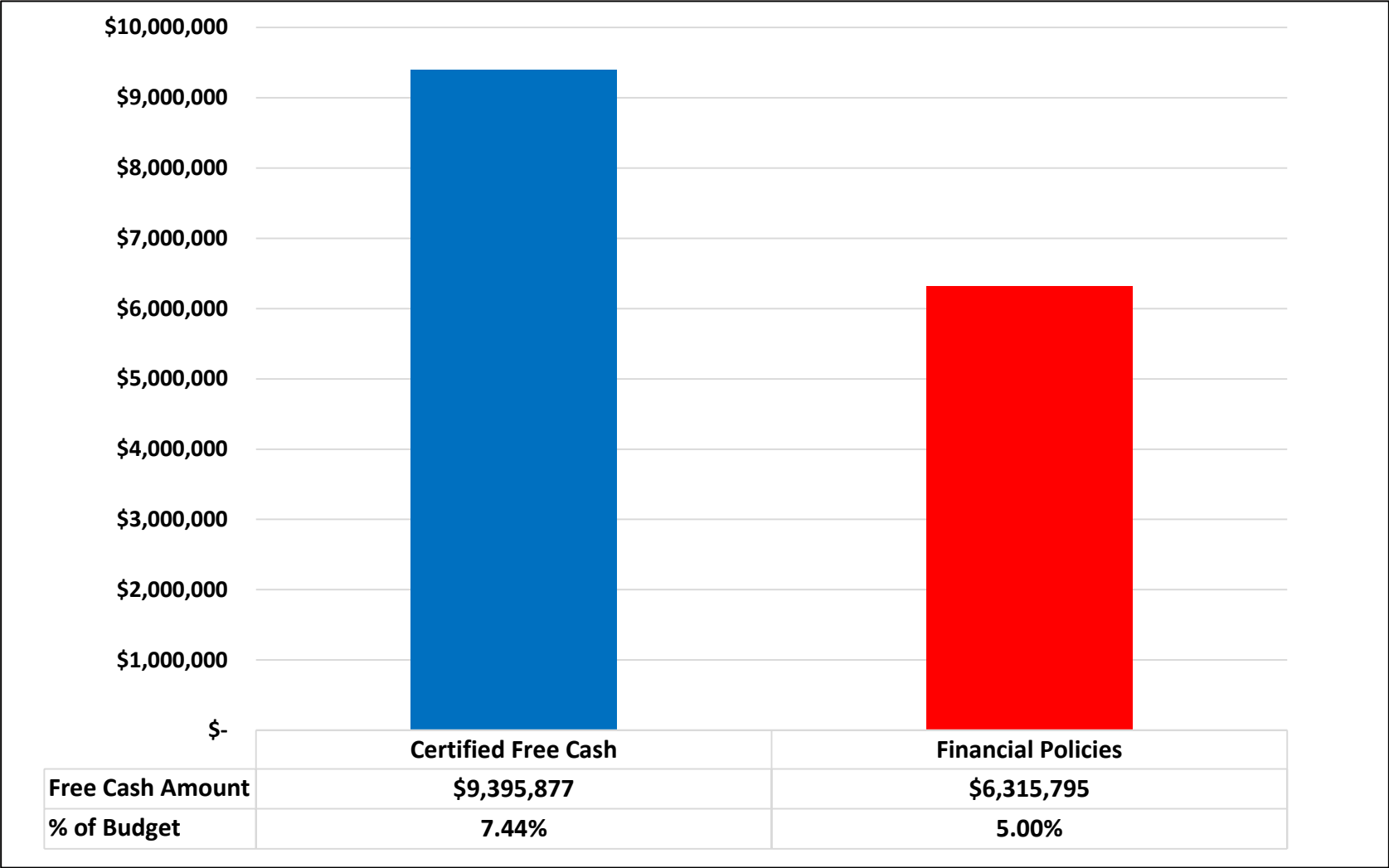
FINANCIAL POLICIES

- Provide a **source of available funds** for future capital expenditures.
- The Town will strive to maintain **overall reserves equal to 10–12%** of the prior year's General Fund budget.
- These reserves are comprised of the **General Stabilization Fund, Special Purpose Stabilization Funds, and Free Cash** targets.

FINANCIAL POLICIES – TOTAL RESERVES



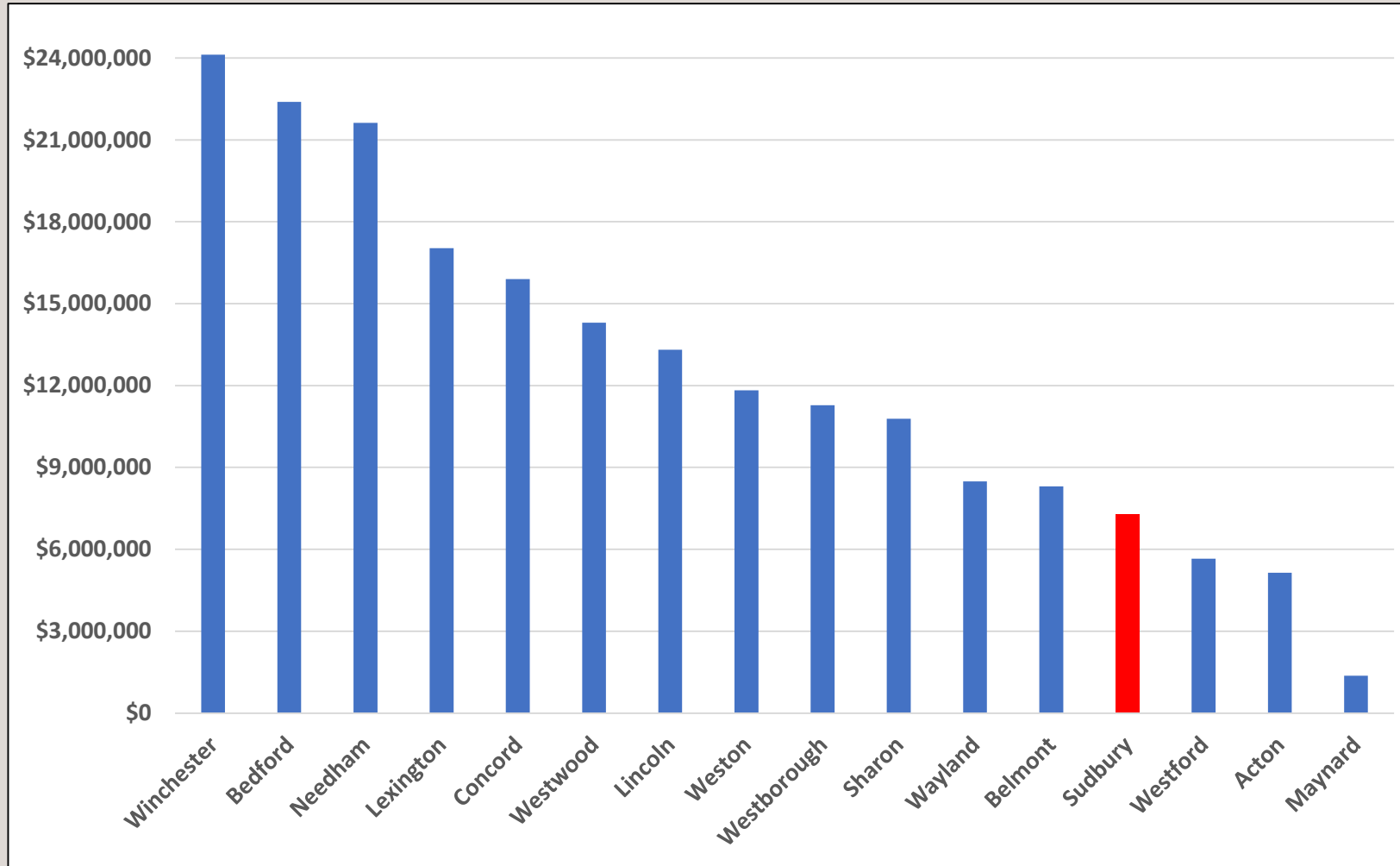
FINANCIAL POLICIES – FREE CASH



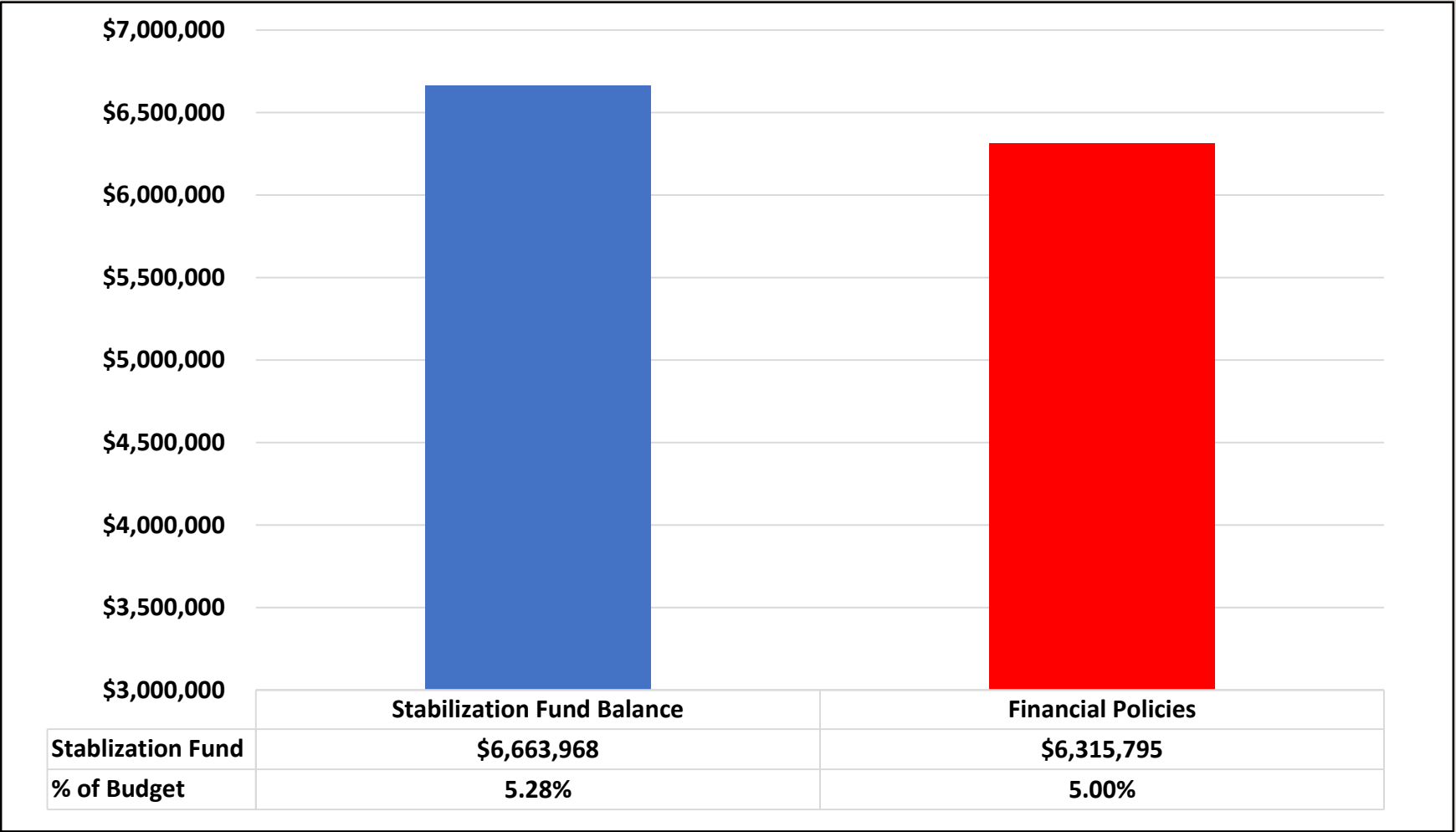
FREE CASH

Certified Free Cash FY2025	\$ 7,271,136
2025 ATM Usage	(4,610,820)
Balance Carried Forward (37%)	\$ 2,660,316
Excess Revenues FY2025	\$ 3,996,302
Closed Articles	700,000
Reversions	1,609,115
Adjustments (Receivables/Deficit Balances)	430,144
Certified Free Cash FY2026	\$ 9,395,877

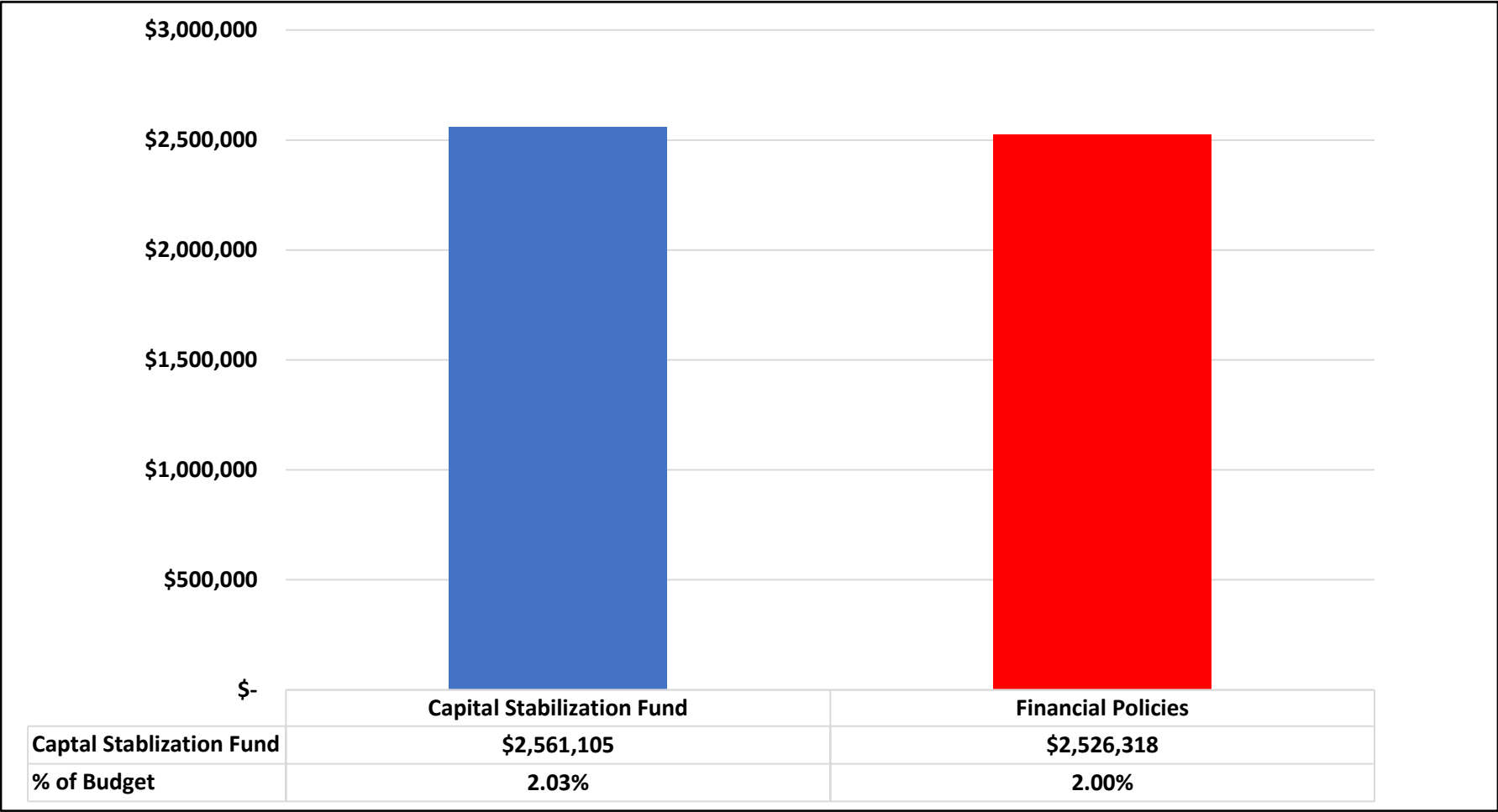
FREE CASH COMPARISON – FY2025



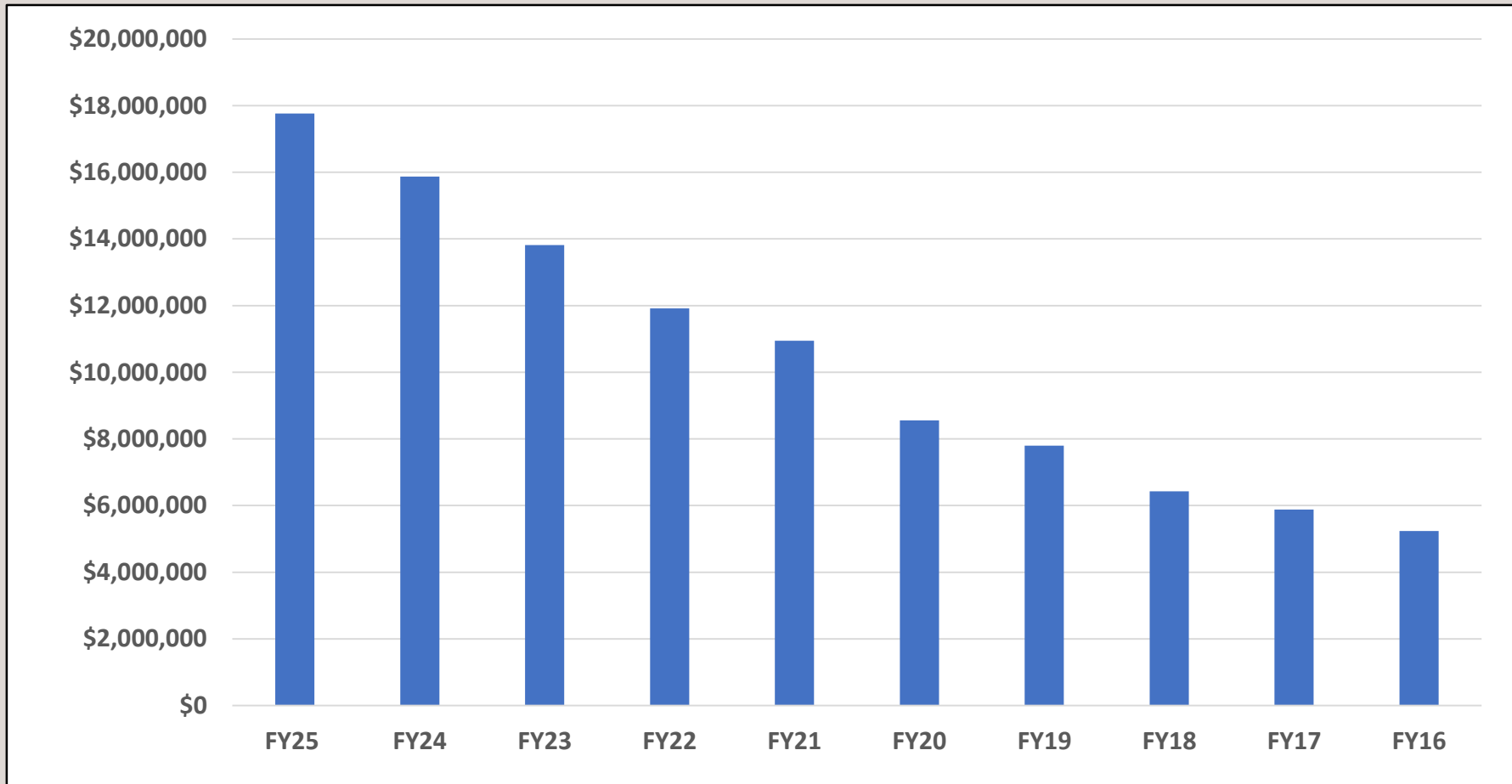
FINANCIAL POLICIES – STABILIZATION FUND



FINANCIAL POLICIES – CAPITAL STABILIZATION



OPEB BALANCE FY16 – FY25



LONG TERM SUSTAINABILITY

Challenge: Coalesce around a long term plan for sustainable operating and capital budgets

Chart a path that positions us to thrive as one community



LONG TERM SUSTAINABILITY

“If you want to go fast, go alone; if you want to go far, go together.”

African proverb

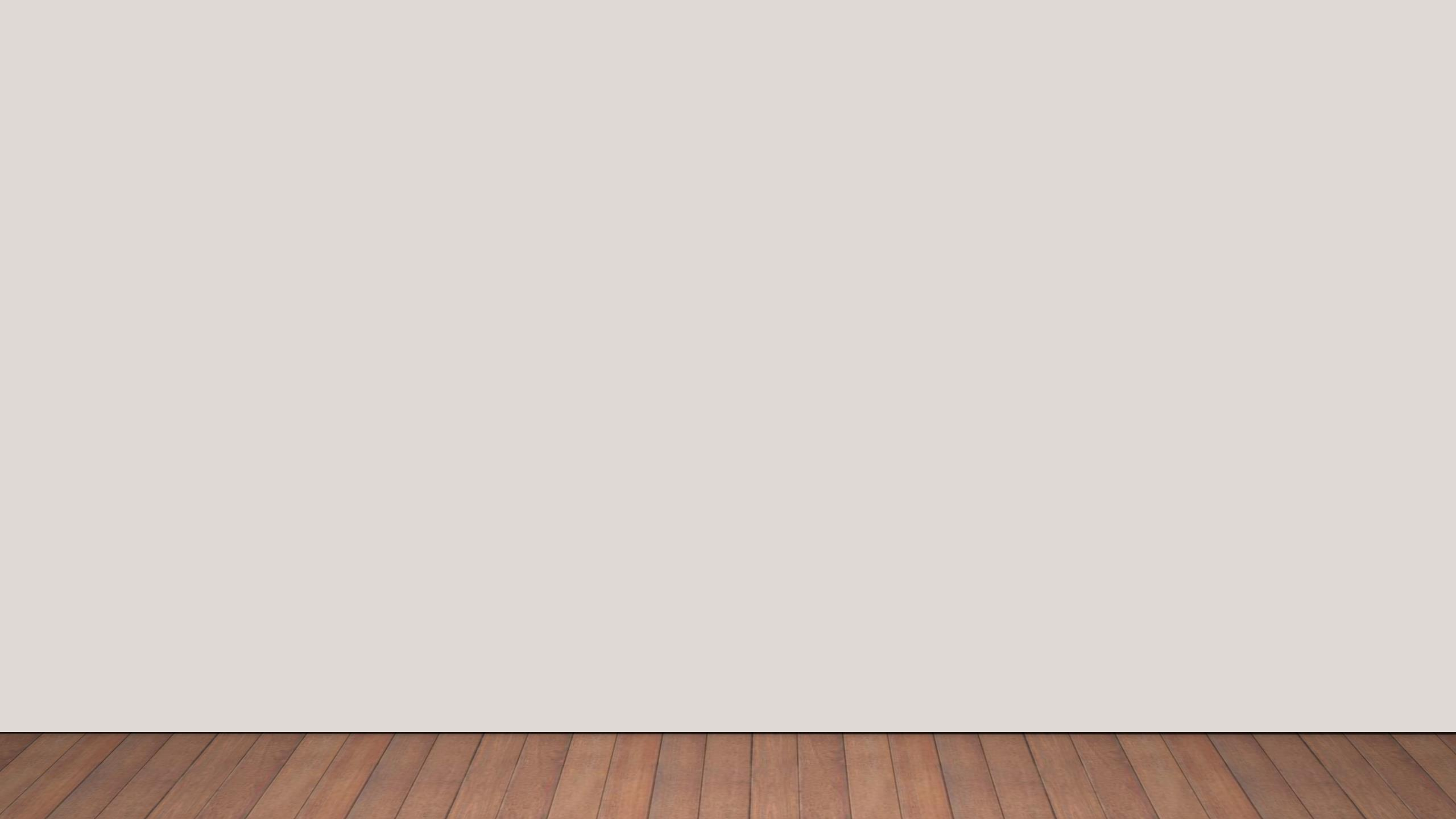
Let's go far.



Thank you

Questions and discussion





FINANCIAL POLICIES – FREE CASH

- Maintain free cash in the range of 3-5% of the prior years General Fund Budget.
- To achieve this, the Assistant Town Manager/Finance Director shall assist the Town Manager in proposing budgets with conservative revenue projections, and department heads shall manage their appropriation to produce excess income and budget turnback's.

FINANCIAL POLICIES – STABILIZATION FUND

- Maintain a minimum balance of 5% of the prior years' General Fund Budget in its general stabilization funds.
- Withdrawals from general stabilization should only be used to mitigate emergencies or other unanticipated events that cannot be supported by the General Fund appropriations.
- When possible, withdrawals of the funds should only be limited to the amount available above the 5% minimum reserve target level, and should be limited to 1/3 of the general stabilization fund balance at one time.

FINANCIAL POLICIES – CAPITAL STABILIZATION

- Maintain a minimum balance of 2% of the prior years' General Fund Budget in its capital stabilization funds.
- Target balance should be sufficient to cover the Town's cash outlay for capital.
- Withdrawals from the Capital Stabilization Fund should be avoided until the target balance has been achieved.
- Town will seek to make annual contributions to the fund until the target balance is achieved.

FINANCIAL POLICIES – OPEB

The Town of Sudbury is committed to responsibly funding the long-term cost of benefits promised to its employees. To accomplish this, the Town will:

- Fund OPEBs proactively by accumulating resources for future benefit payments during employees' active service;
- Invest prudently through the Town's OPEB Trust Fund in compliance with M.G.L. c. 32B, §20, and the Town's adopted Investment Policy;
- Periodically evaluate funding strategies to ensure sustainability and consistency with best practices; and
- Assess and manage cost drivers including benefit design, contribution structure, and healthcare trends while maintaining competitive and equitable employee benefits.