TOWN OF SUDBURY

Financial Condition & Forecast

Andrew J. Sheehan, Town Manager

November 10, 2026

Financial Condition at a Glance

AAA / Stable

S&P Global Ratings (February 6, 2024)
Rating call is planned for December 2026

$21.1 million

OPEB Trust

$7.2 million

Stabilization Fund

$2.9 million

Capital Stabilization

$9.9 million

Certified Free Cash (September 25, 2026)

Recognition

GFOA Certificate of Achievement for Excellence in Financial Reporting for the FY2025 audit report. The FY2026 audit is in process. The Town received the GFOA Distinguished Budget Presentation Award for FY2027.

Town Charter Part IV, Section 10

The Town Manager must prepare an annual financial forecast of Town revenues, expenditures, and overall financial condition.

The Town Manager is responsible for the Town's financial management functions, including preparation and submission of the operating budget and capital improvement program.

> ***"If you want to go fast, go alone; if you want to go far, go together."***
>
> African proverb

Forecasts help the Town plan ahead

A management tool based on projected revenues and expenditures

01

Management tool

Forecasts help evaluate the Town's financial condition and guide fiscal policy.

02

Early warning

They help detect potential future gaps between revenues and expenditures.

03

Plan for uncertainty

Forecasts cannot eliminate surprises or emergencies. They give the administration time to anticipate and correct potential issues.

04

Like a weather forecast

The farther out the projection, the less precise it becomes. It remains useful for trend analysis and planning.

Why a Financial Forecast Matters

A clear view of the Town's finances supports informed decisions.

01 **Supports responsible financial management**

Guides sound decisions and meets the Town Charter requirement.

02 **Promotes transparency and minimizes surprises**

Helps officials and residents understand the Town's financial outlook.

03 **Identifies future budget gaps and pressures**

Anticipates revenue shortfalls, rising costs and budget challenges.

04 **Supports long-term capital and financial planning**

Plans for infrastructure, debt service and future obligations.

05 **Viewed favorably by bond rating agencies**

Demonstrates sound planning and long-term financial stability.

Financial Summary Disclaimer

FUTURE CONDITIONS

There are numerous factors that may affect both revenues and expenditures in future years.

INTENDED USE

These projections are intended solely for use by Town Management as part of the Town's financial planning process.

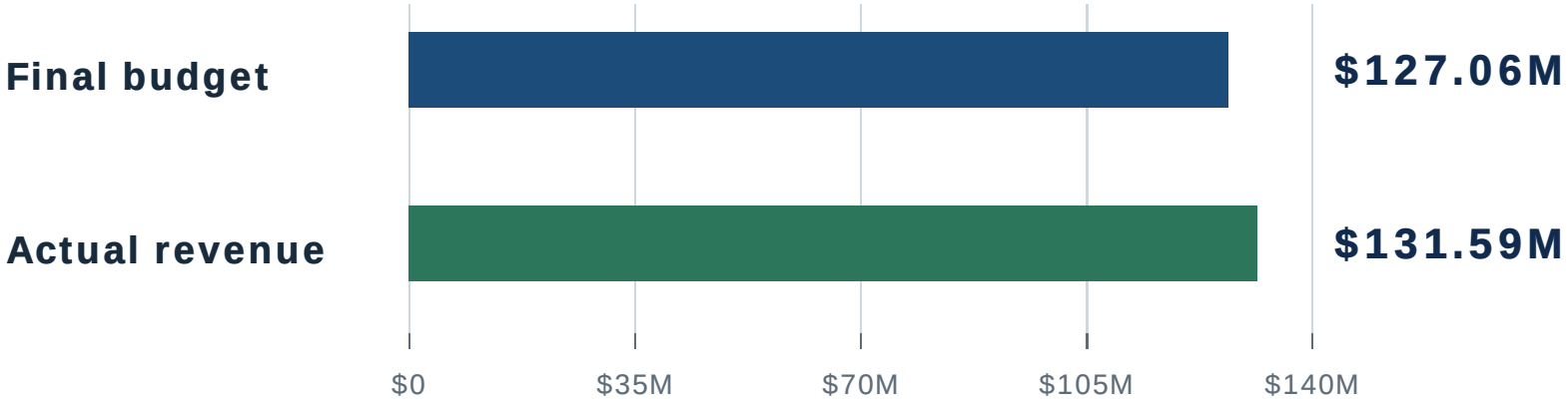
BASIS AND LIMITS

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.

FY2026 Revenue Results

Final budget compared with actual revenue, excluding transfers

Revenue comparison



Exact totals: $131,594,231 in actual revenue and $127,063,599 budgeted.

REVENUE ABOVE BUDGET

$4.53M

3.6%

Actual revenue exceeded the final budget.

FY2026 Revenue | Budget to Actual

Revenue Source	Original Budget	Budget Adj. *	Final Budget	Actual Revenue	Over / (under)	% of Final
Real Estate & Personal Property	$113,026,842	$-327,388	$112,699,454	$112,086,149	$-613,305	99.5%
Tax Liens & Deferrals	$0	$0	$0	$768,831	$768,831	—
Intergovernmental (State Aid)	$8,089,560	$0	$8,089,560	$8,071,734	$-17,826	99.8%
Motor Vehicle Excise Tax	$3,858,000	$0	$3,858,000	$5,293,015	$1,435,015	137.2%
Meals and Room Tax	$368,000	$0	$368,000	$522,962	$154,962	142.1%
In Lieu of Taxes	$41,000	$0	$41,000	$43,891	$2,891	107.1%
MEDICAID Reimbursements	$98,251	$0	$98,251	$180,882	$82,631	184.1%
Penalties and Interest	$250,000	$0	$250,000	$854,117	$604,117	341.6%
Licenses and Permits	$801,000	$0	$801,000	$1,170,057	$369,057	146.1%
Fines and Forfeitures	$8,000	$0	$8,000	$19,411	$11,411	242.6%
Other Departmental Revenue	$595,000	$0	$595,000	$749,614	$154,614	126.0%
Earnings on Investments	$255,334	$0	$255,334	$1,833,567	$1,578,233	718.1%
TOTAL REVENUES	**$127,390,987**	**$-327,388**	**$127,063,599**	**$131,594,231**	**$4,530,632**	**103.6%**
Transfers In	$695,000	$0	$695,000	$806,045	$111,045	116.0%
TOTAL REVENUES & TRANSFERS	**$128,085,987**	**$-327,388**	**$127,758,599**	**$132,400,276**	**$4,641,677**	**103.6%**

** Budget adjustments reflects approved real estate tax exemption and abatements.*

FY2026 Expenditure Results

Budget compared with actual expenditures and encumbrances

$129.13M
Final budget

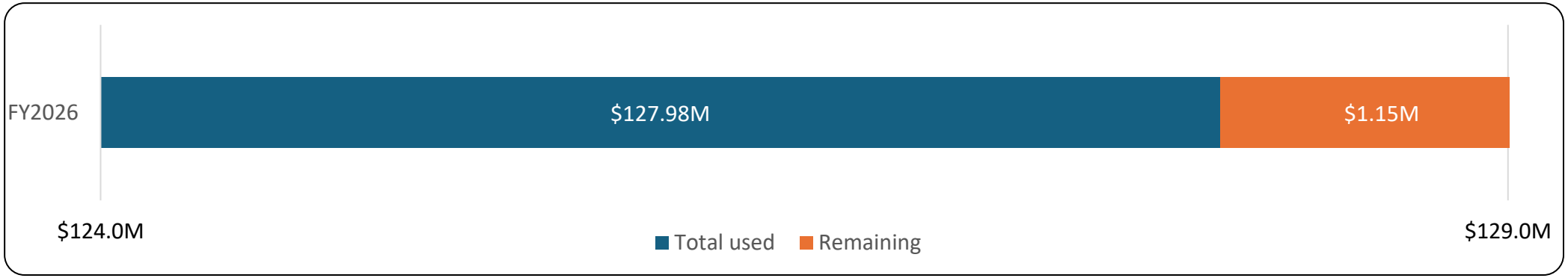
$127.98M
Total used or encumbered

$1.15M
Remaining budget

99.1%
Budget used

Expenditures and transfers

The schedule reports 99.1% of the final budget used or encumbered.



FY2026 Expenditures | Budget to Actual

Department / Function	Original Budget	Prior-year Encumbrances / Transfers	Final Budget	Actual Expenditures	Encum-Brances	Total Used	Remaining	% used
Education - Sudbury Public Schools (SPS)	$47,279,447	$272,568	$47,552,015	$47,481,809	$68,984	$47,550,792	$1,223	100.0%
Education - LS Regional High School (LS)	$30,252,405	$0	$30,252,405	$30,193,976	$0	$30,193,976	$58,429	99.8%
Education - Vocational	$400,000	$48,000	$448,000	$447,730	$0	$447,730	$270	99.9%
General Government	$4,049,200	$67,531	$4,116,731	$3,875,928	$187,620	$4,063,548	$53,183	98.7%
Public Safety	$10,679,760	$107,367	$10,787,127	$10,508,491	$136,523	$10,645,014	$142,113	98.7%
Public Works	$5,914,764	$724,600	$6,639,364	$5,856,896	$612,121	$6,469,017	$170,346	97.4%
Public Works (Snow & Ice)	$500,000	$750,000	$1,250,000	$1,419,713	$0	$1,419,713	($169,713)	113.6%
Human Services	$1,072,145	$2,200	$1,074,345	$1,023,491	$198	$1,023,689	$50,656	95.3%
Culture & Recreation	$1,773,678	$1,041	$1,774,719	$1,713,182	$4,272	$1,717,454	$57,265	96.8%
Sub-Total Cost Centers	**$101,921,398**	**$1,973,307**	**$103,894,705**	**$102,521,216**	**$1,009,718**	**$103,530,934**	**$363,771**	**99.6%**

FY2026 Expenditures | Budget to Actual

Other Budget Items	Original Budget	Prior-year Encumbrances / Transfers	Final Budget	Actual Expenditures	Encum-Brances	Total Used	Remaining	% Used
Reserve Fund	$300,000	($48,000)	$252,000	$0	$0	$0	$252,000	0.0%
Town-Wide Operating	$216,664	$300	$216,964	$188,598	$28,322	$216,920	$44	100.0%
Town Debt Service	$4,969,223	$0	$4,969,223	$4,760,585	$0	$4,760,585	$208,638	95.8%
Employee Benefits (Town and SPS)	$17,346,530	$10,500	$17,357,030	$16,813,296	$15,822	$16,829,119	$527,911	97.0%
Property and Liability Insurance	$626,808	$0	$626,808	$626,606	$0	$626,606	$202	100.0%
State and County Charges	$285,287	$0	$285,287	$253,706	$0	$253,706	$31,581	88.9%
OPEB Trust Contribution (Town and SPS)	$650,000	$0	$650,000	$650,000	$0	$650,000	$0	100.0%
Sub-Total Unclassified	$24,394,512	($37,200)	$24,357,312	$23,292,791	$44,144	$23,336,935	$1,020,376	95.8%
Total Expenditures	$126,315,909	$1,936,107	$128,252,016	$125,814,007	$1,053,863	$126,867,869	$1,384,147	98.9%
Reserve for Abatement / Exemptions	$90,580	($327,388)	($236,808)	$0	$0	$0	($236,808)	0.0%
Other Financing Uses (Transfer Outs)	$1,110,100	$0	$1,110,100	$1,110,100	$0	$1,110,100	$0	100.0%
Total Expenditures & Transfers	**$127,516,589**	**$1,608,719**	**$129,125,308**	**$126,924,107**	**$1,053,863**	**$127,977,969**	**$1,147,339**	**99.1%**

TOWN OF SUDBURY

FY2027 Certified Free Cash

Detailed breakdown of the FY2026 year-end results that produced the certification

CERTIFIED SEPTEMBER 25, 2026

$9,985,147

Up $589,270 (6.3%) from FY2026

FY2026 YEAR-END ADDITIONS: $7,628,649

Three sources explain the additions: favorable revenue performance, expenditure reversions, and other year-end balance-sheet adjustments.

FY2026 FAVORABLE REVENUE

Excess revenue: $4.531M

$4,530,632

59% of FY2026 year-end additions | 3.6% above budget

SPECIFICALLY ONE-TIME: $1.306M

Tax Title and Deferred Tax principal collections	$768,831
Tax Title and Deferred Tax interest penalties and interest collections	$537,368

LARGEST OTHER POSITIVE VARIANCES

Earnings on investments	$1,578,233
Motor Vehicle Excise Tax	$1,435,015
Licenses and permits	$369,057

Other revenue categories and offsetting under-budget items are included in the $4.531M net favorable variance.

FY2026 EXPENDITURE REVERSIONS

Budget savings and reversions

$1,384,147

18% of FY2026 year-end additions

LARGEST REVERSION CATEGORIES

Employee Benefits and Property Liability Insurance	$527,911
Reserve Fund	$252,000
Debt	$208,839
Public Works	$170,346
Public Safety	$142,113
All other categories, net (incl. Snow and Ice)	$82,938

Drivers included vacancies and related benefits, an unused Reserve Fund balance, lower insurance costs, and delayed debt service.

OTHER YEAR-END ADJUSTMENTS

Balance-sheet adjustments

$1,713,870

22% of FY2026 year-end additions

BREAKDOWN OF ADJUSTMENTS

Closed capital articles, appropriations and transfers in Includes $747,381 returned from closed capital/prior articles	$858,426
Deficit balance change from prior certification Favorable reduction in year-end deficit balances	$449,224
Deferred revenue / receivables adjustment From use of overlay balance and receivables	$236,507
Snow deficit adjustment Remaining deficit raised on the FY2027 tax rate	$169,713

These adjustments are variable or nonrecurring in nature.

FY2026 YEAR-END ADDITIONS $7.629M — Revenue $4.531M + Reversions $1.384M + Adjustments $1.714M

\+ **PRIOR BALANCE REMAINING** $2.356M

= **FY2027 CERTIFIED FREE CASH** $9.985M

Memo specifically identifies $2.739M in one-time sources affecting Free Cash; these should not be assumed to recur at the same level.

Source: Town of Sudbury Free Cash Calculation Memo, September 25, 2026

FY2028 BUDGET WORKING GROUP

Closing the $3 Million Budget Gap

Four meetings held to date (June – October 2026) • Next meeting: Thursday, November 12

$3.00M	+$2.19M	–$517K	~$290K
STARTING DEFICIT — JUNE 2026	REVENUES & TRANSFERS	NET EXPENSE CHANGE	REMAINING GAP

REVENUE & TRANSFER ADJUSTMENTS

Local Receipts	+$660K
Free Cash (OPEB)	+$500K
Capital Stabilization Fund (Town Manager Capital Article)	+$500K
Ambulance Receipts	+$100K
State Aid (FY2027 Final State Numbers)	+$284K
Real Estate Tax	+$149K

EXPENSE ADJUSTMENTS

Debt Service	+$321K
Insurance & Benefits	–$786K
Overlay	–$25K
State Assessment (FY2027 Final State Number)	–$31K
Town-Wide and Town Budgets	+$5K

NOTES ON ADJUSTMENTS

- Local Receipts: FY2027 the Town increased by $865K; two-year total increase $1.62M.
- FY2027 Free Cash: $325K was used for OPEB.
- Ambulance Receipts Reserved for Appropriation: Debt payments for Ambulance Purchase.
- Real Estate Tax Increase: Debt Exclusion Roof Projects.
- Debt Service: Estimated Borrowing Cost; Final Bond Sale January 2027.
- Overlay: Current Overlay Balance will be used FY28 Abatements/Exemptions.
- State Aid and State Assessments: FY2027 Final State Numbers.
- Insurance & Benefits: Updated GIC enrollments; Middlesex County Retirement Assessment Increase below 1%.

FY2028 BUDGET WORKING GROUP

Items Still Under Review

Several budget components remain estimates and will be updated as additional information becomes available.

FY27 NEW GROWTH

Confirm final certification and the impact on real estate tax revenue.

November 2026

DEBT SERVICE

Bond sale scheduled for January 2027; final borrowing costs will not be known until then.

January 2027

HEALTH INSURANCE

FY2028 GIC health insurance rates will not be released until March – April 2027.

March – April 2027

PROPERTY & LIABILITY RATES

FY2028 MIIA property and liability insurance rates will not be known until March 2027.

March 2027

POTENTIAL FUNDING SOURCES

Evaluate use of Solar Revolving Funds for Utilities.

Further discussion

COST CENTER BUDGETS

Continue working with Town departments, SPS and LSRHS on budget needs.

Ongoing budget process

NEXT STEPS

Update revenue and expense projections as figures are finalized, and continue reviewing cost center pressures.

Revenue Projections (a/o 10/7/2026)

FY2026 actual, FY2027 budget, and FY2028–FY2030 projections as presented at the FY2028 Budget Working Group

Revenue source	FY2026 Actual	FY2027 Budgeted	FY2028 Projected	FY2028 % Change	FY2029 Projected	FY2030 Projected
Real Estate and Personal Property Taxes	$112,854,980	$116,746,807	$120,135,598	2.9%	$123,113,281	$126,227,954
State Aid	$8,071,734	$8,570,157	$8,786,398	2.5%	$9,008,758	$9,237,416
Local Receipts	$10,667,519	$7,140,000	$7,890,000	10.5%	$7,890,000	$7,890,000
Ambulance Receipts and Other Transfers	$695,000	$780,000	$880,000	12.8%	$900,000	$925,000
Free Cash	$4,060,820	$6,289,379	$500,000	—	$0	$0
Capital Stabilization Fund (TM Capital Article)	—	—	$500,000	—	—	—
TOTAL REVENUES	**$136,350,053**	**$139,526,343**	**$138,691,996**	**-0.6%**	**$140,912,039**	**$144,280,370**

- **FY2028 Free Cash:** The $500,000 currently shown is designated for the OPEB Fund. In FY2027, the Town appropriated $325,000 in Free Cash for OPEB.
- **Additional Free Cash Uses:** The remaining planned uses of FY2028 Free Cash are not yet reflected. Once the FY2028 capital projects are finalized, additional proposed appropriations, including funding for capital projects and Stabilization Funds, will be incorporated.
- **Ambulance Receipts:** The Town is evaluating an increase in projected ambulance receipts to help offset the cost of providing additional ambulance coverage within the Fire Department.

Expenditure Projections (a/o 10/7/2026)

FY2026 actual, FY2027 budget, and FY2028–FY2030 projections as presented at the FY2028 Budget Working Group on 10/7/2026

Expenditure / balance	FY2026 Actual	FY2027 Budgeted	FY2028 Projected	FY2028 % Change	FY2029 Projected	FY2030 Projected
Education - SPS	$47,481,809	$49,252,426	$51,457,242	4.5%	$53,342,833	$54,943,118
Education - LS	$30,193,976	$31,012,531	$31,942,907	3.0%	$32,901,194	$33,888,230
Education - Vocational	$447,730	$580,000	$597,400	3.0%	$615,322	$633,782
General Government	$3,875,928	$4,256,165	$4,457,367	4.7%	$4,686,916	$4,912,371
Public Safety	$10,508,491	$10,978,200	$11,384,725	3.7%	$11,818,600	$12,213,756
Public Works	$7,276,609	$6,709,072	$6,950,284	3.6%	$7,197,914	$7,449,684
Human Services	$1,023,491	$1,253,437	$1,314,538	4.9%	$1,375,644	$1,438,684
Culture & Recreation	$1,713,182	$1,745,754	$1,814,174	3.9%	$1,895,891	$1,974,703
Total Town Departments	**$102,521,216**	**$105,787,586**	**$109,918,637**	**3.9%**	**$113,834,314**	**$117,454,328**
Reserve Fund	$0	$300,000	$300,000	0.0%	$300,000	$300,000
Town-Wide Operating	$188,598	$239,250	$258,390	8.0%	$279,061	$301,386
Debt Service	$4,760,585	$5,266,335	$5,814,635	10.4%	$5,630,860	$5,499,335
Employee Benefits (Town and SPS)	$17,439,902	$19,660,335	$20,681,888	5.2%	$22,421,535	$24,312,886
OPEB Trust Contribution (Town & SPS)	$650,000	$500,000	$500,000	0.0%	$500,000	$500,000
State & County Charges	$253,706	$263,926	$272,504	3.3%	$281,360	$290,504
Total Operating Budget	**$125,814,007**	**$132,017,432**	**$137,746,054**	**4.3%**	**$143,247,130**	**$148,658,439**
Town Managers' Capital Budget	$1,219,400	$1,195,600	$1,200,000	0.4%	$1,200,000	$1,200,000
Other Financing Uses (Capital/Articles)	$4,170,820	$5,974,479	$10,100	-99.8%	$10,100	$10,100
Reserve for Abatements (Overlay)	$90,580	$25,000	$25,000	0.0%	$150,000	$300,000
TOTAL EXPENDITURES	**$131,294,807**	**$139,212,511**	**$138,981,154**	**-0.2%**	**$144,607,230**	**$150,168,539**
Surplus / (Deficit)	**$5,055,246**	**$313,832**	**($289,158)**	**—**	**($3,695,191)**	**($5,888,169)**

FY2028 Town Manager Budget Guidance (3.6%)

Cost Center	FY2027 Budget	FY2028 Increase	FY2028 Guidance	Increase FY28
SUDBURY PUBLIC SCHOOLS				
Sudbury Public Schools	$49,252,426	$1,773,087	$51,025,513	3.60%
SPS Employee Benefits	$11,517,632	$607,629	$12,125,261	5.28%
TOTAL SPS GUIDELINE	**$60,770,058**	**$2,380,716**	**$63,150,774**	**3.92%**
LINCOLN-SUDBURY REGIONAL HIGH SCHOOL				
Lincoln Sudbury	$31,012,531	$1,116,451	$32,128,982	3.60%
TOWN DEPARTMENTS				
Town Departments	$24,942,628	$897,935	$25,840,563	3.60%
Town Employee Benefits	$8,142,705	$413,923	$8,556,628	5.08%
TOTAL TOWN GUIDELINE	**$33,085,333**	**$1,311,858**	**$34,397,191**	**3.97%**

FY2028 Guidance

The 3.6% guidance established a balanced FY2028 budget.

We recognize that 3.6% may be difficult for cost centers. In discussions with SPS, we indicated that we expect to know more information by early December.

NEW GROWTH

Higher new growth than projected could increase available revenue.

Final: End of November

HEALTH INSURANCE

A lower rate increase than projected could reduce employee benefit costs.

Preliminary: December
Final Rates March

BOND SALE

Borrowing costs below projections could reduce debt service costs.

Early January

As new information becomes available, it may create opportunities to revisit guidance.

New information may create room to adjust guidance while keeping the budget balanced.

Revenue & Expenditure Forecast (updated FY28 Guidance)

FY2028 assumes 3.6% operating increases for SPS, LS and Town departments

	FY2026 Actual	FY2027 Budget	FY2028 Projected	FY2029 Estimate	FY2030 Estimate
TOTAL REVENUES	**$136,350,053**	**$139,526,343**	**$138,691,996**	**$140,912,039**	**$144,280,370**
Sudbury Public Schools	$47,481,809	$49,252,426	$51,025,513	$52,862,432	$54,580,461
Lincoln-Sudbury	$30,193,976	$31,012,531	$32,128,982	$33,285,625	$34,367,408
Vocational Education	$447,730	$580,000	$597,400	$618,906	$639,021
Town Departments	$24,397,701	$24,942,629	$25,840,564	$26,770,824	$27,640,876
Other Operating Costs	$23,292,790	$26,229,846	$27,827,417	$29,534,539	$31,463,376
TOTAL OPERATING BUDGET	**$125,814,007**	**$132,017,432**	**$137,419,876**	**$143,072,326**	**$148,691,142**
Town Manager's Capital Budget	$1,219,400	$1,195,600	$1,200,000	$1,200,000	$1,200,000
Other Financing Uses	$4,170,820	$5,974,479	$10,100	$10,100	$10,100
Reserve for Abatements	$90,580	$25,000	$25,000	$150,000	$300,000
TOTAL EXPENDITURES	**$131,294,807**	**$139,212,511**	**$138,654,976**	**$144,432,426**	**$150,201,242**
SURPLUS / (DEFICIT)	**$5,055,246**	**$313,832**	**$37,020**	**($3,520,387)**	**($5,920,872)**

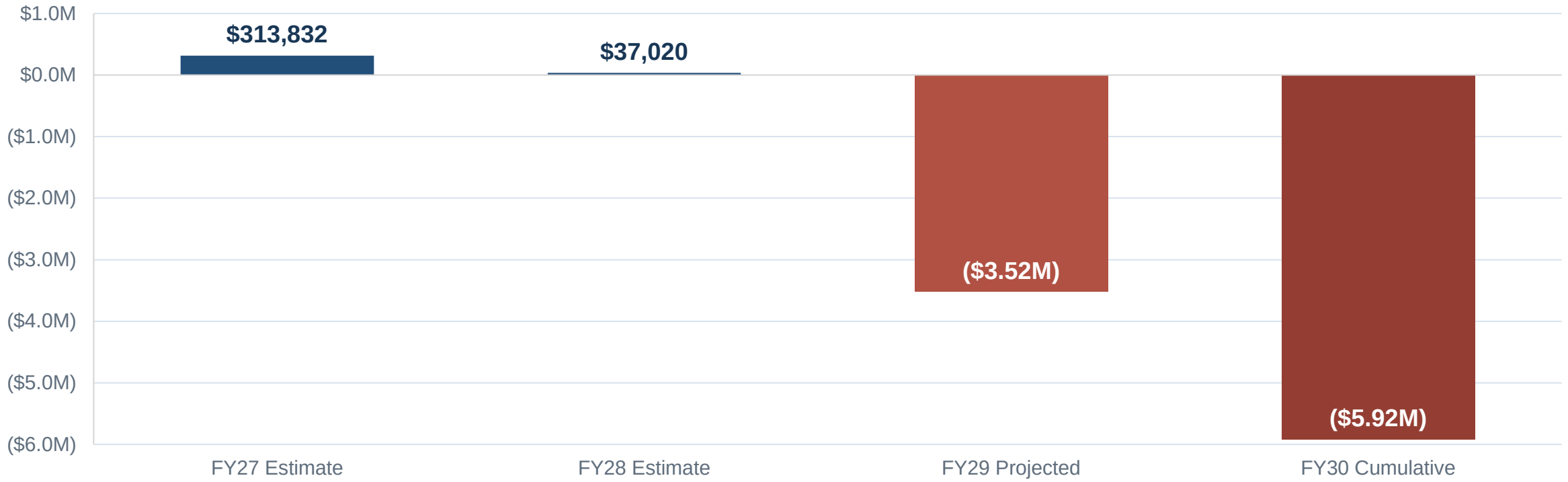
FY2029–FY2030 forecast assumptions

- Operating increases for SPS, LS and Town departments: FY2029 assumes 3.6%; FY2030 assumes 3.25% over the prior year.
- FY2029 and FY2030 are estimates. SPS, LS and Town departments have not submitted budget figures for those years.
- Projected deficits show potential funding gaps and will change as budget requests, revenues and costs are updated.

Other operating costs include the reserve fund, town-wide costs, debt, benefits, OPEB and state/county charges.

FY27–FY30 Budget Outlook

Projected surplus / (deficit), including unresolved prior-year gaps



FY27 ESTIMATE

New Growth and tax rate not finalized.

FY28 ESTIMATE

3.6% operating guidance.
Includes $1M in reserve funding.
From Free Cash & Capital Stabilization Fund

FY29 DEFICIT

3.6% operating growth assumption.

FY30 CUMULATIVE

Includes FY2029 if unresolved.

FY2030: $5.92M cumulative gap if the FY2029 deficit remains unresolved.
If FY2029's $3.52M gap is resolved through recurring revenue or permanent savings, the additional FY2030 gap is $2.40M.

Proposed Use of Free Cash

FY2028 funding plan

Free Cash Allocation	Amount
Certified Free Cash	$9,985,147
Retain 30% of Certified Free Cash	$2,995,544
AVAILABLE FOR USE	**$6,989,603**
Proposed FY2028 Uses	
Capital Articles	$5,411,000
Stabilization Fund	$300,000
OPEB Funding	$500,000
Capital Stabilization Fund	$0
Transportation	$100,000
Snow Deficit (Projected)	$500,000
TOTAL PROPOSED FY2028 USES	**$6,811,000**
UNALLOCATED AMOUNT AVAILABLE FOR USE	**$178,603**

Projected Free Cash balance after proposed uses: $3,174,147

Includes $2,995,544 retained under the 30% assumption, plus $178,603 available for additional allocation.

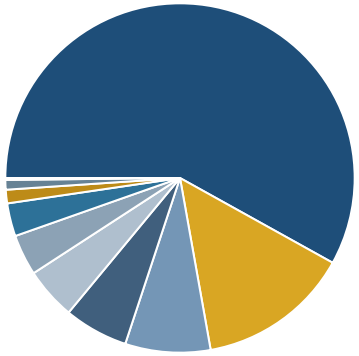
FY27 Budget Allocation

Insurance and benefits shown separately and allocated among cost centers

By Function

$139.21 million

Insurance and benefits shown separately



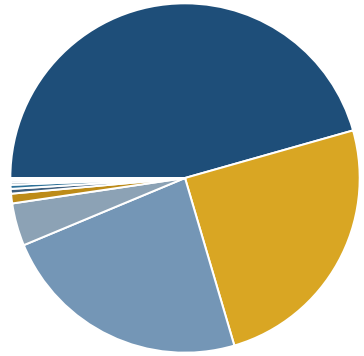
Category	Amount	Share
Education	$80.84M	58.1%
Employee Benefits & Property / Liability Insurance	$19.66M	14.1%
Public Safety	$10.98M	7.9%
Transfers, State Charges, OPEB, Capital & Reserve Fund	$8.26M	5.9%
Public Works	$6.71M	4.8%
Debt Service	$5.27M	3.8%
General Government	$4.26M	3.1%
Culture & Recreation	$1.75M	1.3%
Human Services	$1.25M	0.9%
Town-Wide Operating	$0.24M	0.2%

By Cost Center

$133.24 million

Excludes Capital Articles, Other Articles, and Stabilization Fund Transfers

Insurance and benefits allocated to SPS & Town Dept.



Category	Amount	Share
Sudbury Public Schools	$60.77M	45.6%
Town Departments	$33.09M	24.8%
Lincoln-Sudbury Regional High School	$31.01M	23.3%
Debt Service	$5.27M	4.0%
Town Manager Capital	$1.20M	0.9%
Vocational Education	$0.58M	0.4%
OPEB	$0.50M	0.4%
Reserve Fund	$0.30M	0.2%
State Charges	$0.26M	0.2%
Town-Wide Operating	$0.24M	0.2%
Reserve for Abatements	$0.03M	0.0%

Identified Service and Staffing Needs

Facilities	Project manager / assistant director; HVAC technician and added Fairbank Community Center support. Explore in-house custodial service as budget neutral.
Community Services	Senior Center staffing and hours; Goodnow Library program support and hours.
Transportation	Go Sudbury and Catch Connect services.
Public Safety	Police: sergeant, detective, school resource officer, K-9, officer. Fire: fire inspector / prevention officer.
Public Works & Succession	Heavy equipment operator; organization-wide retirement planning.

Forecast Assumptions & Limitations

A forecast is a planning tool—not a prediction of final results.

It helps the Town anticipate financial pressures and make informed decisions.

01

CURRENT ASSUMPTIONS

Projections reflect information available today, including estimated revenues, expenditures, and cost growth.

02

SUBJECT TO CHANGE

State aid, new growth, employee benefits, debt costs, contracts, and other factors may change the outlook.

03

ONGOING REVIEW

Town management will update projections as reliable information becomes available and adjust plans as needed.

Our objective: identify risks early, evaluate options, and support responsible long-term financial planning.

Long-Term Sustainability Requires a Shared Plan

THE CHALLENGE

Town departments and schools face rising costs, staffing pressures, aging facilities, and growing service demands—while available revenues struggle to keep pace.

OUR SHARED GOAL

Work together across Town departments, Sudbury Public Schools, and Lincoln-Sudbury to establish priorities and develop sustainable operating and capital plans.

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

African proverb

Capital Projects | Outstanding

Capital Authorizations remaining to be spent or encumbered

$13.55M

TOTAL OUTSTANDING CAPITAL

CARRY-FORWARD CAPITAL 7/1/2026	NEW FY27 PROJECTS	EXPENDITURES - FY27	ENCUMBRANCES
$18.15M	$6.58M	($7.51M)	($3.66M)

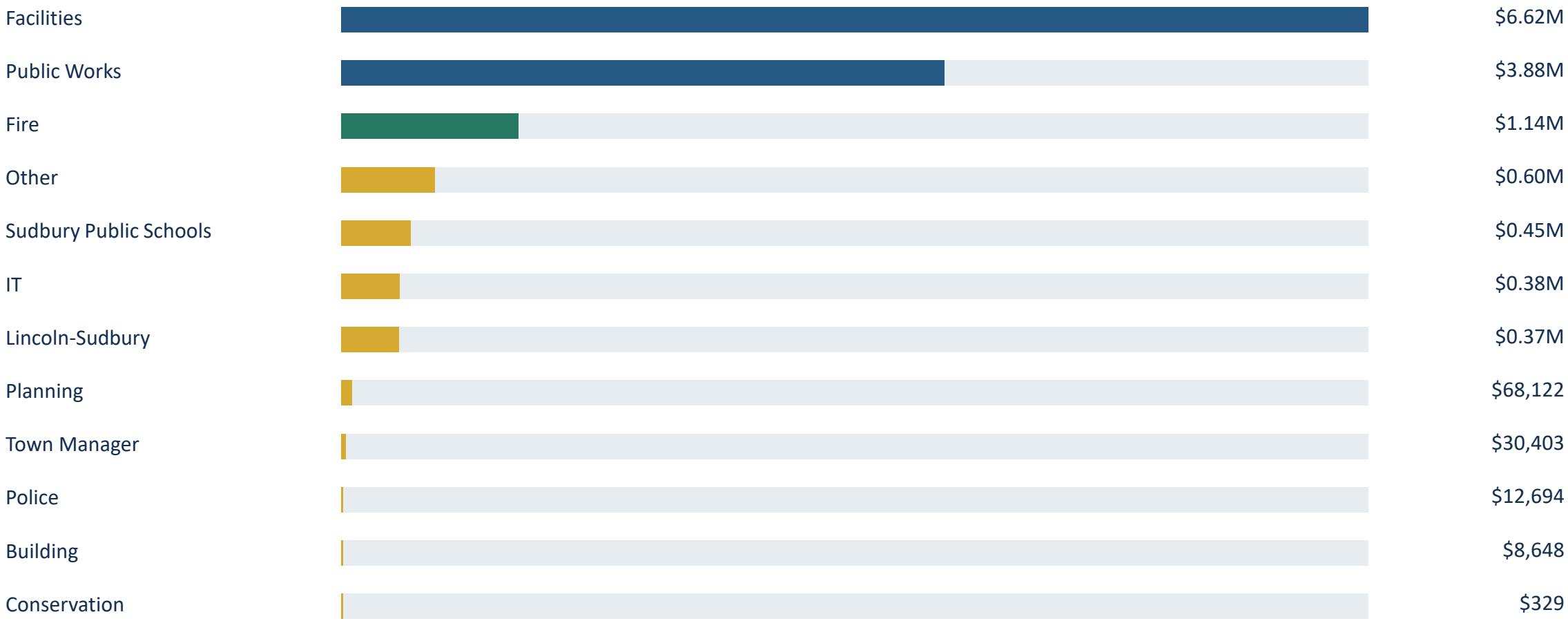
New FY27 projects were voted at the 2026 Annual Town Meeting.

MAJOR CARRY-FORWARD PROJECT BALANCES

Haynes Roof $7,752,638 | Nixon Roof $4,003,420 | Atkinson Pool $1,122,703 | FY26 Roads $950,000

Combined balance of the four projects: $13.8M.

Outstanding Capital | by Department



Outstanding Capital Projects | over $100K

TOWN MEETING ARTICLE / PROJECT	OUTSTANDING
STM 25/1 HAYNES ROOF REPAIR	$2,558,317
ATM 25/31 ROADS CONSULT & CONSTRUCTION	$950,000
ATM 26/27-1 ROADS CONSULT & CONSTRUCTION	$950,000
ATM 24/23 ATKINSON POOL	$936,474
STM 25/2 NIXON ROOF REPAIR	$851,220
ATM 26/29 SCBA REPLACEMENT	$550,000
ATM26/39 SHA REPAIR SINGLE-FAM (Not Capital – Petitioners Article)	$500,000
ATM 25-30 AMBULANCE REPLACEMENT	$500,000
ATM26/27-2 6-WHEEL DUMP TRUCK	$350,000
ATM26/28-2 SCH SAFETY ENHANCEMENT	$345,066
ATM26/27-3 10-WHEEL DUMP TRUCK	$335,000
ATM26/27-4 LG FRONT-END LOADER	$300,000
ATM26 FACILITIES CAPITAL ARTICLE	$250,000
ATM26 LINCOLN SUDBURY CAPITAL ARTICLE	$221,600
ATM26 IT CAPITAL ARTICLE	$210,000
ATM 24/21 DPW ROOFTOP HVAC	$200,000
ATM26/28-4 ADA TRANSITION PLAN	$192,902

TOWN MEETING ARTICLE / PROJECT	OUTSTANDING
ATM 24/20 CULVERT/DRAINAGE	$192,879
ATM 24/25 HAYNES HVAC	$150,000
ATM26/28-5 HOT WATER BOILER	$150,000
ATM 26/30 LS WASTE WATER TREATMENT	$147,679
ATM26 DPW CAPITAL ARTICLE	$145,000
STM 23/10 RTE 117 INTER - CAPITAL	$142,704
ATM25 FACILITIES CAPITAL ARTICLE	$139,500
ATM26/27-5 DUMP TRUCK W/ PLOW	$135,000
ATM26/28-6 DPW FIRE ALARM REPL	$132,000
ATM26 SPS CAPITAL ARTICLE	$130,618
ATM 25/35 DPW EMERGENCY OPERAT	$125,000
ATM26/28-7 FIRE 2 SHINGLE REPL	$117,400
ATM26/28-3 BLDING MGMT REPAIRS	$110,000
ATM26/18 TRANSPORTATION PROGRAMS (Not Capital – Transportation)	$100,000
ATM 26/31 SPS EQUIPMENT REPLACEMENT	$100,000
ATM26/27-6 PARKING LOTS PAVEMENT	$100,000

Reserve Balances & Policy Targets

TOTAL RESERVES

$20.05M

POLICY TARGET

10–12%

15.05% of budget

FREE CASH (Certified)

$9.99M

POLICY TARGET

3–5%

7.49% of budget

GENERAL STABILIZATION

$7.16M

POLICY TARGET

At least 5%

5.37% of budget

CAPITAL STABILIZATION

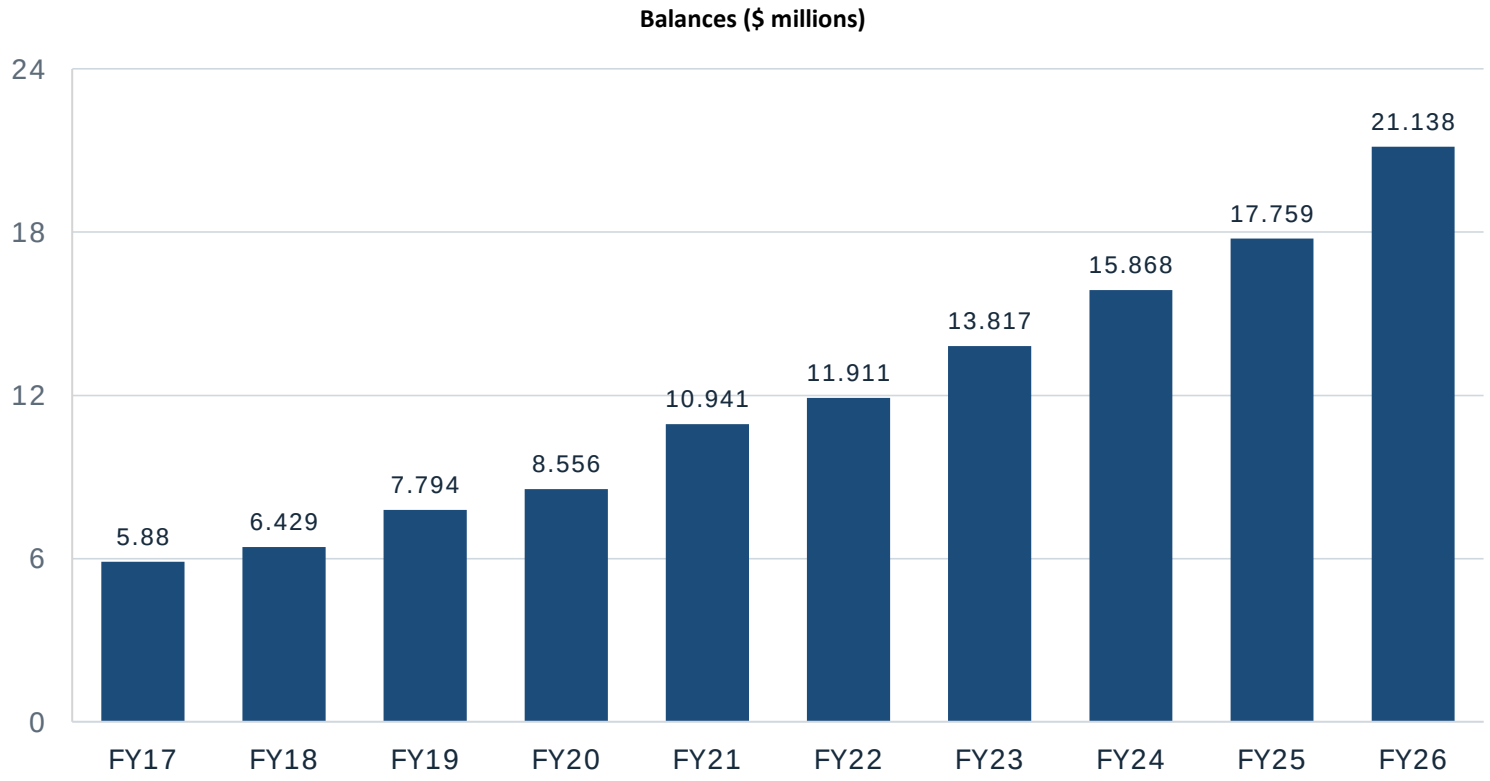
$2.91M

POLICY TARGET

At least 2%

2.18% of budget

OPEB (Other Post Employment Benefits)



Current Balance $21.1M

OPEB policy

Fund promised benefits proactively; invest prudently; review funding strategies; and manage healthcare cost drivers while maintaining competitive benefits.

Town and School Budget Pressures

The cost of maintaining services continues to grow.

All Town labor contracts expire June 30, 2027.

TOWN BUDGET PRESSURES

- **Personnel:** contractual raises, non-union pay, staffing, overtime and recruitment.
- **Insurance and benefits:** health insurance, retirement, property and liability insurance, and workers' compensation.
- **Aging infrastructure:** building repairs, roads, vehicles and equipment replacement.
- **Operating costs:** utilities, fuel, supplies, technology and contracted services.
- **Service demands:** public safety, public works, recreation, senior services and transportation.
- **Capital and debt:** deferred maintenance and borrowing for major projects.

SCHOOL BUDGET PRESSURES

- **Personnel:** contractual raises, staffing levels and recruitment.
- **Special education:** out-of-district tuition, specialized services and transportation.
- **Transportation:** bus contracts, fuel and specialized transportation.
- **Operating costs:** utilities, instructional materials, technology and contracted services.
- **Student needs:** mental health, academic support and mandated services.
- **Facilities:** aging buildings, maintenance and capital improvements.

Rising costs are consuming available revenue,
leaving less to maintain services and address future needs.

Future Financial Pressures and Unfunded Needs

Expenses and future needs exceed available revenue.

LIMITED REVENUE GROWTH

- Proposition 2½: about $2.8M in annual base levy growth, plus **limited new growth.**
- Limited development. Commercial/industrial taxes provide **less than 10%** of tax revenue.
- Local receipt budgets already increased $1.6M over two years. **Little room remains.**
- Expected lower Free Cash **reduces capital funding.** State aid growth is uncertain.

NEEDS EXCEED AVAILABLE FUNDING

- **$400M** in Capital needs over 15 years: sidewalks, roads, culverts, buildings, a new school and aging fire stations. As identified in the 15-year Capital Plan.
- Revenue constraints have **already forced capital deferrals.** Delays can **increase repair costs** and service disruptions.
- Flat operating budgets **buy less each year**, limiting services and leaving little room for new needs.

PROJECTED ANNUAL DEFICITS

FY2029 $3.52M FY2030 $5.92M (Cumulative)

These gaps exist before many service and capital needs are funded.

Building on Our Progress

We have made progress by working together this year.

The years ahead will bring greater financial pressures and more difficult decisions.

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

African proverb

TOWN OF SUDBURY

Questions & discussion

Financial Condition & Forecast | November 10, 2026