



STAFF REPORT

AGENDA ITEM #: 20-73
COUNCIL MTG OF: July 21, 2020
FROM: Dave Caron, Town Administrator
OFFERED BY: Mark A. Fleischer, Chief Financial Officer
PREPARED BY: Mark A. Fleischer, Chief Financial Officer
SUBJECT: Fund Earned Time Separation Pay and Earned Time Pay per Contract from the Compensated Absences Capital Reserve Fund

INTRODUCTION: To fund earned time separation pay and contractual payments from the Compensated Absences Capital Reserve Fund. Resolution #2020-035 is attached.

TOWN ADMINISTRATOR COMMENTS

The Town Council is encouraged to approve the transfer of the expended funds for Earned Time Separation Pay and payments made per contract in FY20 from the Compensated Absences Capital Reserve Fund.

BACKGROUND

The Town Council created a Compensated Absences Capital Reserve Fund in June 1997. The purpose of the fund is to pay for the Town's obligation to its employees to receive compensation for vested accumulated leave.

DISCUSSION

The Town has incurred expenses during the FY20 year, which now require the Town Council as the agents to expend to authorize those expenditures be funded by the Compensated Absences Capital Reserve Fund. The FY20 OMO budget included \$540,006 for Earned Time buyouts. The amount expended for employees separating from the Town (\$396,012) and requesting earned time pay per contract (\$588,030) was \$984,042 therefore \$444,036 is needed to cover these payments. The transferred funds would offset Other Municipal Obligations Account #190004 Earned Time Payout and associated rollups.

FISCAL IMPACT

The total amount expended for Earned Time Payouts due to employee separations and Earned Time Pay per contract during FY20 was \$444,036 over the amount budgeted. It is these funds that are being recommended to be paid from the Compensated Absences Capital Reserve Fund.

RECOMMENDED ACTION & MOTION BY COUNCIL

I move the adoption of Resolution #2020-035 (please read the motion).