



STAFF REPORT

AGENDA ITEM #: 23-82
COUNCIL MTG OF: July 11, 2023
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 #2023-053 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 FY23 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 FY23 year, which now requires the Town Council as the agents to expend, to authorize those expenditures be funded by the Compensated Absences Capital Reserve Fund. The FY23 OMO budget included \$489,942 for Earned Time payouts. The amount expended for employees separating from the Town (\$433,834) and requesting earned time pay per contract (\$661,423) was \$1,095,257 therefore **\$605,315** 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 FY23 was \$605,315 over the amount budgeted. It is these funds that are being recommended to be paid from the Compensated Absences Capital Reserve Fund. There currently is a balance of \$2,267,327 in the Fund.

RECOMMENDED ACTION & MOTION BY COUNCIL

I move the adoption of Resolution #2023-053 (please read the motion).

Please see Resolution #2023-053



Resolution Number 2023-053

To Fund Expenses from the Compensated Absences Capital Reserve Fund

WHEREAS, the Town Council created a Compensated Absences Capital Reserve Fund in 1997; and,

WHEREAS, the purpose of the fund is to pay for the Town's obligation to its employees for vested accumulated leave upon separation and for any earned time payouts in excess of budget; and

WHEREAS, several long-tenured employees retired from town service in FY 23; and,

WHEREAS, transfer of funds from Compensated Absences will stabilize the impact of end-of-service payments on the Town's General Fund;

NOW, THEREFORE, BE IT RESOLVED IN COUNCIL that the Town Council, as agents to expend, hereby authorizes the withdrawal of Six Hundred Five Thousand Three Hundred Fifteen Dollars (\$605,315) from the Compensated Absences Capital Reserve Fund to fund accumulated leave obligations.

This Resolution shall take effect immediately upon its passage.

Adopted: July 11, 2023

Attest:

X _____
Charles Foote, Council Chair
Date: _____

X _____
Cristina Guilford, Town Clerk
Date: _____