

## **Town Article 17 – Sick and Vacation Union Expendable Trust Fund**

This article raises and appropriates \$20,000 to be deposited into the Sick and Vacation Union Expendable Trust Fund (1) for union employees. This fund was established by voters in 2002 to ensure that the Town would have the money to pay for accrued sick and vacation leave when union employees retire. These funds are deposited into a Trust Fund and can only be used if the total cost of the “buy-outs” exceeds the amount in the 2020 Operating Budget (\$55,000). (2) There are 34 Union employees in the Town of Raymond, 16 in AFSCME and 19 in Teamsters. (3) Funds will be used from the Unassigned Fund Balance which currently contains \$66,666.43. (4) There is no new tax impact.

**A YES vote** approves using up to \$20,000 from the Unassigned Fund Balance for the Vacation and Sick Leave Union Expendable Trust Fund.

**A NO vote** raises no funds for this Expendable Trust.

### **Reasons why some voters might vote yes:**

- To set aside funds to help meet the obligation to retiring Town employees.
- To avoid incurring unfunded liabilities.

### **Reasons why some voters might vote no:**

- Prefer to fund by some other means.
- Prefer to fund only in the Operating Budget.
- Prefer that employees use all of their sick and vacation leave annually.

### **References:**

1. "Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund." per *Statement No. 54 of the Governmental Accounting Standards Board, 2009*. An “expendable” fund is a municipal trust fund created for maintenance and operation of the town, per RSA 31:19-a.
2. Town Manager Joe Ilsley in an email, 1/29/20.
3. There are 3 union employees with tenure between 20-24 years, so there is an estimated liability of up to \$7,600. “Because of the Buy-Out Strategy, through attrition, our liabilities will decrease over time and these accounts (over time), will be sufficiently funded to cover the liabilities...” Town Manager Joe Ilsley in an email 1/6/20.
4. “2020 Warrant Article Overview - Version 3.”