

Town Article 24 – Sick and Vacation Union Expendable Trust Fund

This article appropriates up to \$5,000 to be withdrawn from the Unassigned Fund Balance and deposited into the Sick and Vacation Union Expendable Trust Fund (1) for Union employees. This amount was decreased from \$20,000 by voters at the Deliberative Session (2/6/21) in an effort to better fund the Non-Union fund (2021 Warrant Article 23). The Union fund currently contains a balance of \$87,953.53 with no known expenditures in the next year. (2)(3) 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 leave Town employment. 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 2021 Operating Budget. Funds will be used from the Unassigned Fund Balance. There is no new tax impact.

A YES vote approves using up to \$5,000 from the Unassigned Fund Balance for the Vacation and Sick Leave Union Expendable Trust Fund.

A NO vote adds no funds for this Expendable Trust.

Reasons why some voters might vote yes:

- To set aside funds to help meet the obligation to 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, speaking at Town Deliberative Session, 2/6/21.
3. Town Deliberative Session handout, 2/6/21.