

Article 7

Appropriate for Compensated Absences

- The Compensated Absences Article funds the Town's sick and vacation leave liability.
- Upon retirement, some employees are compensated for a portion of their unused sick leave, and all employees are entitled to payment of vacation leave when they leave Town service.
- The Town has been taking steps to reduce or eliminate the sick leave buyback program, but a liability remains.
- The Fund allows the Town to manage the liability so that an unanticipated payment does not unduly impact the operating budget of any department during the year.
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- The balance in the fund as of July 1, 2022 was \$714,270.
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- The requested amount of \$250,000 is based on assumptions for retirements over the next several years and the Town's target of reserving approximately 15% of the total compensated absence liability (approximately \$5 million).

The Select Board unanimously recommends adoption of this article.