City of Stoughton
Vested Sick Leave Balances
As of 12/31/2023

Department				**Governmental Activities**		
Police	PS	$ 279,463.75	31.2%	PS Public Safety	$ 380,046.32	42.4%
Public Works	PW, CR, SW	150,730.58	16.8%	GG General Government	151,944.39	17.0%
Public Library	CR	65,597.91	7.3%	PW Public Works	119,578.03	13.3%
Finance	GG	59,337.51	6.6%	CR Culture Recreation Education	119,255.95	13.3%
Senior Center	HH	58,568.79	6.5%	HH Health and Human Services	58,568.79	6.5%
Fire	PS	53,551.17	6.0%	CD Conservation Development	-	0.0%
Planning & Development	GG, PS, PW, CD	50,193.20	5.6%	Subtotal	829,393.48	92.6%
Opera House	CR	37,512.82	4.2%			
EMS	EMS	36,742.92	4.1%	**Business-Type Activities**		
Human Resources/Risk Mgmt	GG	34,410.19	3.8%	Storm Water	29,662.00	3.3%
Info Tech/Media Services	GG	32,063.00	3.6%	Emergency Medical Services	36,742.92	4.1%
City Clerk	GG	13,445.01	1.5%	Subtotal	66,404.92	7.4%
Municipal Court	GG	12,388.17	1.4%			
Recreation Programs	CR	11,793.38	1.3%			
Total		**$ 895,798.40**	**100.0%**	**Total**	**$ 895,798.40**	**100.0%**

12/31/2023 journal entry

100-00000-39900	FUND BALANCE UNASSIGNED	$	6,764.68
100-00000-39804	FUND BAL ASSIGN RETIREMENT	$	(6,764.68)

Adjust vested sick leave balance to actual

Adjustment as per R-131-203 (attached)

CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Amend City policy regarding funding for vested sick leave payouts		
Committee Action:	Finance Committee recommended approval 6-0 on 08/22/2023 TIME SENSITIVE ITEM	
Fiscal Impact:	$361,415	
File Number:	R-131-2023	**Date: 08/22/23**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, the City of Stoughton has been following Governmental Accounting Standards Board Statement No. 16 – *Accounting for Compensated Absences* (GASB 16) since January 1, 1994; and,

WHEREAS, the City of Stoughton has accrued liabilities for sick leave pay that are considered vested employee benefits under Wisconsin case law; and,

WHEREAS, the above accounting standard requires governmental funds to recognize these liabilities only when the employee has announced their retirement; and,

WHEREAS, the Governmental Accounting Standards Board has promulgated Statement No. 101 – *Compensated Absences* (GASB 101) which the City of Stoughton is scheduled to implement effective January 1, 2024; and,

WHEREAS, GASB 101 continues to require governmental funds to recognize these liabilities only when the employee has announced their retirement; and,

WHEREAS, the calculated sick leave liability for the City of Stoughton governmental funds was $889,034 at December 31, 2022; and,

WHEREAS, the City of Stoughton created an assigned fund balance within the General Fund of $850,067 with R-175-2022 on August 23, 2022; and,

WHEREAS, the above assigned fund balance is currently $527,619 due to retirements that have occurred during 2022 and 2023; and,

WHEREAS, Baker Tilly US, LLP as part of their 2022 financial statements highlights presentation pointed out that the unassigned fund balance in the General Fund is at 40.6% of budgeted expenditures which is well above the City of Stoughton's fund balance policy's maximum percentage of 25%; and,

WHEREAS, the current General Fund unassigned fund balance is currently at 39.0% of 2023 budgeted expenditures which equates to $1,589,072 above the 25% maximum as per the current fund balance policy; and,

WHEREAS, the Director of Finance/Comptroller recommends utilizing this excess of unassigned fund balance in the General Fund to fully fund the vested employee benefit for sick leave payouts upon retirement; and,

WHEREAS, the Director of Finance/Comptroller recommends continuing the practice of budgeting an amount each year for estimated retirements so that departments do not have to hold positions open due to lack of funding as this could cause inefficiencies and stresses on the departmental operations due to staffing shortages,

NOW THEREFORE BE IT RESOLVED, that $361,415 be transferred from the unassigned fund balance in the General Fund to the fund balance assigned for retirement; and,

BE IT FURTHER RESOLVED, that the Director of Finance/Comptroller shall as part of the 2023-year end process adjust the fund balance assigned for retirement in the General Fund to the amount calculated as part of the year end process and shall continue to do so in subsequent years; and,

BE IT FURTHER RESOLVED, that the Mayor and Director of Finance/Comptroller shall continue to include in the Mayor's recommended budget an estimated amount for retirements with funding provided by the General Fund assigned fund balance for retirements as implemented with R-175-2022; and,

BE IT FINALLY RESOLVED, that the Director of Finance/Comptroller is authorized to transfer funding for sick leave payouts to the appropriate departments as retirements are announced and shall update the Finance Committee on these transfers as they occur.

Fiscal note: Governmental activities does not include the following funds: Storm Sewer, Emergency Medical Services and Stoughton Utilities. These funds use full accrual accounting and therefore have already recognized the expense for the liability. As such, these funds are not affected with this resolution.

Council Action: [X] **Adopted** [ ] **Failed** **Vote** 12-0

Mayoral Action: [✓] **Accept** [ ] **Veto**

Tim Swadley 8.23.23

Mayor Tim Swadley Date

Council Action: _____ [ ] **Override** **Vote** _____