OFFICE OF THE INSPECTOR GENERAL
COMMONWEALTH OF MASSACHUSETTS

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# Ratepayer Cost Burden: The Expense of Municipal Light Plants' Sick-Leave Payouts

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# EXECUTIVE SUMMARY

The Office of the Inspector General ("Office") reviewed sick-leave payouts at municipal light plants across Massachusetts. The review came after the Office learned that the general manager of the South Hadley Electric Light Department ("SHELD") would receive more than $500,000 for sick and vacation leave that he allegedly had accrued while at SHELD. The SHELD payout highlighted the need to review leave-time accrual payouts at all municipal light plants.

The Office examined employee policies and practices for 40 of the 42[1] active light plants in the Commonwealth to understand how they manage employee benefits. After its initial review, the Office focused on sick leave because it accounted for nearly 80% of the payouts to light plant employees during the six-year period reviewed (July 2010 to September 2016).

The Office found that many light plants have leave-time and payout policies that have cost ratepayers millions of dollars. The Office also found that leave policies are inconsistent across light plants. Policies are also inconsistent with those applicable to most state and municipal employees. Specifically, the Office found that:

| By the Numbers: Light Plants 2010 - 2016 | |
|---|---|
| $13,500,000 | Paid to employees for unused leave time |
| $10,700,000 | Paid to employees for unused sick leave |
| $9,200,000 | Total sick-leave payouts made by the Taunton, Reading and Westfield light plants |
| $350,000 | Highest single sick-leave payout |
| $49,000 | Average payment for unused sick leave |

- Between July 2010 and September 2016, 35 light plants paid a total of more than $13.5 million to departing employees for unused leave time (*i.e.*, vacation, sick, personal, compensatory and other leave).
- Sick-leave payouts accounted for nearly 80% ($10.7 million) of all payouts. This equaled an average sick-leave payout of more than $49,000 per departing employee between July 2010 and September 2016.
- Three light plants – Taunton, Westfield and Reading – accounted for about 86% ($9.2 million) of all sick-leave payouts. The Taunton light plant had the highest average employee payout ($93,500). The Taunton plant also made the largest single sick-leave payout – nearly $350,000 for approximately 500 unused sick days. This payout cost each Taunton ratepayer almost $10 that year.

[1] See Appendix A for a list of the 42 active municipal light plants in the Commonwealth. This list includes SHELD and the Gosnold Electric Light Company, which were not included in the review. The Office previously reviewed SHELD's policies and Gosnold was excluded due to size: it serves a population of approximately 75 individuals.

- Some light plants carry significant financial liabilities for accrued leave time that will require future payouts. Six light plants have had to create multi-million dollar reserves to fund these future liabilities.
- Some light plants pay departing employees for unused sick leave at a significantly higher rate than the rate offered to most state employees. For instance, some light plants pay employees for 100% of their unused sick leave when they separate. By contrast, when state employees retire, they generally are paid for 20% of their unused sick time. And when a state employee separates from employment (other than through retirement) they do not receive any payment.
- Almost half of the light plants use annual sick-leave "buybacks." These allow employees to receive a payment – referred to as a "buyback" – at the end of each year for unused sick leave accumulated in that year. The net-financial impact on light plants for buybacks is essentially the same as 100% payouts upon departure.
- Sick-leave payout policies are inconsistent across light plants.
- Light plants are subject to little state or local oversight.

Sick leave is an important employment benefit, and it should be available when employees or their family members need medical care. At the same time, sick leave is not meant to become a "cash bonus" for retiring employees or part of a severance package for departing employees.

As public entities, light plants must spend their funds efficiently and in the best interest of their ratepayers. The boards that oversee light plants need to ensure that employees receive reasonable and fair compensation with benefits that are in line with those offered by other public jurisdictions and that do not create an undue burden on ratepayers or strain light plant budgets. As part of their duty to protect ratepayers, light plant boards should:

- Follow the model for state employees and cap, at 20%, the amount of sick leave that an employee can receive compensation for at retirement.
- Prohibit any sick-leave payouts to employees who separate from service, with or without cause, other than at retirement.
- Eliminate annual sick-leave buybacks.
- Implement and enforce robust timekeeping practices to ensure that all employees accurately account for their use of sick time.
- Be transparent about the plant's financial liability for unused sick leave: for instance, publicly report both current payouts and future liabilities in open board meetings, to municipal officials, and in annual reports.

Municipalities also have a responsibility to actively oversee the light plants in their communities. For instance, they should exercise their statutory authority and:

- Require that the municipality's treasurer conduct a quarterly review of light plant bills that exceed a specified dollar threshold.
- Appoint a municipal official as a liaison to attend all municipal light board meetings and provide periodic updates and overviews to town leaders.
- Work with the light boards to bring light plant leave time policies into alignment with municipal policies.

From a broader perspective, the Legislature should implement legislative changes that would protect ratepayers, ensure greater uniformity across light plants and establish enhanced board accountability.

The Legislature should consider the following actions:

- Require light plants to conform to either state-level employee policies or the policies in effect for the municipality the light plant serves.
- Create a framework similar to the compensation controls imposed on housing authority executive directors under M.G.L. c. 121B, § 7A. The framework would:
  - Direct the Department of Public Utilities to promulgate guidelines for contracts executed between light plants and their employees.
  - Allow the Department of Public Utilities to review such employee contracts and strike those provisions that do not conform to the guidelines.
  - Require the Department of Public Utilities to review all contracts and all terms for payments or monetary remuneration worth more than $100,000 annually.
- Require light plant managers to report at least annually to (a) the light plant board, if any; (b) the mayor, city council or board of selectmen; and (c) the Office of the Attorney General and/or the Department of Public Utilities as to the light plant's business, receipts, disbursements, balances and indebtedness. The report should also include the leave balances of all employees of the light plant, as well as the financial liability for those balances.
- Require municipal officials or designee(s) to attend light plant board meetings and conduct periodic reviews of light plant expenditures.
- Require light plants to (a) have an independent auditor conduct an annual or biennial audit; and (b) submit the audit to (i) the light plant board, if any; (ii) the mayor, city council or board of selectmen; (iii) the Office of the Attorney General and/or the Department of Public Utilities; and (iv) the Department of Revenue.

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# BACKGROUND

## I. The Office of the Inspector General

The Office of the Inspector General ("Office") is charged with preventing and detecting fraud, waste and abuse of public funds in Massachusetts. In keeping with its mandate, the Office investigates allegations of fraud, waste and abuse at all levels of government; evaluates programs and practices in state agencies and local municipalities to identify systemic vulnerabilities and opportunities for improvement; and provides assistance to the public and private sectors to help prevent fraud, waste and abuse in government spending.

## II. Municipal Light Plants

### A. Governance

Municipal light plants generate or distribute electricity and/or natural gas to local residents. Most of the 42 active municipal light plants in the Commonwealth purchase power from brokers or suppliers, although a few still generate electricity themselves. Chapter 164 of the Massachusetts General Laws ("Chapter 164") governs municipal light plants. It requires that a light plant be overseen by either an elected light board or appointed light commission (both referred to herein as "the Board").[2]

The Board is required to hire a light plant manager to oversee the plant's day-to-day operations.[3] By statute, the manager is subject to the Board's direction and control.[4] Most, but not all, plant managers work for the Board under an employment contract. The daily operations that mangers oversee include hiring and firing staff, negotiating contracts, implementing Board policies, hiring attorneys and consultants, investing funds and managing plant operations. Because the Board is charged with overseeing the manager and the plant operations, it is ultimately the Board's responsibility to ensure the light plant operates in the interest of ratepayers.[5]

### B. Financial Oversight

Light plants are subject to little state or local oversight, including with respect to rate setting. Rates are set at the discretion of the Board and cannot be changed more than once every three months.[6] The rates charged may not total more than eight percent of the "cost of the plant;" however, Chapter 164 does not define "cost of the plant." One existing control is that rates may be subject to a

[2] *See* M.G.L. c. 164, § 47C.

[3] *See* M.G.L. c. 164, § 55.

[4] *See* M.G.L. c. 164, § 56.

[5] *See* M.G.L. c. 164, § 56.

[6] In contrast, public utilities need the Attorney General's approval to raise rates. *See* M.G.L. c. 164, § 58.

public hearing and subsequent readjustment if a written complaint is made by the Attorney General, the mayor of a city, selectmen of a town or twenty customers of the light plant.[7]

While light plants must file annual financial reports with the Massachusetts Department of Public Utilities ("DPU"), DPU does not audit or conduct a comprehensive review of these annual reports. No state agency does. Further, DPU lacks enforcement or oversight authority for light plant operations, financing and business practices. Therefore, electric and gas rates set by the light plants are subject to limited DPU review.

Similarly, although light plants are considered municipal entities and have a financial relationship with the municipalities they serve, they often operate independently from the oversight, controls, rules and practices of the municipality. For example, by statute a municipal auditor may inspect light plant records and municipal treasurers may refuse to pay light plant bills that are "fraudulent, unlawful or excessive."[8] But unlike municipal officials' legal authority over municipal operations, there is no mandate that municipal officials review light plants. Further, Chapter 164 does not subject light plants to any regular audit schedule.

### C. Employee Benefits

As independent public entities, light plants can decide what sick leave, vacation leave and other benefits to offer employees, including plant managers. Neither state nor municipal officials typically have the authority to set or override the benefits a light plant provides to its employees.

In general, the Commonwealth's policies permit state employees to use sick leave only when the employee is sick or injured, to attend medical appointments or to care for ill family members. In a 1968 report by the Massachusetts Legislative Research Council, the Legislature supported eliminating sick-leave policies that allowed healthy employees to use sick leave before retirement until it was exhausted.[9] As a reform, in 1981, the Legislature passed legislation allowing non-union state employees to be paid 20% of the value of their unused sick leave upon retirement.[10] While the law does not apply to unionized state employees, many collective bargaining agreements now contain similar provisions.

In an October 2017 letter to the Legislature, the Office advised that even with the 20% cap on sick-leave payouts for state employees, the Commonwealth had a financial liability of approximately $117 million for unused sick-leave balances. This Office recommended a further cap on payouts and other measures to reduce the state's liability.

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[7] *See* M.G.L. c. 164, § 93.

[8] *See* M.G.L. c. 164, § 56.

[9] *See* Legislative Research Council, Report Relative to Credit for Unused Sick Leave, 1968 Senate Doc. No. 908, *available at* https://student.nesl.edu/research/Legislative_Council/Sick_leave_1968.pdf.

[10] *See* M.G.L. c. 29, § 31A(d).

## FINDINGS

The Office examined employee policies and practices for 40 of the 42 active light plants in the Commonwealth to understand how they manage employee benefits. After its initial review, the Office focused on sick leave because it accounted for nearly 80% of the payouts to light plant employees during the six-year period reviewed (July 2010 to September 2016).

## I. Light Plants Paid Employees $10.7 Million For Unused Sick Time

During the period reviewed, 26 light plants paid departing employees more than $13.5 million for unused leave (sick, vacation, personal, compensatory and other leave). Nearly 80% of these payouts, over $10.7 million, were for unused sick leave. See Figure 1 below.[11]

**Figure 1. Sick-Leave Payouts (July 2010-2016)**

| Municipal Light Plant | Number of Employees Receiving a Payout | Total Cost of Payouts | Average Payout |
|---|---|---|---|
| Taunton | 53 | $ 4,955,807.66 | $ 93,505.80 |
| Westfield | 36 | 2,296,182.49 | 63,782.85 |
| Reading | 36 | 1,907,175.93 | 52,977.11 |
| Middleborough | 14 | 270,732.83 | 19,338.06 |
| Hudson | 11 | 200,931.46 | 18,266.50 |
| Braintree | 11 | 196,420.39 | 17,856.40 |
| Chicopee | 9 | 166,039.08 | 18,448.79 |
| Littleton | 7 | 144,879.73 | 20,697.10 |
| Wakefield | 5 | 116,030.19 | 23,206.04 |
| Sterling | 5 | 105,798.59 | 21,159.72 |
| Marblehead | 6 | 85,693.78 | 14,282.30 |
| Georgetown | 2 | 38,611.16 | 19,395.58 |
| Concord | 2 | 37,610.59 | 18,805.30 |
| Hingham | 3 | 27,992.11 | 9,330.70 |
| Mansfield | 5 | 26,490.90 | 5,298.18 |
| Ipswich | 1 | 25,800.95 | 25,800.95 |
| Norwood | 1 | 24,942.83 | 24,942.83 |
| Middleton | 1 | 23,745.60 | 23,745.60 |
| Merrimac | 2 | 17,075.27 | 8,537.64 |
| Peabody | 2 | 13,919.98 | 6,959.99 |
| West Boylston | 1 | 13,530.66 | 13,530.66 |
| Rowley | 1 | 12,048.75 | 12,048.75 |
| Holden | 1 | 11,733.45 | 11,733.45 |
| Groton | 1 | 8,717.88 | 8,717.88 |
| North Attleboro | 2 | 7,993.80 | 3,996.90 |
| Holyoke | 1 | 6,966.99 | 6,966.99 |
| | **Total Employees** 219 | **Total Sick-Leave Payouts** $10,742,873.05 | **Average Payout** $49,054.21 |

[11] Nine light plants reported that they did not pay any single employee more than $5,000 for unused leave between 2010 and 2016. Those light plants are not included in Figure 1. Figure 1 does include three employees from the Reading light plant whose payouts were approved in 2016 and scheduled for payment on January 1, 2017.

## II. Three Light Plants Accounted For 85% Of All Sick-Leave Payouts

The Taunton, Westfield and Reading light plants accounted for 85% of the sick leave paid out during the period reviewed.

The Taunton Municipal Light Plant pays all employees for 100% of their unused sick leave upon separation from employment (not exclusive to retirement). This has led to large cash payouts to employees with long service to the light plant. As a result, the Taunton light plant accounted for nearly half of the sick-leave payouts – almost $5 million – made during the six years reviewed. If the plant had limited its payouts since 2010 to 20% of accrued sick leave, it would have saved more than $3.9 million, or $108 for each ratepayer.

The Taunton plant also faces significant liabilities for future payouts. As of 2016, its employees had accrued over $7 million in unused sick leave. Given its 100% payout policy, the plant will eventually have to pay these employees for all of their unused sick time. The light plant has budgeted for this expense; according to its 2015 financial statements, the plant maintains a $12 million trust fund to pay for future sick-leave payouts.

The Westfield light plant pays employees who are retiring for 100% of their unused sick leave up to 140 days, plus $50 per day for the next 50 days. Between 2010 and 2016, the plant paid nearly $2.3 million to 36 employees for their unused sick leave. Thirteen of those employees had accumulated at least 140 sick days each.

At the Reading Municipal Light Department, employees hired before 2004 are eligible to receive a payout for 100% of their unused sick leave when they leave the light plant. In 2004, the plant changed its policies to limit sick-leave payouts to 90 days for incoming employees. In 2007, the policies were changed again so that employees hired after January 2007 are paid for a maximum of 60 days of unused sick time when they leave the plant. Between 2010 and 2016, the plant paid more than $1.9 million to 36 departing employees for unused sick leave. Twenty-eight of these employees had been hired before 2004 and, therefore, received the higher payout. For instance, the former manager's contract provided for him to receive 100% of his unused sick leave. As a result, the Reading light plant paid him more than $222,000 for unused sick leave when he retired.

Had the Reading light plant paid the former general manager only 20% of his unused sick leave, his payout would have been $45,455. Further, the light plant would have saved approximately $1.5 million if the 20% cap had applied to all former employees who received payouts between 2010 and 2016. It is important to note that, pursuant to his contract with the Board, the current Reading light plant manager is not eligible for any sick-leave payout at retirement.

## III. Sick-Leave Policies Are Inconsistent Across Light Plants And Expose Ratepayers To Potentially Significant Financial Liabilities

The Office found that each light plant has its own distinct benefits package. For instance, the amount of sick and vacation leave offered to employees differs by light plant, as do the policies for earning and paying out leave. For instance, some light plants pay out unused sick leave to all employees who leave for any reason (referred to here as "separating employees"), while others limit payouts to employees who retire. Specifically, nine light plants pay separating employees for their unused sick leave; many of these require that the separation be on "good terms" or that the separating employee worked at the plant for a minimum number of years. Seven light plants offer no payment for unused sick leave for non-managers.

The Office also found that the mechanisms used to determine the amount of the payout vary. In some instances, light plants cap the total payout that a separating employee can receive, while others have no cap. For instance, payouts are typically calculated using the employee's current rate of pay, even though the leave often was earned when the employee had a lower rate of pay. Some light plants, however, pay out sick leave at an established daily rate, regardless of the employee's salary. Furthermore, some light plants allow employees to "buy back" unused sick time annually, meaning that the light plant pays employees for the sick time they have not used by the end of the year. Finally, some light plants have different policies for different classifications of employees. As an example, 25% of light plant managers in the review are entitled to no sick-leave payout, but some of those same light plants pay union and/or non-managerial employees for their unused sick leave.

These inconsistent policies are highlighted by cases like Marblehead and Reading. For example, the Marblehead light plant pays separating employees for 25% of their accrued sick leave, up to a maximum of 43.75 days. This policy applies to all employees, including the manager. By contrast, the Reading light plant paid its former manager 100% of his accrued sick leave at retirement. As a result, the Reading light plant paid him more than $222,000 for unused sick leave when he retired. Conversely, there are light plants, such as those in Belmont, Devens and Paxton, that do not pay employees for unused sick leave when they retire or otherwise separate from the light plant. Sick leave is either used or forfeited.

As a result of the variations between light plants, the Office divided the payout policies into eight general categories:[12]

**100% payout**: Employees are paid for all of their unused sick leave.

[12] As used here, these definitions apply to all light plants regardless of whether they pay for unused sick leave at separation or only at retirement.

**Capped payout**: Employees are paid for their unused sick leave up to a maximum dollar amount or a maximum number of hours.

**Annual buyback**: Employees are paid for unused sick leave at the end of each year or are allowed to convert their sick leave to another type of leave, such as vacation. Implementation varies by light plant in terms of percentage of sick leave that is compensated for, valuations calculated based upon total day or hours, and conversions to other leave types.

**Flat-fee payout**: Unused sick leave is paid at an established daily rate.

**Percentage payout**: Employees are paid a percentage (less than 100%) of their unused sick leave. The light plant may also cap the total amount that the employee can receive.

**Tiered payout**: The payout rate is based upon an employee's longevity or how much sick leave they have used in the past.

**Combination payout**: The light plant uses a combination of the payouts defined in this section.

**No payout**: The light plant does not pay employees for unused sick time.

Figures 2 and 3 below illustrate the different policies that light plants utilize. Figure 2 applies to all employees except for plant managers. Figure 3 depicts the policies for light plant managers.

**Figure 2.**

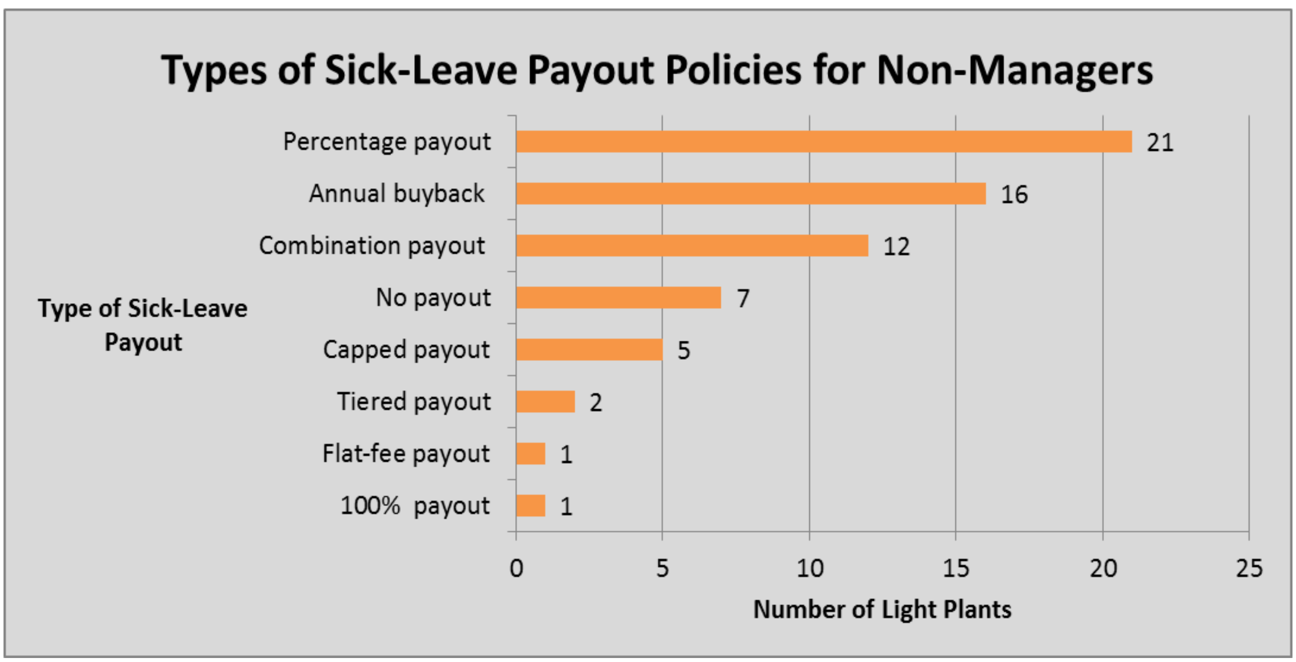
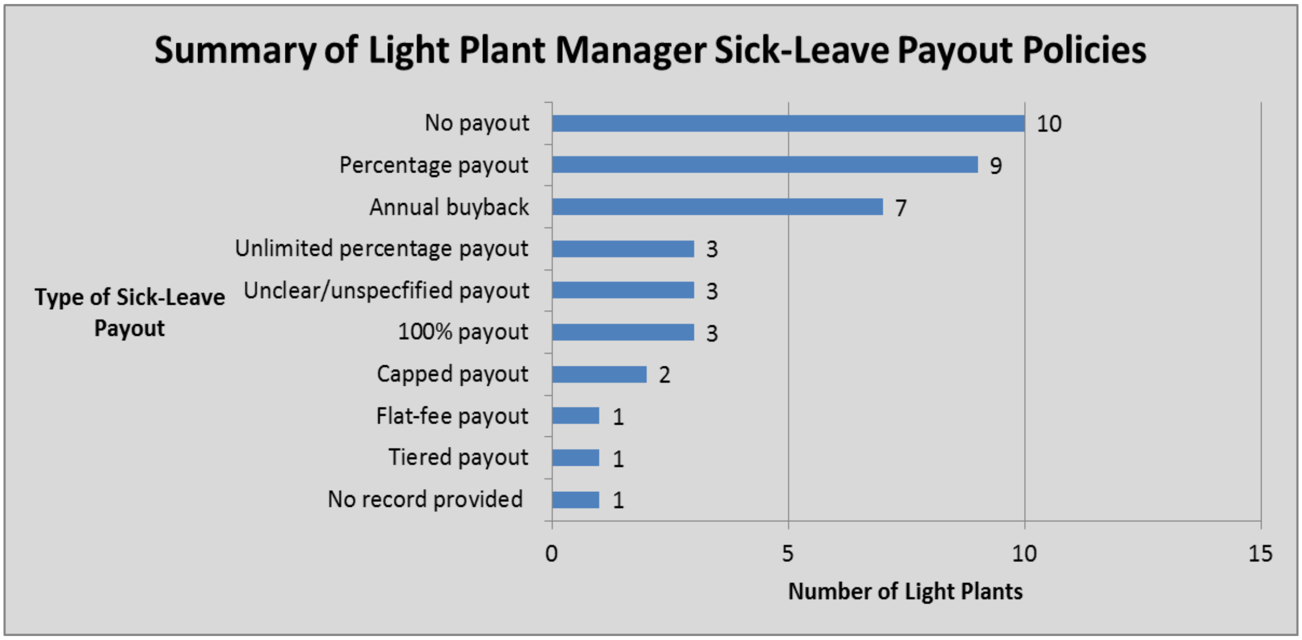


**Figure 3.**




As indicated in Figure 2, the most common form of sick-leave payout is a percentage-based policy. Of the 21 light plants with such a policy, four do not cap either the total payout or the amount of sick leave eligible for a percentage payout. This leaves those light plants susceptible to high payouts at retirement. Moreover, 16 of the light plants with percentage-based policies exceed the Commonwealth's 20% cap, with most paying retiring employees (excluding managers) between 25% and 50% of their unused sick leave. Additionally, three light plants pay their managers 100% of unused sick leave without any limit on the number of days or hours that are paid out.

Even light plants that limit payouts face potentially large financial liabilities. For example, the Middleborough light plant pays retiring employees for their unused sick time but caps the payout to 100 days. Therefore, an employee earning $60,000 a year who has reached the cap would be entitled to approximately a $23,000 payout. During the Office's review, Middleborough reported that 23 employees had 100 or more unused sick days. If those 23 employees retired, the Middleborough light plant would have to pay out approximately $900,000 for unused sick leave.

Sixteen light plants also offer their employees annual "buybacks," meaning that they compensate employees every year for their unused sick leave. This can take three forms: (1) a cash payment at the end of the year; (2) the "conversion" of sick leave into vacation or personal time; or (3) the cash value of the sick leave can be added to the employee's deferred compensation account. Many of these buybacks are characterized as an incentive for not using sick leave.

Light plant officials stated they believed the buyback incentive both prevents sick-leave abuse and saves money because it avoids large payouts when employees leave the light plant. This reasoning, however, is not well-founded. First, an annual buyback costs more over the long term because it is open to every employee – rather than only to those who retire. Also, because the buyback is open to all employees, the total payment each year could exceed the cost of a single payout to one retiree. Converting sick time to vacation time also costs more money in the long term; state law requires employers to pay all departing employees – including those who are terminated, transfer to another municipal job, or voluntarily separate from service – for 100% of their unused vacation leave. Consequently, annual buybacks may both underestimate and conceal the overall financial impact on ratepayers. Furthermore, annual buybacks make the cumulative financial impact of the plant's sick-leave benefits less transparent to ratepayers.

Finally, 15 light plants' financial statements accounted for employees' unused sick and vacation time, for a total liability of over $22 million. This highlights the potential financial liability faced by ratepayers. A number of light plants have addressed this risk, have changed their leave policies, and are renegotiating their contracts with plant managers and union employees. These are important steps toward managing this financial liability.

# CONCLUSIONS AND RECOMMENDATIONS

Sick leave is an important employment benefit and it should be available for employees to use when they or their family members need medical care. Nevertheless, many municipal light plants offer costly sick-leave benefits that exceed state employee benefits and are at odds with the intent of sick leave. These practices also expose light plants to a significant financial liability for future payouts. The ratepayers will have to fund these payouts; in some instances, light plants will have no recourse but to raise rates when employees with large sick-leave balances retire or depart the light plant.

Light plant Boards and other decision-makers can, and should, take action to ensure that sick-leave practices are both reasonable to employees and protect public dollars. First, light Boards need to ensure that ratepayers are not paying more than necessary for light plant services while at the same time ensuring that light plant employees receive reasonable and fair compensation with benefits that are in line with those offered by other public jurisdictions. These benefits should not create an undue burden on ratepayers or strain light plant budgets.

Effective timekeeping practices are also essential to controlling the cost of sick-leave payouts. Most of the employees who received sick-leave payouts during the period reviewed had accrued the leave over decades of service. Some of these employees' time records suggested that they had used no or little sick or vacation leave during their entire career; while not impossible, it is difficult to work for thirty years and never get sick, take vacation or have a doctor's appointment during work hours. Sick-leave payout policies – especially policies like unlimited leave accruals and annual buybacks – invite potential time fraud. Light plant Boards therefore must implement and enforce effective timekeeping practices.

As part of their fiduciary duty to ratepayers, light plant Boards should:

- Follow the model for state employees and cap, at 20%, the amount of sick leave that an employee can receive compensation for at retirement.
- Prohibit any sick-leave payouts to employees who separate from service, with or without cause, other than at retirement.
- Eliminate annual sick-leave buybacks.
- Implement and enforce robust timekeeping practices to ensure that all employees accurately account for their use of sick time.
- Be transparent about the plant's financial liability for unused sick leave: for instance, publicly report both current payouts and future liabilities in open Board meetings, to municipal officials, and in annual reports.

Municipalities also have a responsibility to actively oversee the light plants in their communities. For instance, they should exercise their statutory authority and:

- Require that the municipality's treasurer conduct a quarterly review of light plant bills that exceed a specified dollar threshold.
- Appoint a municipal official as a liaison to attend all municipal light Board meetings and provide periodic updates and overviews to town leaders.
- Work with the light Boards to bring light plant leave time policies into alignment with municipal policies.

From a broader perspective, the Legislature should implement legislative changes that would protect ratepayers, ensure greater uniformity across light plants and establish enhanced Board accountability.

The Legislature should consider the following actions:

- Require light plants to conform to either state-level employee policies or the policies in effect for the municipality the light plant serves.
- Create a framework similar to the compensation controls imposed on housing authority executive directors under M.G.L. c. 121B, § 7A. The framework would:
    - Direct the Department of Public Utilities to promulgate guidelines for contracts executed between light plants and their employees.
    - Allow the Department of Public Utilities to review such employee contracts and strike those provisions that do not conform to the guidelines.
    - Require the Department of Public Utilities to review all contracts and all terms for payments or monetary remuneration worth more than $100,000 annually.
- Require light plant managers to report at least annually to (a) the light plant Board, if any; (b) the mayor, city council or board of selectmen; and (c) the Office of the Attorney General and/or the Department of Public Utilities as to the light plant's business, receipts, disbursements, balances and indebtedness. The report should also include the leave balances of all employees of the light plant, as well as the financial liability for those balances.
- Require municipal officials or designee(s) to attend light plant Board meetings and conduct periodic reviews of light plant expenditures.
- Require light plants to (a) have an independent auditor conduct an annual or biennial audit; and (b) submit the audit to (i) the light plant Board, if any; (ii) the mayor, city council or board of selectmen; (iii) the Office of the Attorney General and/or the Department of Public Utilities; and (iv) the Department of Revenue.

# APPENDIX A: MUNICIPAL LIGHT PLANTS IN MASSACHUSETTS

| Light Plant | Sick-Leave Payouts |
|---|---|
| Ashburnham | No or low payout[13] |
| Belmont | No or low payout |
| Boylston | No or low payout |
| Braintree | Sick-leave payouts included in analysis |
| Chester | No or low payout |
| Chicopee | Sick-leave payouts included in analysis |
| Concord | Sick-leave payouts included in analysis |
| Danvers | No or low payout |
| Devens | No or low payout |
| Georgetown | Sick-leave payouts included in analysis |
| Gosnold | Not included in review |
| Groton | Sick-leave payouts included in analysis |
| Groveland | No or low payout |
| Hingham | Sick-leave payouts included in analysis |
| Holden | Sick-leave payouts included in analysis |
| Holyoke | Sick-leave payouts included in analysis |
| Hudson | Sick-leave payouts included in analysis |
| Hull | Sick-leave payouts included in analysis |
| Ipswich | Sick-leave payouts included in analysis |
| Littleton | Sick-leave payouts included in analysis |
| Mansfield | Sick-leave payouts included in analysis |
| Marblehead | Sick-leave payouts included in analysis |
| Merrimac | Sick-leave payouts included in analysis |
| Middleborough | Sick-leave payouts included in analysis |
| Middleton | Sick-leave payouts included in analysis |
| North Attleboro | Sick-leave payouts included in analysis |
| Norwood | Sick-leave payouts included in analysis |
| Paxton | No or low payout |
| Peabody | Sick-leave payouts included in analysis |
| Princeton | No or low payout |
| Reading | Sick-leave payouts included in analysis |
| Rowley | Sick-leave payouts included in analysis |
| Russell | No or low payout |
| Shrewsbury | No or low payout |
| South Hadley | Not included in review |
| Sterling | Sick-leave payouts included in analysis |
| Taunton | Sick-leave payouts included in analysis |
| Templeton | No or low payout |
| Wakefield | Sick-leave payouts included in analysis |
| Wellesley | No or low payout |
| West Boylston | Sick-leave payouts included in analysis |
| Westfield | Sick-leave payouts included in analysis |

[13] "Low payout" means that, between July 2010 and September 2016, the light plant did not pay any single employee more than $5,000 total for unused leave (*i.e.*, vacation, sick, personal, compensatory and other leave). These payouts were not used in Figure 1 or the other financial analyses in this letter.