TOWN OF AVON
PENSION TRUST
FIDUCIARY FUND
FISCAL YEAR 2016/2017

NAME OF FUND: Pension Trust (18)

FUND TYPE: Fiduciary Funds (Trust and Agency Funds)

PROGRAM DESCRIPTION

Per recommendation of our independent auditors, the appropriations for the fund are in the general fund and sewer special revenue fund. For financial reporting purposes, the Town will continue to report a separate Pension Trust Fund identified within the Fiduciary Type. Fiduciary Funds are used to account for assets held by a governmental unit acting as a trustee or agent for individuals, organization, other governmental units, or other fund of the same governmental unit. For that reason, fiduciary funds are identified as Trust and Agency Funds.

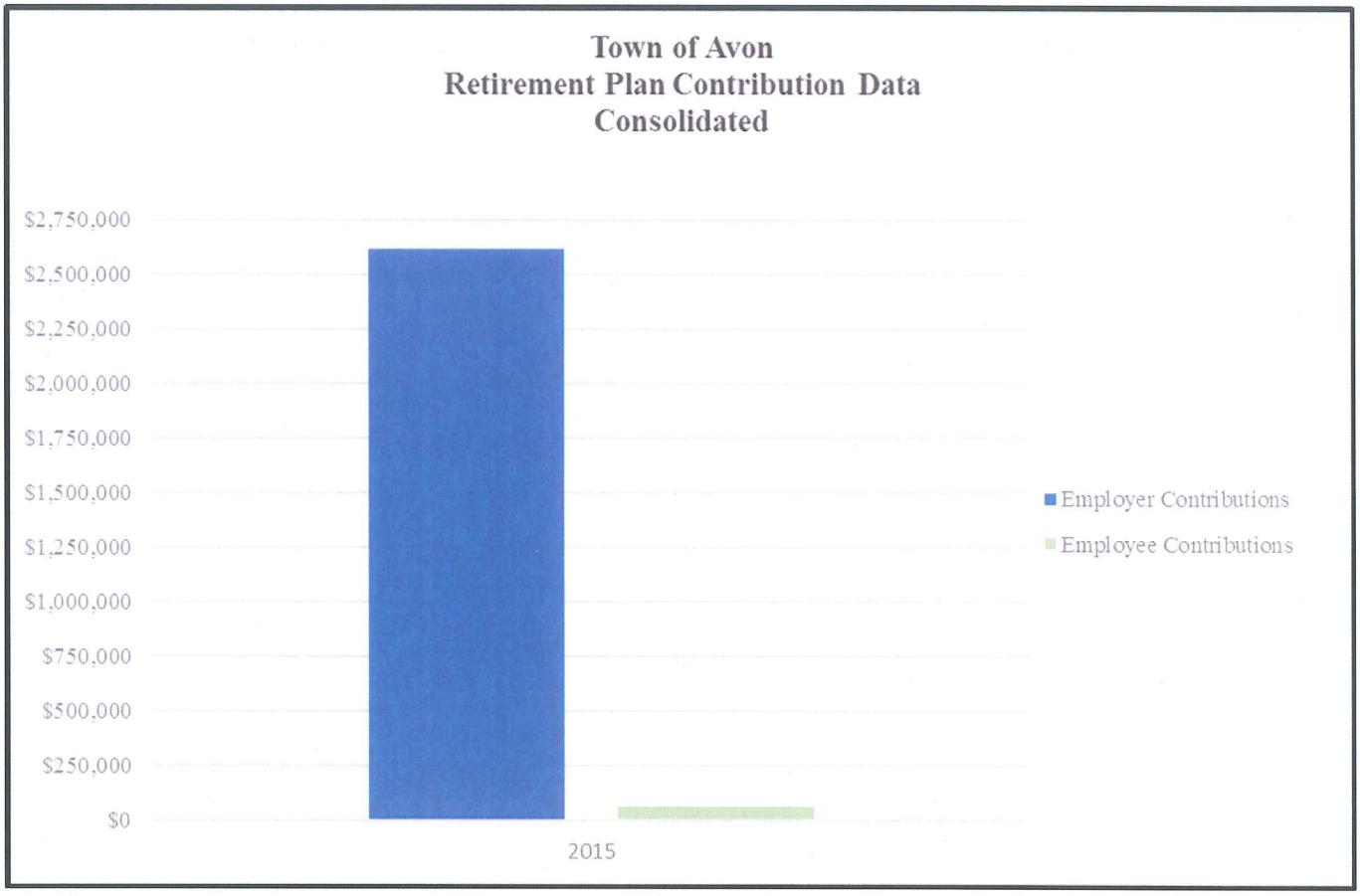
The Employees Retirement Pension Trust Fund is used to report the accumulation of resources for pension benefit appropriations and payments to qualified Town and Board of Education employees. The Town also maintains five agency funds: the AHS, AMS, RBS and PGS Student Activity Fund, the Board of Education Flexible Spending Account, the C-PACE Clean Energy Fund, the Police Cadet Activities Fund and the Compliance Bond Deposits Fund. No estimated revenues or appropriations are budgeted by the Town, since the Town acts only as a custodian of assets. Furthermore, an agency fund will have little or no fund balance.

BUDGET	2014/15 BUDGETED	2015/16 BUDGETED	2015/16 ESTIMATED	2016/17 REQUESTED TOWN MANAGER	2016/17 RECOMMENDED TOWN COUNCIL	2016/17 ADOPTED	2016/17 DOLLAR INCREASE/ (DECREASE)	2016/17 PERCENT INCREASE/ -DECREASE
REVENUES:								
Operating Revenues 'from':								
General Fund								
General Government (Town)	$2,470,397	$2,521,616	$2,521,616	$2,585,522	$2,585,522		$63,906	2.53%
FB Assigned for Pension	132,500	187,500	187,500	187,500	187,500		-	0.00%
Board of Education	490,386	508,433	508,433	February 15	464,389		(44,044)	-8.66%
Total General Fund	3,093,283	3,217,549	3,217,549	2,773,022	3,237,411		19,862	0.62%
Sewer Fund	58,592	59,806	59,806	61,322	61,322		1,516	2.53%
TOTAL REVENUES	$3,151,875	$3,277,355	$3,277,355	$2,834,344	$3,298,733		$21,378	0.65%
BUDGET:								
APPROPRIATIONS:								
General Government (Town)	$2,602,897	$2,709,116	$2,709,116	$2,773,022	$2,773,022		$63,906	2.36%
Board of Education	490,386	508,433	508,433	February 15	464,389		(44,044)	-8.66%
Total General Fund	3,093,283	3,217,549	3,217,549	2,773,022	3,237,411		19,862	0.62%
Sewer Fund	58,592	59,806	59,806	61,322	61,322		1,516	2.53%
TOTAL APPROPRIATIONS	$3,151,875	$3,277,355	$3,277,355	$2,834,344	$3,298,733		$21,378	0.65%

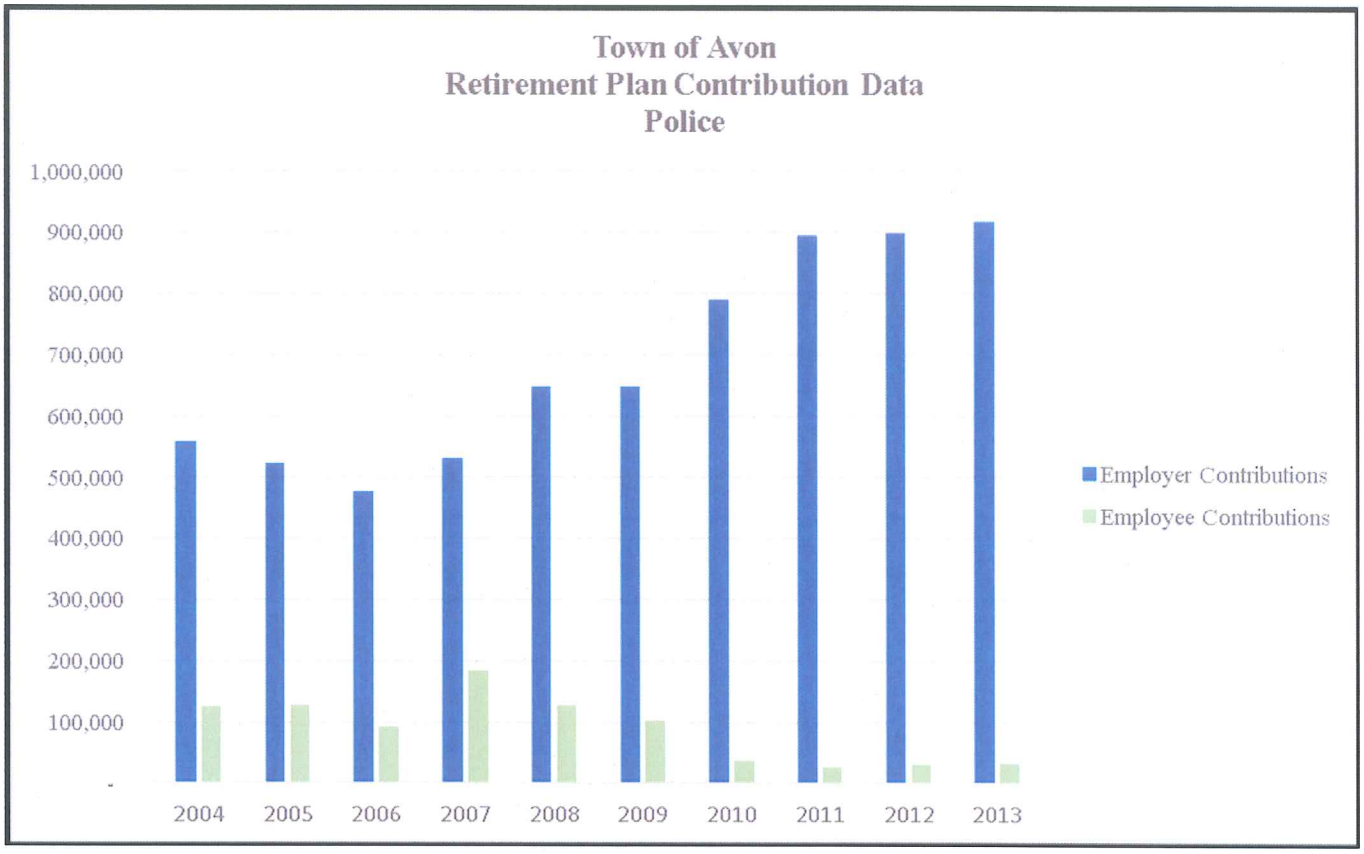
Presented below are the recommended appropriations within the general fund and sewer fund for the Employees Retirement Pension Trust Fund. On September 4, 2003, a pension funding change was made in the amortization method from level dollar to level percent has had a positive impact on the funding calculations. July 1, 2009, the asset smoothing method was changed so that +/- 20%"corridor" was removed. For fiscal year 2012/2013, the actuaries determined that liabilities for all of the plans came close to what was expected. A decision was made to reduce the actuarial assumption for the Town plans by .25%, with the increase in employer contributions to be funded from a pension designation in the General Fund.

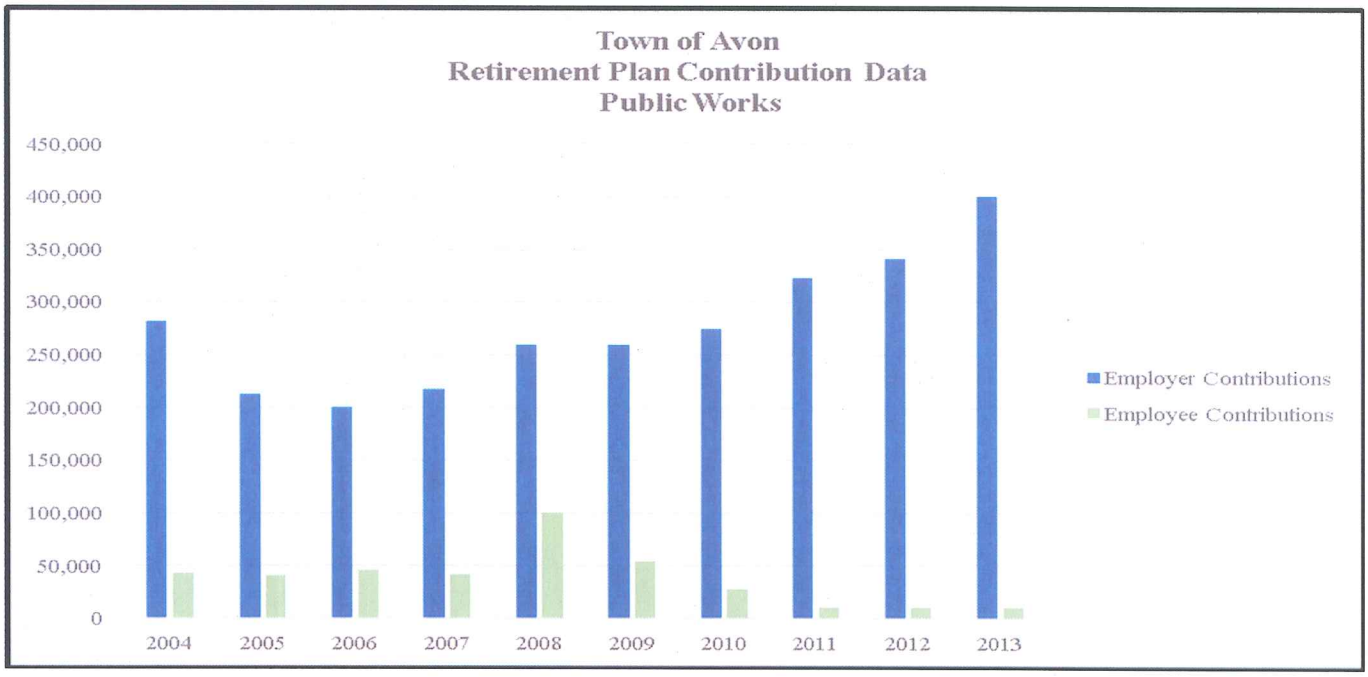
For fiscal year 2014/2015 and 2015/16, the actuarial assumption was reduced further to 7.50% and 7.35% respectively, with the increase in employer contributions to be funded from the pension assignment in the General Fund. For fiscal year 2016/2017, the actuarial assumption was further reduced to 7.25% and the increase in employer contributions is partially funded from the pension assignment in the General Fund.

Prior to 2014, the annual costs for Dispatchers, Non-Organized, Public Works and Police groups were determined in four separate valuations. In order to streamline administration for these four closed plans, they combined into one plan, effective June 30, 2014.

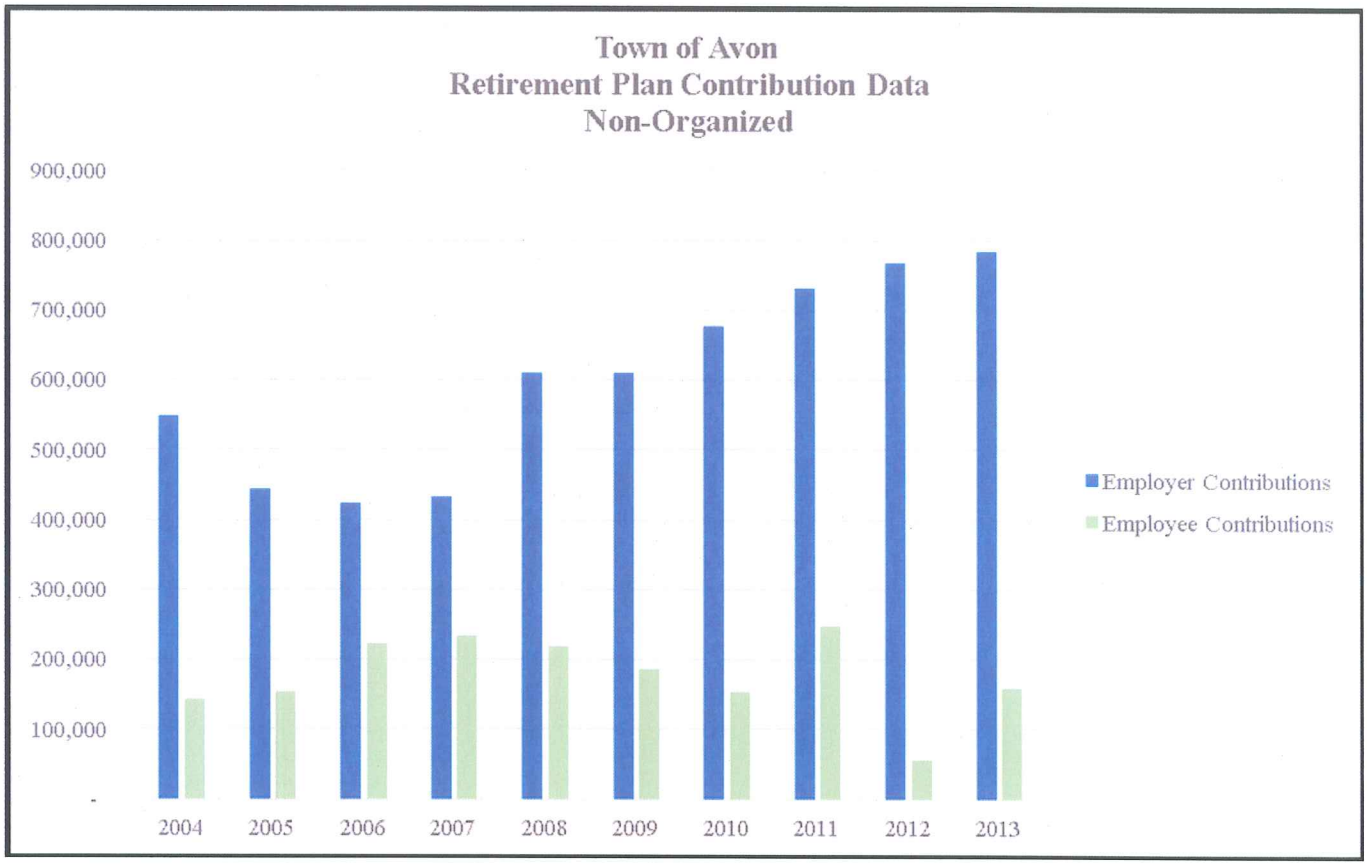


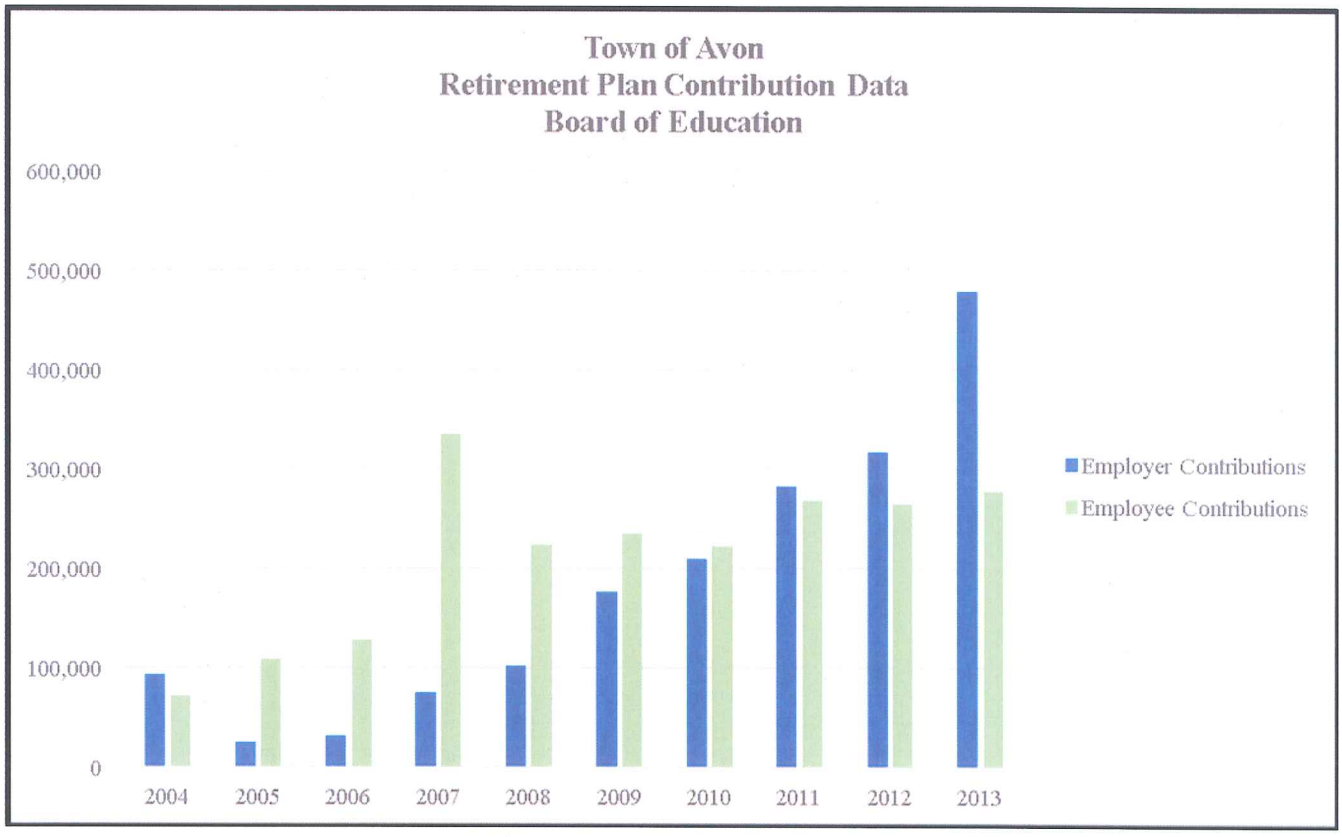
Source: June 30, 2015 CAFR, Combining Statement of Changes in Fiduciary Net Assets



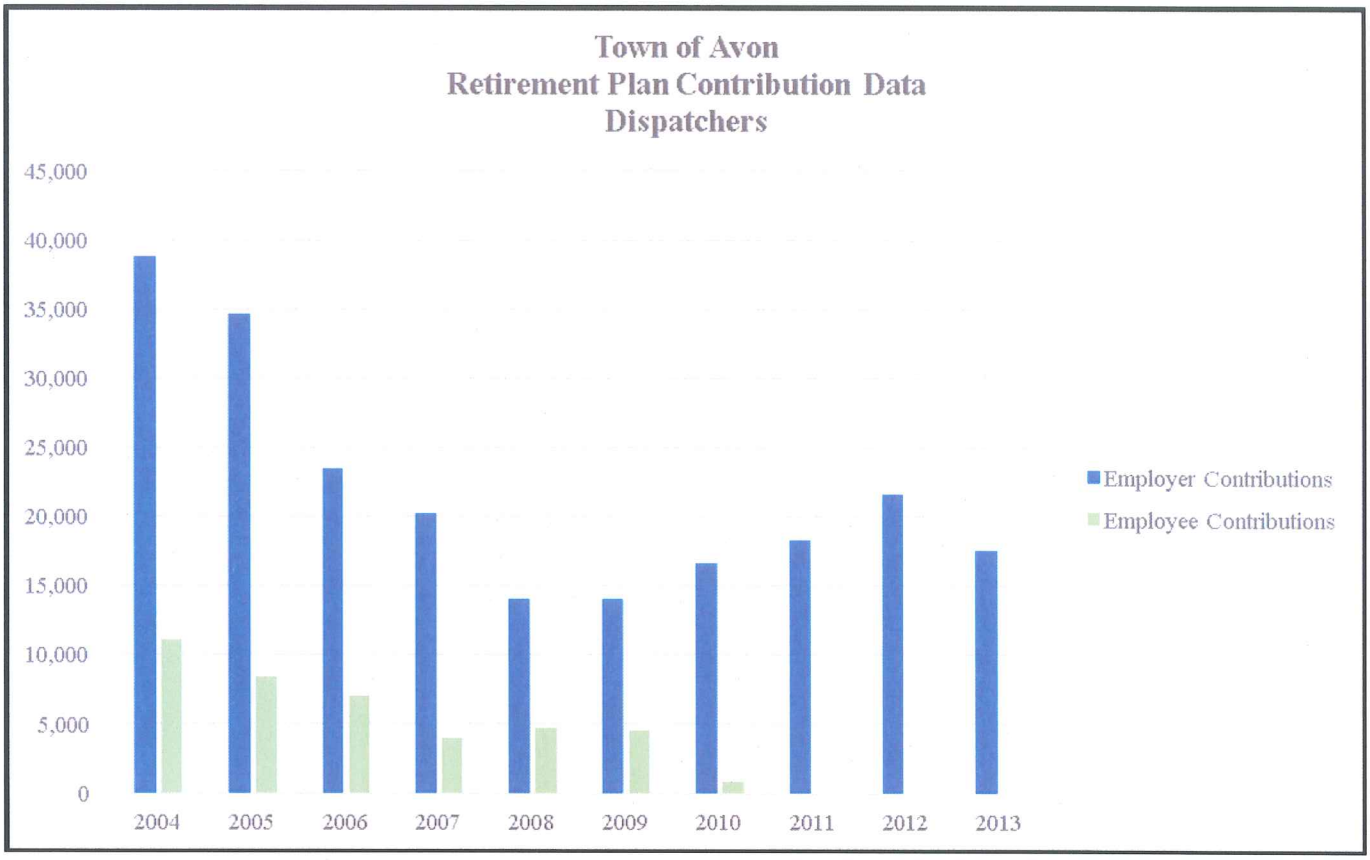


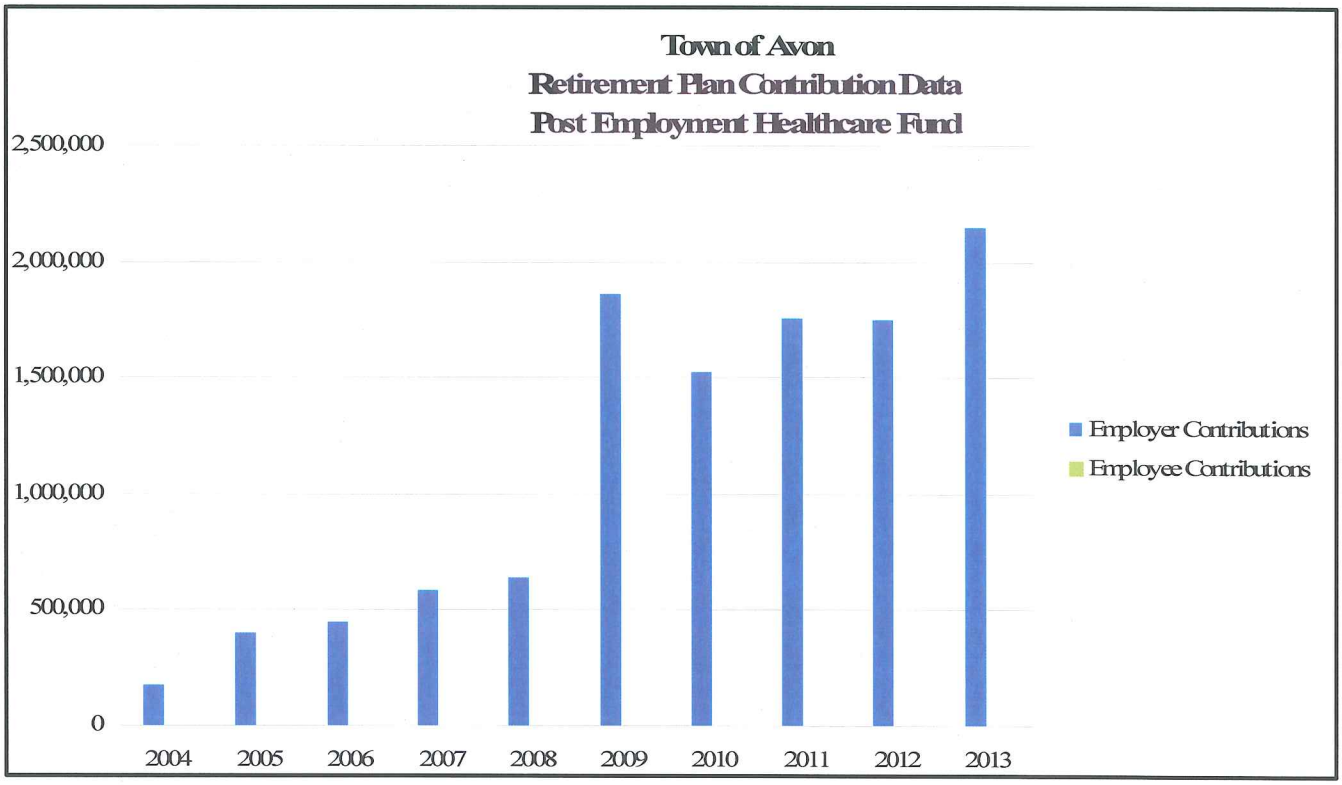
Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets





Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets





Source: June 30, 2013 CAFR, Combining Statement of Changes in Fiduciary Net Assets

TOWN OF AVON
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
FISCAL YEAR 2016/2017

NAME OF FUND: Other Post Employment Benefits Trust Fund (19)

FUND TYPE: Fiduciary Fund (Trust and Agency Funds)

PROGRAM DESCRIPTION:

The purpose of this trust fund is to provide funding for the actuarially determined share of the Town of Avon's liability for health and other post-employment benefits to retired employees of the Town. The Trust is intended to constitute a funding vehicle for purposes of GASB 43 and GASB 45 and to fund all or part of such liability on an annual basis using revenues generated by the Trust Fund. The Town shall budget and deposit sufficient funds to the Trust Fund in accordance with the recommendations of the actuary as contained in the actuarial report. Revenues earned from the Trust Fund are to be used to offset annual budgetary obligations of the Town of Avon, which have been incurred in funding the employer's share of employee post-retirement medical costs. Funds shall be invested in accordance with the Trust Fund Agreement and managed by an independent investment manager selected by the Town Council. Costs for management of the fund shall include, but not be limited to, direct administrative, actuarial, and investment management costs, which are to be charged to the Fund. The Trust Fund shall be used for the exclusive purposes of defraying reasonable expenses of administering the Plan and Trust and providing OPEB Benefits to Plan Participants.

The Town Council approved creation of the fund on June 4, 2009. Presented below is the recommended appropriation for fiscal year 2016/2017 in the amount of $1,541,656 with contributions for annual funding within the General Fund, the Sewer Fund and the Board of Education. The Town budgeted $875,000 for current retiree health costs, with $225,000 to come from Fund Balance Assigned for OPEB, covering a portion of the $650,000 actuarially determined Post-Retiree Medical and $200,000 transfer from the Post-Retirement Employee Medical Benefit Reserve Fund per the actuarial phase-in schedule. The Board of Education's contribution for fiscal year 2016/2017, in the amount of $25,500, is for a portion of the actuarially determined Post-Retiree Medical costs. In fiscal years 2012/2013, 2013/2014, and 2014/2015, $25,000 was budgeted by the Board of Education for a portion of the actuarially determined Post-Retiree Medical costs, and in fiscal year 2015/2016, $25,500 was budgeted.

	BUDGET:	2014/15 BUDGETED	2015/16 BUDGETED	2015/16 ESTIMATED	2016/17 REQUESTED TOWN MANAGER	2016/17 RECOMMENDED TOWN COUNCIL	2016/17 ADOPTED	2016/17 DOLLAR INCREASE/(DECREASE)	2016/17 PERCENT INCREASE/-DECREASE
	REVENUES:								
	Operating Revenues 'from':								
	General Fund:								
43620	Retiree Health (Town) ER Contrib	$1,150,842	$1,318,387	$1,318,387	$1,467,638	$1,467,638		149,251	11.32%
49071	FB Assigned For OPEB	100,000	225,000	225,000	225,000	225,000		-	0.00%
43918	Transfer from PREMBF	106,875	0	-	200,000	200,000		200,000	0.00%
	Retiree Health BOE	25,500	25,500	25,500	February 15	25,500		-	0.00%
	Total General Fund	1,383,217	1,568,887	1,568,887	1,892,638	1,918,138		349,251	22.26%
	Sewer Fund	55,115	66,491	66,491	74,018	74,018		7,527	11.32%
	TOTAL REVENUES	#######	**$1,635,378**	**1,635,378**	**$1,966,656**	**$1,992,156**		**$356,778**	**21.82%**
	BUDGET:								
	APPROPRIATIONS:								
	Trust Fund:								
51039	General Government	$218,036	$247,854	$247,854	303,936	303,936		56,082	22.63%
51039	Public Safety	643,060	730,998	730,998	896,416	896,416		165,418	22.63%
51039	Public Works	376,772	432,134	432,134	522,404	522,404		90,270	20.89%
51039	Health & Social Services	15,520	17,642	17,642	21,634	21,634		3,992	22.63%
51039	Recreation & Parks	101,984	115,933	115,933	142,169	142,169		26,236	22.63%
51039	Cultural & Education	26,421	30,033	30,033	36,829	36,829		6,796	22.63%
51039	Conservation & Development	31,039	35,284	35,284	43,268	43,268		7,984	22.63%
	Retiree Health (BOE)	25,500	25,500	25,500	February 15	25,500		-	0.00%
	TOTAL APPROPRIATIONS	**1,438,332**	**$1,635,378**	**$1,635,378**	**$1,966,656**	**$1,992,156**		**$356,778**	**21.82%**