

**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.

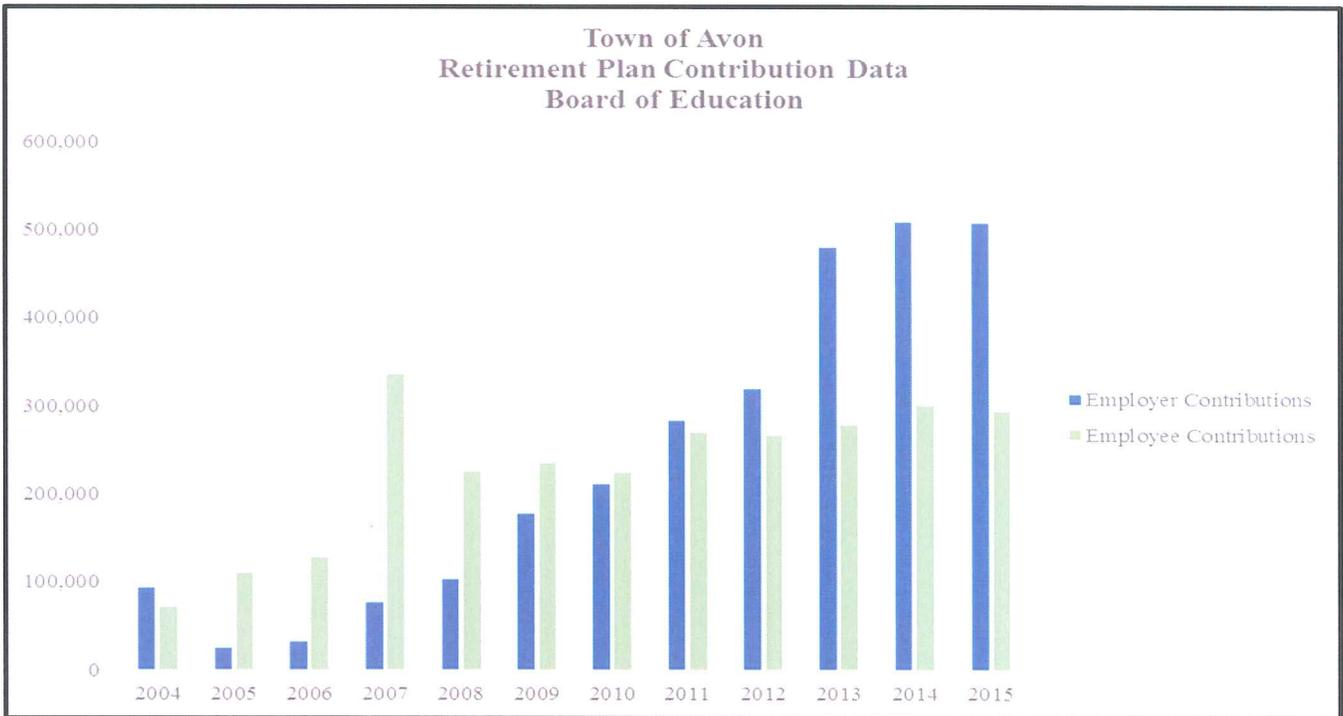
The Employees Retirement Pension Trust Fund is used to report the accumulation of resources for pension benefit appropriations and payments to qualified Town and Board of Education employees. The Town also maintains five agency funds: the AHS, AMS, RBS and PGS Student Activity Fund, the Board of Education 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	2016/17	2016/17	2016/17	
				REQUESTED TOWN MANAGER	RECOMMENDED TOWN COUNCIL	ADOPTED	DOLLAR INCREASE/ (DECREASE)	PERCENT INCREASE/ -DECREASE
<b>REVENUES:</b>								
Operating Revenues 'from':								
General Fund								
General Government (Town)	\$2,470,397	\$2,521,616	\$2,521,616	\$2,585,522	\$2,585,522	\$2,585,522	\$63,906	2.53%
FB Assigned for Pension	132,500	187,500	187,500	187,500	187,500	187,500	-	0.00%
Board of Education	490,386	508,433	508,433	February 15	464,389	464,389	(44,044)	-8.66%
Board of Education - Res. For Enc.	-	-	-	-	-	49,846	-	-
Total General Fund	3,093,283	3,217,549	3,217,549	2,773,022	3,237,411	3,287,257	69,708	2.17%
Sewer Fund	58,592	59,806	59,806	61,322	61,322	61,322	1,516	2.53%
<b>TOTAL REVENUES</b>	<b>\$3,151,875</b>	<b>\$3,277,355</b>	<b>\$3,277,355</b>	<b>\$2,834,344</b>	<b>\$3,298,733</b>	<b>\$3,348,579</b>	<b>\$71,224</b>	<b>2.17%</b>
<b>BUDGET:</b>								
<b>APPROPRIATIONS:</b>								
General Government (Town)	\$2,602,897	\$2,709,116	\$2,709,116	\$2,773,022	\$2,773,022	\$2,773,022	\$63,906	2.36%
Board of Education	490,386	508,433	508,433	February 15	464,389	514,235	5,802	1.14%
Total General Fund	3,093,283	3,217,549	3,217,549	2,773,022	3,237,411	3,287,257	69,708	2.17%
Sewer Fund	58,592	59,806	59,806	61,322	61,322	61,322	1,516	2.53%
<b>TOTAL APPROPRIATIONS</b>	<b>\$3,151,875</b>	<b>\$3,277,355</b>	<b>\$3,277,355</b>	<b>\$2,834,344</b>	<b>\$3,298,733</b>	<b>\$3,348,579</b>	<b>\$71,224</b>	<b>2.17%</b>

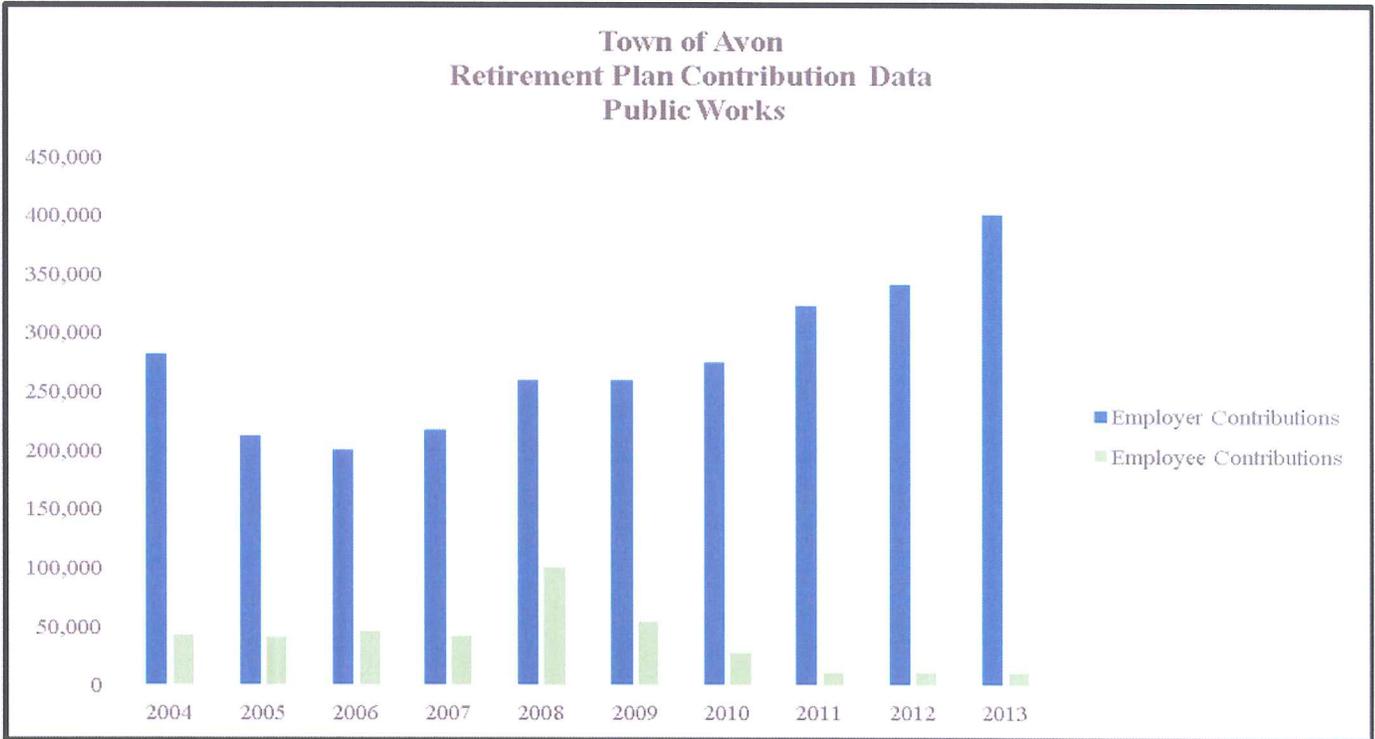
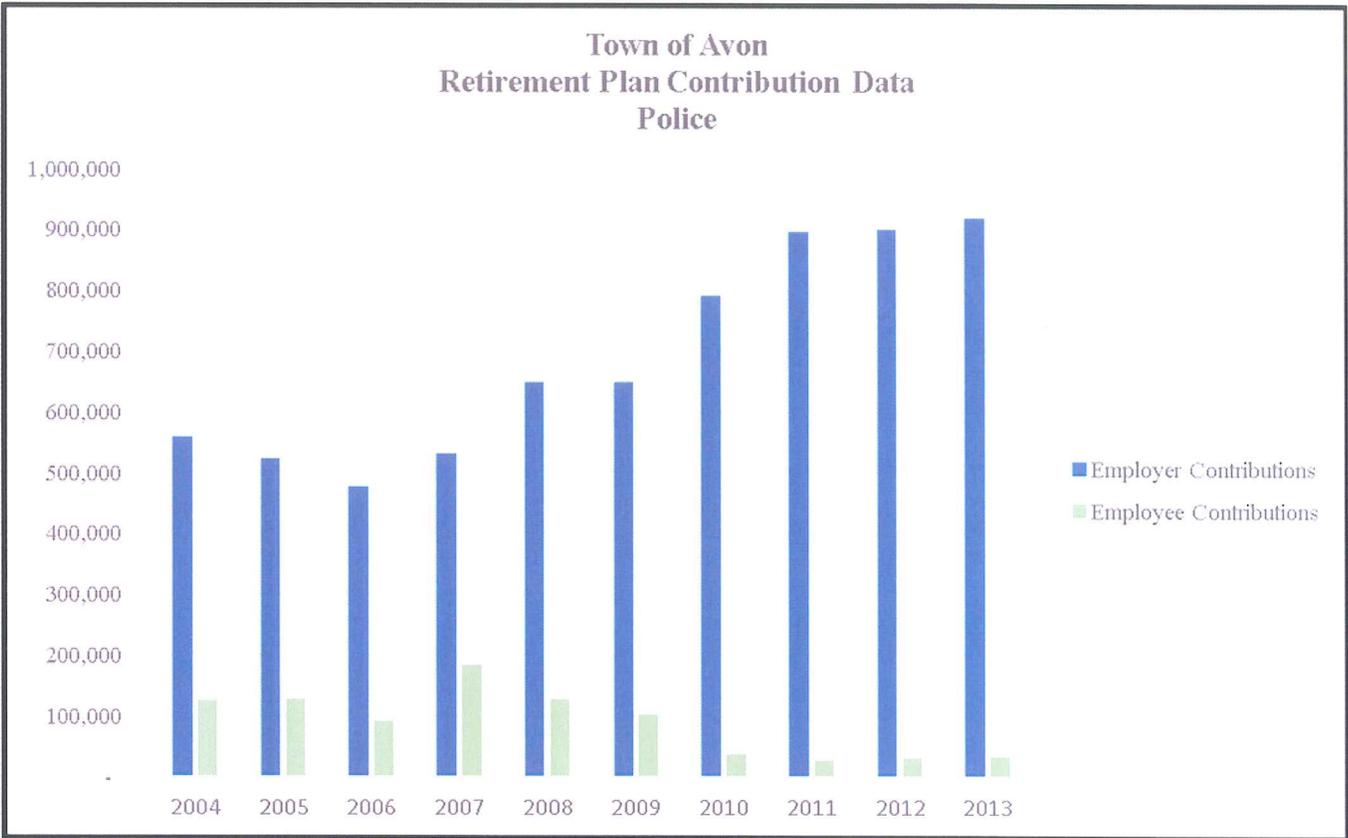
Presented below are the recommended appropriations within the general fund and sewer fund for the Employees Retirement Pension Trust Fund. On September 4, 2003, a pension funding change was made in the amortization method from level dollar to level percent has had a positive impact on the funding calculations. 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.

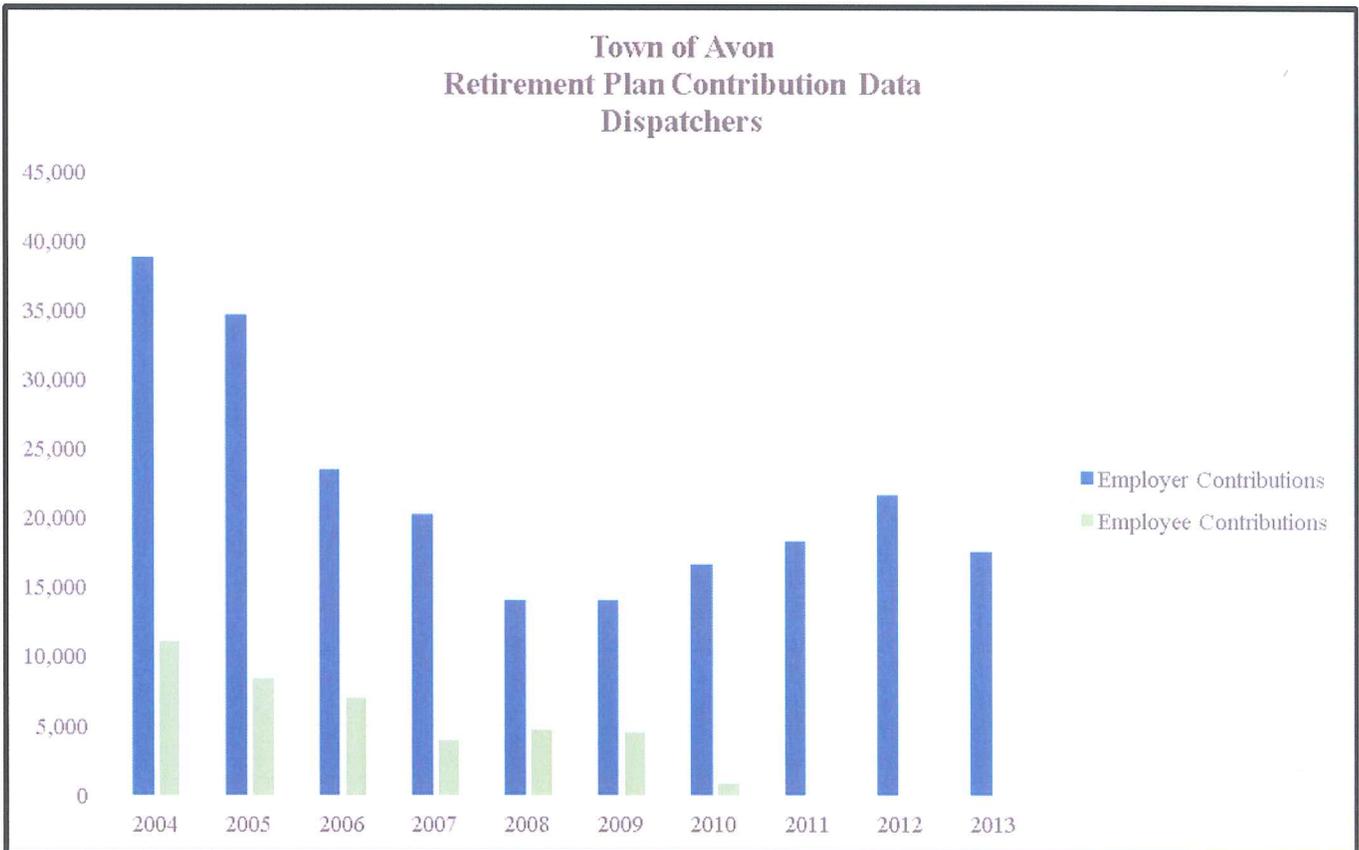
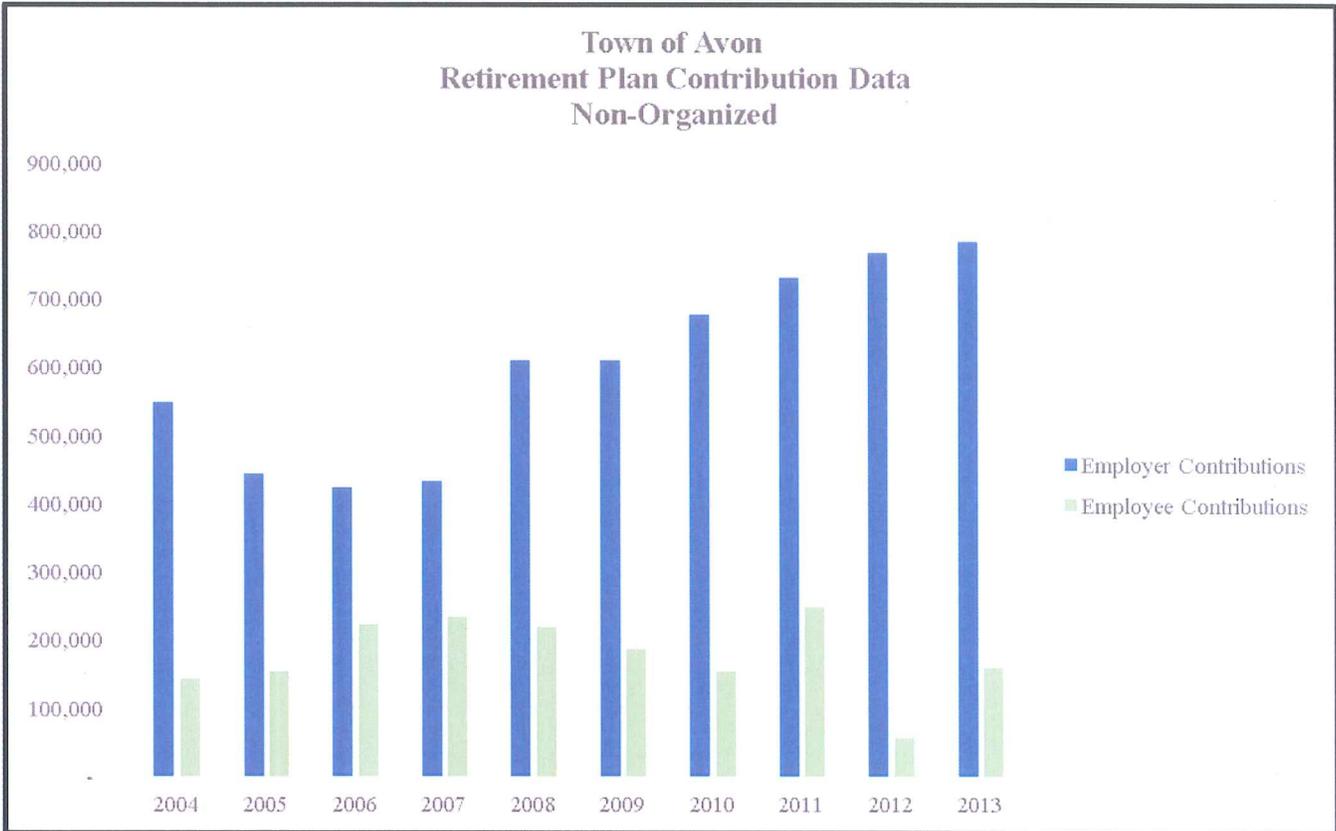
Prior to 2014, the annual costs for Dispatchers, Non-Organized, Public Works and Police groups were determined in four separate valuations. In order to streamline administration for these four closed plans, they combined into one plan, effective June 30, 2014.



Source: June 30, 2015 CAFR, Schedule of Changes in Net Pension Liability and Related Ratios



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)

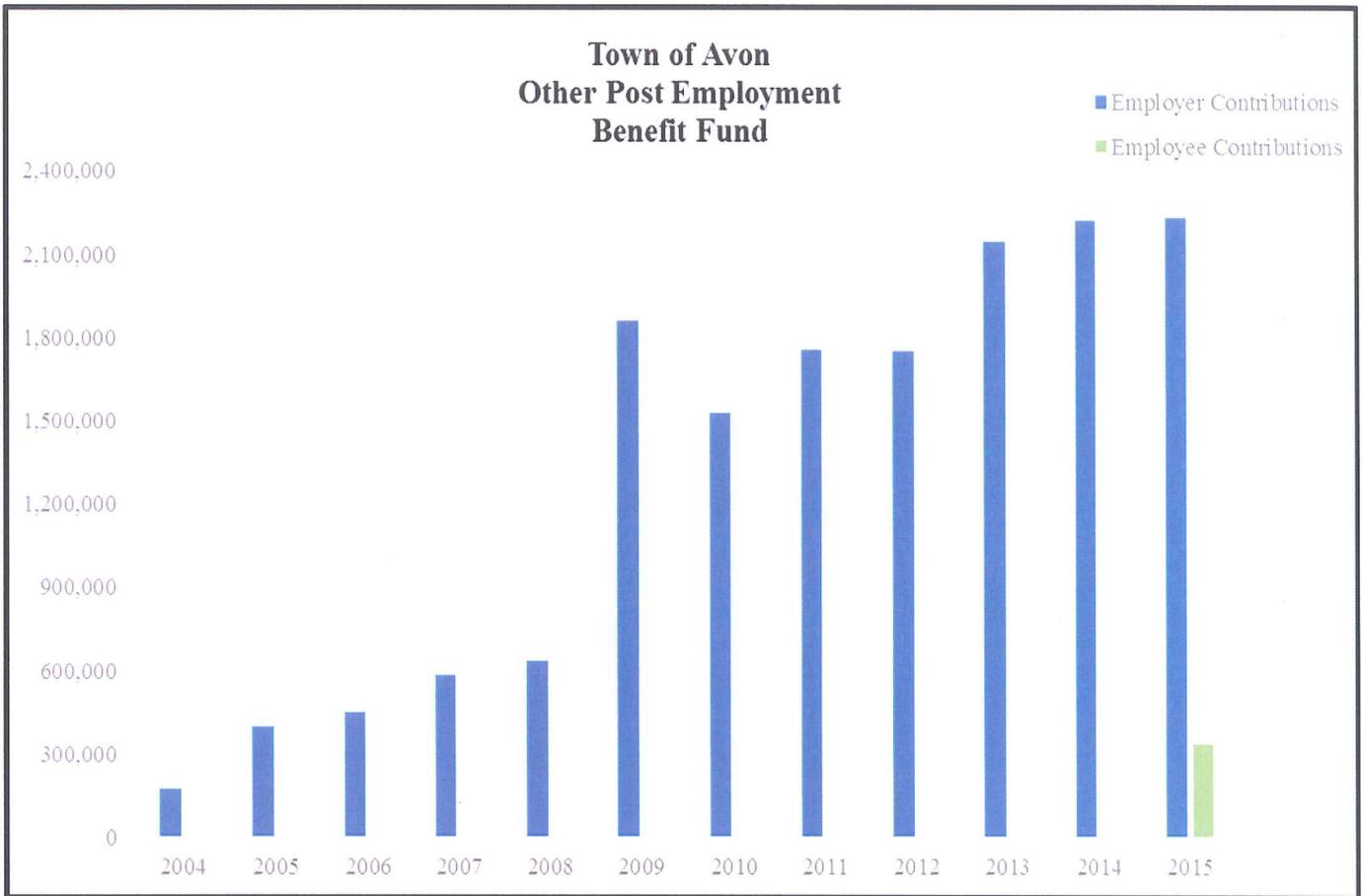
**FUND TYPE:** Fiduciary Fund (Trust and Agency Funds)

**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 \$1,521,608 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 \$25,000, 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 (note: 2014/2015 \$25,500 was the actual contribution amount), and in fiscal year 2015/2016, \$25,500 was budgeted.

BUDGET:	2016/17		2016/17		2016/17		2016/17		
	2014/15	2015/16	2015/16	TOWN	TOWN	2016/17	DOLLAR	PERCENT	
	BUDGETED	BUDGETED	ESTIMATED	MANAGER	COUNCIL	ADOPTED	INCREASE/ (DECREASE)	INCREASE/ -DECREASE	
<b>REVENUES:</b>									
Operating Revenues 'from':									
General Fund:									
43620	Retiree Health (Town)ER	\$ 1,150,842	\$ 1,318,387	\$ 1,318,387	\$ 1,467,638	\$ 1,467,638	\$ 1,447,590	129,203	9.80%
49071	FB Assigned For OPEB	100,000	225,000	225,000	225,000	225,000	225,000	-	0.00%
43918	Transfer from PREMBF	106,875	200,000	200,000	200,000	200,000	200,000	-	0.00%
	Retiree Health BOE	25,500	25,500	25,500	February 15	25,500	25,000	(500)	-1.96%
	<b>Total General Fund</b>	<b>1,383,217</b>	<b>1,768,887</b>	<b>1,768,887</b>	<b>1,892,638</b>	<b>1,918,138</b>	<b>1,897,590</b>	<b>128,703</b>	<b>7.28%</b>
	Sewer Fund	55,115	66,491	66,491	74,018	74,018	74,018	7,527	11.32%
	<b>TOTAL REVENUES</b>	<b>\$ 1,438,332</b>	<b>\$ 1,835,378</b>	<b>1,835,378</b>	<b>\$ 1,966,656</b>	<b>\$ 1,992,156</b>	<b>\$ 1,971,608</b>	<b>\$ 136,230</b>	<b>7.42%</b>
<b>BUDGET:</b>									
<b>APPROPRIATIONS:</b>									
Trust Fund:									
51039	General Government	\$ 218,036	\$ 279,974	\$ 279,974	303,936	303,936	\$ 300,468	20,494	7.32%
51039	Public Safety	643,060	825,724	825,724	896,416	896,416	\$ 876,877	51,153	6.19%
51039	Public Works	376,772	479,515	479,515	522,404	522,404	\$ 531,175	52,200	10.89%
51039	Health & Social Services	15,520	19,928	19,928	21,634	21,634	\$ 20,797	869	4.36%
51039	Recreation & Parks	101,984	130,956	130,956	142,169	142,169	\$ 138,488	7,532	5.75%
51039	Cultural & Education	26,421	33,925	33,925	36,829	36,829	\$ 36,669	2,744	8.09%
51039	Conservation & Development	31,039	39,856	39,856	43,268	43,268	\$ 41,594	1,738	4.36%
	Retiree Health (BOE)	25,500	25,500	25,500	February 15	25,500	\$ 25,000	(500)	-1.96%
	<b>TOTAL</b>	<b>1,438,332</b>	<b>\$ 1,835,378</b>	<b>\$ 1,835,378</b>	<b>\$ 1,966,656</b>	<b>\$ 1,992,156</b>	<b>\$ 1,971,608</b>	<b>\$ 136,230</b>	<b>7.42%</b>
<b>APPROPRIATIONS</b>									



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