

**TOWN OF AVON  
PENSION TRUST  
FIDUCIARY FUND  
FISCAL YEAR 2024/2025**

**NAME OF FUND:** Pension Trust (18)

**FUND TYPE:** Fiduciary Funds (Trust and Custodial Funds)

**PROGRAM DESCRIPTION**

Per the recommendation of our independent auditors, the appropriations for the fund are in the General Fund and Sewer Fund. For financial reporting purposes, the Town will continue to report on a separate Pension Trust Fund, which is classified as a fiduciary fund. Fiduciary funds are used to account for assets held by a governmental unit acting as a trustee or agent for individuals, organizations, other governmental units, or another fund of the same governmental unit. For that reason, fiduciary funds are often identified as either trust, or custodial 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 one custodial fund, the C-PACE Clean Energy Fund. No estimated revenues or appropriations are budgeted by the Town for this fund, as the Town acts only as a custodian of assets. Furthermore, custodial funds do not carry a fund balance.

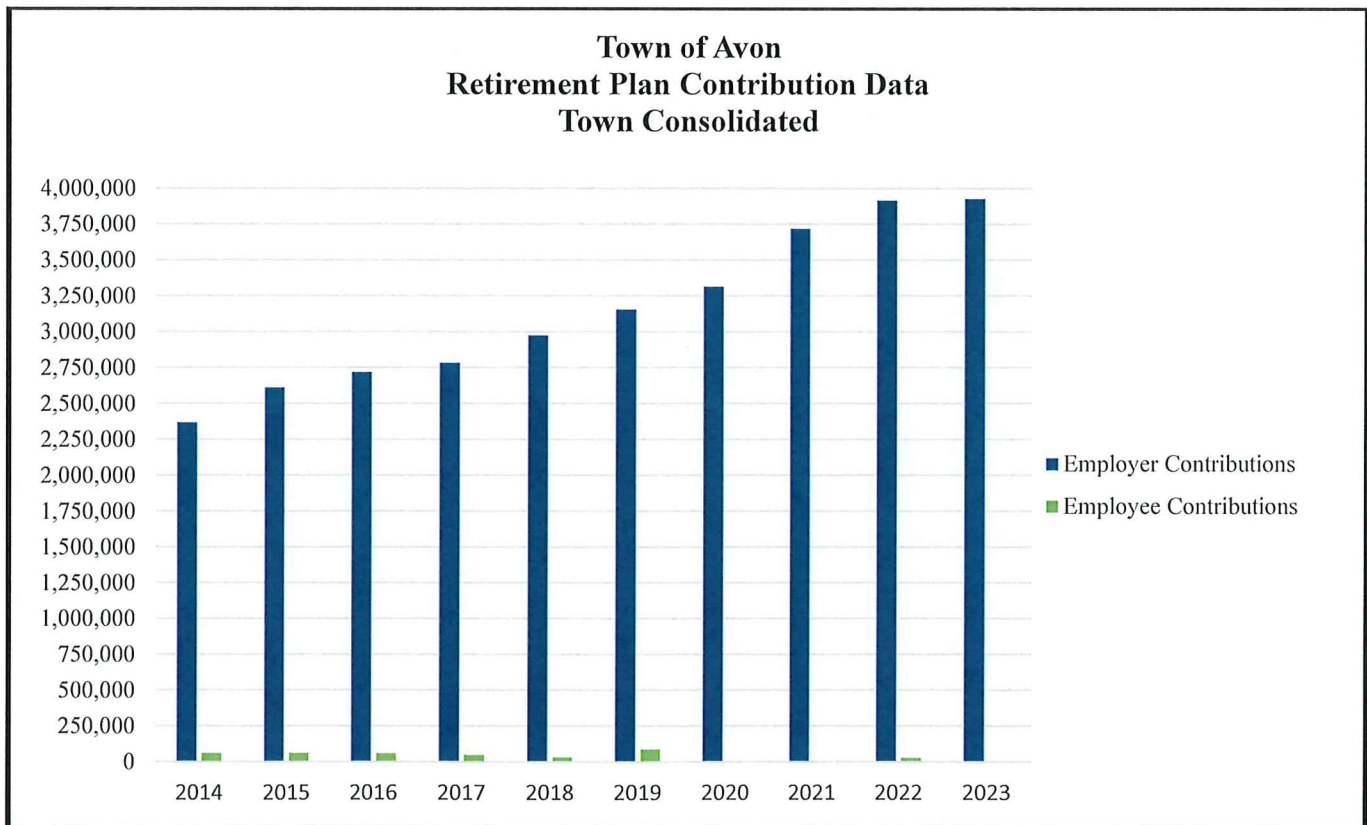
			2024/25	2024/25	2024/25	2024/25		
			REQUESTED	RECOMMENDED	DOLLAR	PERCENT		
			TOWN	TOWN	2024/25	2024/25		
BUDGET			MANAGER	COUNCIL	ADOPTED	(DECREASE) -DECREASE		
REVENUES:								
Operating Revenues 'from':								
General Fund								
01	43623	General Government (Town)	\$3,689,620	\$3,699,024	\$3,699,024	\$3,875,842	\$176,818	4.78%
01	43918	FB Assigned for Pension	200,000	200,000	200,000	200,000	-	0.00%
01	43628	Board of Education	771,139	676,227	676,227	640,024	(36,203)	-5.35%
Total General Fund			4,660,759	4,575,251	4,575,251	4,715,866	140,615	3.07%
05	43623	Sewer Fund	87,491	88,845	88,845	93,035	4,190	4.72%
TOTAL REVENUES			\$4,748,250	\$4,664,096	\$4,664,096	\$4,808,901	\$144,805	3.10%
BUDGET:								
APPROPRIATIONS:								
01	51032	General Government (Town)	\$3,889,620	\$3,899,024	\$3,899,024	\$4,075,842	\$176,818	4.53%
01	55000	Board of Education	771,139	676,227	676,227	640,024	(36,203)	-5.35%
Total General Fund			4,660,759	4,575,251	4,575,251	4,715,866	140,615	3.07%
05	51032	Sewer Fund	87,491	88,845	88,845	93,035	4,190	4.72%
TOTAL APPROPRIATIONS			\$4,748,250	\$4,664,096	\$4,664,096	\$4,808,901	\$144,805	3.10%

Presented above are the recommended appropriations within the General Fund and Sewer Fund for the Employees Retirement Pension Trust Fund for fiscal year 2024/2025. Both the Town and the Board of Education develop their budget requests for the annual amount to be contributed into the Employees Retirement Pension Trust Fund based on an Actuarially Determined Contribution (ADC) that is developed by a third party actuary. The actuary develops the ADC in an effort to match the funds that flow out of a pension plan with the funds that flow into the plan over a long term period through the application of various actuarial assumptions. These actuarial assumptions allow the actuary to anticipate the long term levels of benefits and expenditures that will be paid out of the plan in order to determine the appropriate level of contributions that should come into the plan when adjusted to account for the anticipated long-term level of investment income that the plan's portfolio is expected to generate.

Several actuarial assumptions are utilized in the development of an ADC. Some of the most impactful assumptions utilized include: an actuarial assumed interest rate, the application of mortality tables, assumed active employee salary growth, assumed retirement dates, and an assumed amortization growth rate that is applied to past service cost. The Town and Board of Education have made changes to some of these actuarial assumptions in recent fiscal years at the recommendation of their actuaries. For example, as of fiscal year 2022/2023, both the Town and the Board of Education have reduced their actuarial assumed interest rate to 6.00%. Additionally, for fiscal year 2020/2021, updated public-sector pension plan mortality tables (PUB-2010) were applied in the valuation calculations. There have been no changes to actuarial assumptions recommended that would impact the ADC for fiscal year 2024/2025.

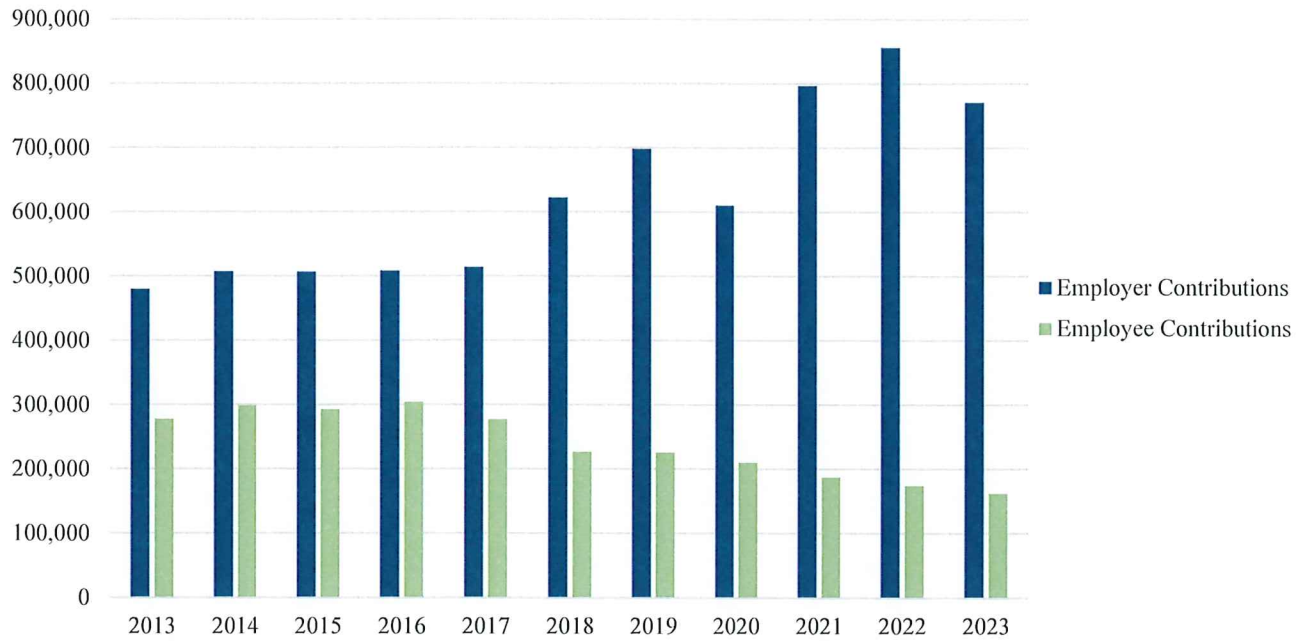
The Retirement Plan for Employees of the Town of Avon Actuarial Valuation as of July 1, 2023, which was used to determine funding for fiscal year 2024/2025, includes a long-range forecast that indicates that the Town's final significant budgetary contribution to the Employees Retirement Pension Trust Fund is anticipated to take place in fiscal year 2027/2028. This forecast is based on the following assumptions: that the Town will pay the ADC each year, that the assets will return the assumed interest rate on a market value basis each year, and that there are no future changes in the actuarial methods, or assumptions, or in the plan provisions. The Retirement Plan for the Board of Education of the Town of Avon Actuarial Valuation, as of July 1, 2023, which was used to determine funding for fiscal year 2024/2025, includes a long-range forecast that indicates that the Board of Education is also anticipated to make their final contribution towards past service cost in fiscal year 2027/2028. This forecast is based on the following assumptions: that the Board of Education will pay the ADC each year, that the assets will return the assumed interest rate on a market value basis each year, and that there are no future changes in the actuarial methods, assumptions, or in the plan provisions.

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, 2023 Annual Comprehensive Financial Report  
Schedule of Changes in Net Pension Liability and Related Ratios

**Town of Avon  
Retirement Plan Contribution Data  
Board of Education**



Source: June 30, 2023 Annual Comprehensive Financial Report,  
Schedule of Changes in Net Pension Liability and Related Ratios





**TOWN OF AVON  
OTHER POST EMPLOYMENT BENEFITS TRUST FUND  
FISCAL YEAR 2024/2025**

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

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

**PROGRAM DESCRIPTION:**

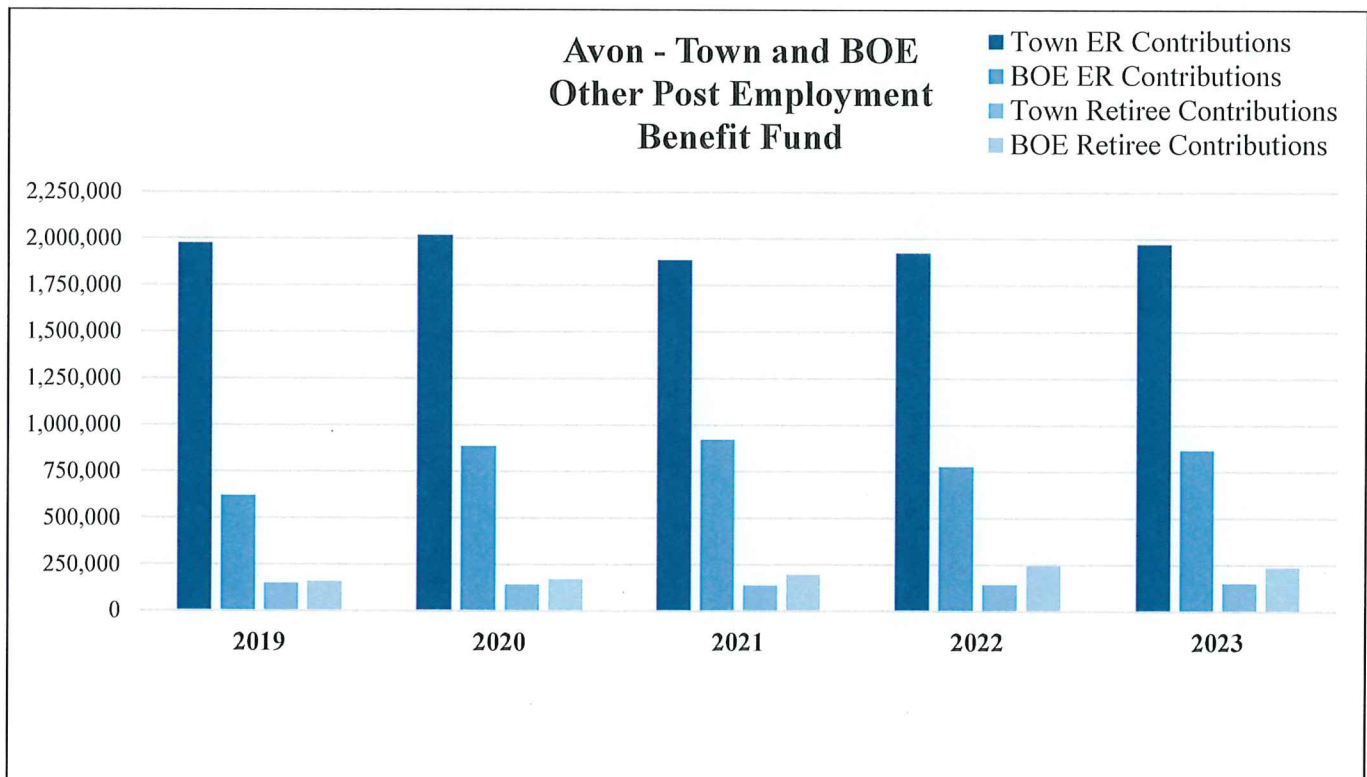
The purpose of this trust fund is to provide funding for the actuarially determined share of the Town of Avon's liability for health and other post-employment benefits to retired employees of the Town. The Trust is intended to constitute a funding vehicle for purposes of GASB Statements 74 and 75 and 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 into the Trust Fund in accordance with the recommendations of a third party actuary as contained in an actuarial report. Revenues earned from the Trust Fund are to be used to offset the 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 purpose of defraying reasonable expenses of administering the Plan and Trust and providing other post-employment benefits (OPEB) to plan participants.

The Town Council approved creation of the fund on June 4, 2009. Presented below is the recommended appropriation for fiscal year 2024/2025 in the amount of \$1,733,820, which, when combined with funding in the amount of \$150,000 from the post-employment benefit assignment in the General Fund, represents the Actuarially Determined Contribution (ADC) recommended by the Town's actuaries (\$1,883,820). The Town budgeted this amount within the General Fund and Sewer Fund under benefit object number 51039. The Board of Education's contribution for fiscal year 2024/2025 decreased to \$737,346, which represents their ADC.

				2024/25 REQUESTED	2024/25 RECOMMENDED		2024/25 DOLLAR	2024/25 PERCENT
BUDGET	2022/23 BUDGETED	2023/24 BUDGETED	2023/24 ESTIMATED	TOWN MANAGER	TOWN COUNCIL	2024/25 ADOPTED	INCREASE/ (DECREASE)	INCREASE/ -DECREASE
<b>APPROPRIATIONS:</b>								
General Fund:								
01 51039 Town Retiree Health ER	\$1,661,482	\$1,757,719	\$1,757,719	\$1,628,628	\$1,628,628		(\$129,091)	-7.34%
01 51039 FB Assigned For OPEB	150,000	150,000	150,000	150,000	150,000		-	0.00%
01 51039 Transfer from PREMBF	50,000	-	-	-	-		-	0.00%
01 55000 BOE Retiree Health ER Contribution	743,750	743,750	743,750	737,346	737,346		(6,404)	-0.86%
Total General Fund	2,605,232	2,651,469	2,651,469	2,515,974	2,515,974		(135,495)	-5.11%
05 51039 Sewer Fund	110,518	113,281	113,281	105,192	105,192		(8,089)	-7.14%
<b>TOTAL APPROPRIATIONS</b>	<b>\$2,715,750</b>	<b>\$2,764,750</b>	<b>\$2,764,750</b>	<b>\$2,621,166</b>	<b>\$2,621,166</b>		<b>(\$143,584)</b>	<b>-5.19%</b>



				2024/25	2024/25	2024/25	2024/25		
				REQUESTED	RECOMMENDED		DOLLAR	PERCENT	
				TOWN	TOWN	2024/25	INCREASE/	INCREASE/	
BUDGET				MANAGER	COUNCIL	ADOPTED	(DECREASE)	-DECREASE	
REVENUES:									
19	43620	Town Retiree Contributions	\$128,968	\$119,715	\$101,425	\$75,745	\$75,745	(\$43,970)	-36.73%
19	43623	Town ER Contributions - GF	1,811,482	1,907,719	1,907,719	1,778,628	1,778,628	(129,091)	-6.77%
19	43625	BOE Retiree Contributions	57,600	57,600	145,000	145,000	145,000	87,400	151.74%
19	43628	BOE ER Contributions - GF	743,750	743,750	743,750	737,346	737,346	(6,404)	-0.86%
19	43918	Town - Trx In PREMBF #16	50,000	-	-	-	-	-	0.00%
Total GF and Other Cont.			2,791,800	2,828,784	2,897,894	2,736,719	2,736,719	(92,065)	-3.25%
19	43623	Sewer Fund	110,518	113,281	113,281	105,192	105,192	(8,089)	-7.14%
TOTAL REVENUES			\$2,902,318	\$2,942,065	\$3,011,175	\$2,841,911	\$2,841,911	(\$100,154)	-3.40%
APPROPRIATIONS:									
TOWN									
19	51046	Medical Claims - Retirees - Town	\$1,908,142	\$1,905,151	\$1,886,861	\$1,661,987	\$1,661,987	(\$243,164)	-12.76%
19	51048	Medical Admin. - Retirees - Town	169,315	210,985	210,985	270,910	270,910	59,925	28.40%
19	51045	Fully Insured Retirees - Town	23,511	24,579	24,579	26,668	26,668	2,089	8.50%
BOE									
19	51046	Medical Claims - Retirees - BOE	801,350	801,350	888,750	882,346	882,346	80,996	10.11%
TOTAL APPROPRIATIONS			\$2,902,318	\$2,942,065	\$3,011,175	\$2,841,911	\$2,841,911	(\$100,154)	-3.40%



Source: June 30, 2023 Annual Comprehensive Financial Report,  
Statement of Changes in Fiduciary Net Position

## Town Council's Budget Summary

Budget Fiscal Year: 2025 to 2025

Account# and Description	2023 Actual	2024 Base Budget	2024 Actual YTD	Department Head	Town Manager	Town Council	Board of Finance	Inc/Dec	%
19 OPEB TRUST FUND									
1101 TOWN COUNCIL									
	1,121,735	2,116,136	576,753	1,932,897	2,815,243	2,815,243	0	699,107	33
PERSONAL SERVICES									
EMPLOYEE BENEFITS	24,287	24,579	16,687	26,668	26,668	26,668	0	2,089	8
Total PERSONAL SERVICES	24,287	24,579	16,687	26,668	26,668	26,668	0	2,089	8
Total 1101 TOWN COUNCIL	1,146,022	2,140,715	593,440	1,959,565	2,841,911	2,841,911	0	701,196	33





