

**TOWN OF AVON
PENSION TRUST
FIDUCIARY FUND
FISCAL YEAR 2022/2023**

NAME OF FUND: Pension Trust (18)

FUND TYPE: Fiduciary Funds (Trust and Custodial Funds)

PROGRAM DESCRIPTION

Per 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 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 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.

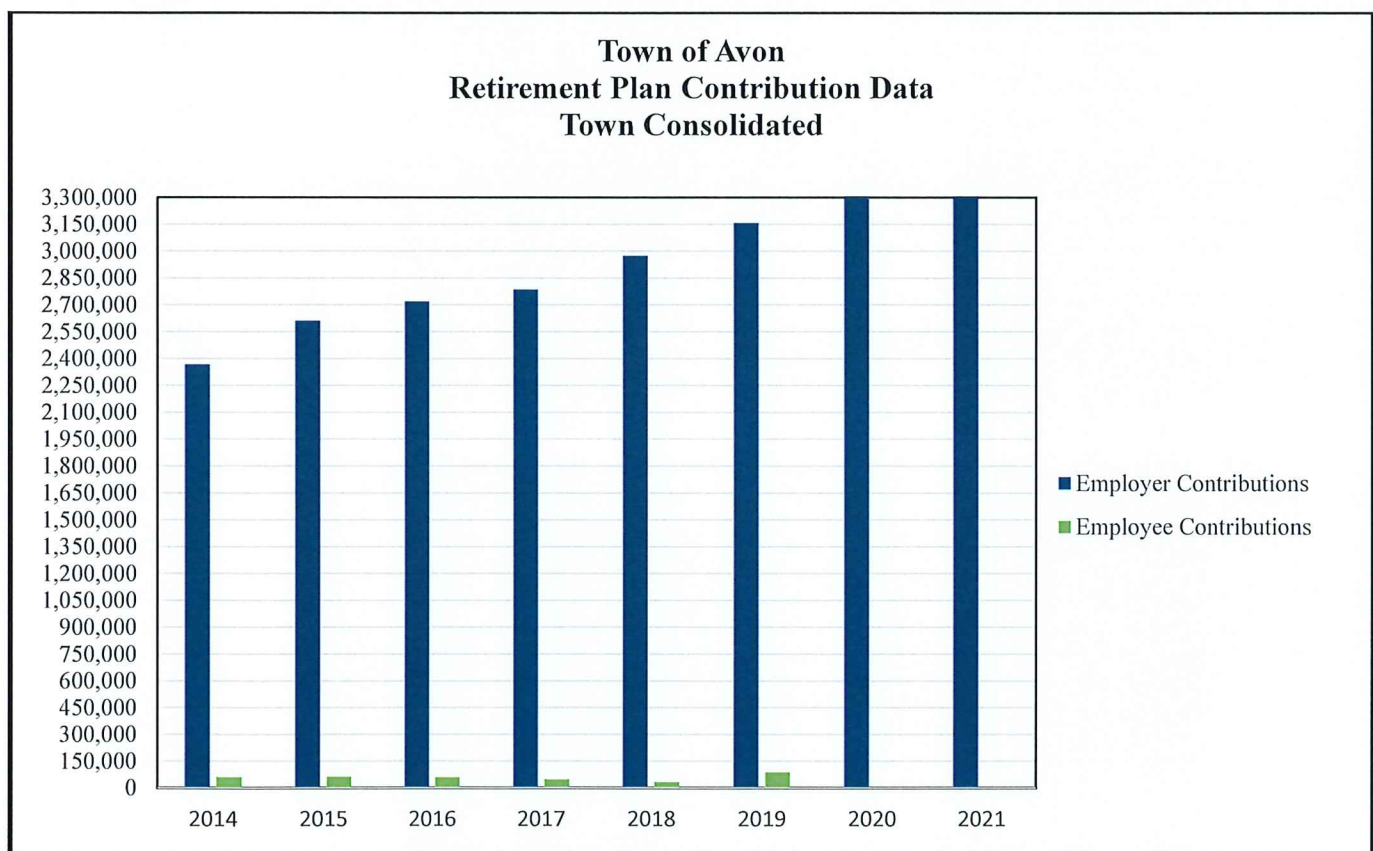
			2022/23	2022/23	2022/23	2022/23				
			REQUESTED	RECOMMENDED		DOLLAR	PERCENT			
			TOWN	TOWN	2022/23	INCREASE/	INCREASE/			
BUDGET			MANAGER	COUNCIL	ADOPTED	(DECREASE)	-DECREASE			
REVENUES:										
Operating Revenues 'from':										
General Fund										
01	43623	General Government (Town)	\$3,486,031	\$3,677,590	\$3,677,590	\$3,689,620	\$3,689,620	\$3,689,620	\$12,030	0.33%
01	43918	FB Assigned for Pension	200,000	200,000	200,000	200,000	200,000	200,000	-	0.00%
01	43628	Board of Education	718,928	856,552	856,552	771,139	771,139	771,139	(85,413)	-9.97%
Total General Fund			4,404,959	4,734,142	4,734,142	4,660,759	4,660,759	4,660,759	(73,383)	-1.55%
05	43623	Sewer Fund	82,677	87,220	87,220	87,491	87,491	87,491	271	0.31%
TOTAL REVENUES			\$4,487,636	\$4,821,362	\$4,821,362	\$4,748,250	\$4,748,250	\$4,748,250	(\$73,112)	-1.52%
BUDGET:										
APPROPRIATIONS:										
01	51032	General Government (Town)	\$3,686,031	\$3,877,590	\$3,877,590	\$3,889,620	\$3,889,620	\$3,889,620	\$12,030	0.31%
01	55000	Board of Education	718,928	856,552	856,552	771,139	771,139	771,139	(85,413)	-9.97%
Total General Fund			4,404,959	4,734,142	4,734,142	4,660,759	4,660,759	4,660,759	(73,383)	-1.55%
05	51032	Sewer Fund	82,677	87,220	87,220	87,491	87,491	87,491	271	0.31%
TOTAL APPROPRIATIONS			\$4,487,636	\$4,821,362	\$4,821,362	\$4,748,250	\$4,748,250	\$4,748,250	(\$73,112)	-1.52%

Presented above are the appropriations within the General Fund and Sewer Fund for the Employees Retirement Pension Trust Fund included in the budget adopted for fiscal year 2022/2023. On September 4, 2003, a pension funding change was made in the amortization method from level dollar to level percent, which has had a positive impact on the funding calculations. Effective July 1, 2009, the asset smoothing method was changed so that +/- 20% "corridor" was removed. For fiscal year 2012/2013, the Town's 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 Assignment in the General Fund.

For fiscal years 2014/2015, 2015/2016, 2016/2017, 2017/2018, 2018/2019, 2019/2020, 2020/2021, and 2022/2023 the actuarial assumed interest rate was reduced to 7.50%, 7.35%, 7.25%, 7.00%, 6.75%, 6.50%, 6.25%, and 6.00% respectively. Additionally, for fiscal year 2020/2021, the new public-sector pension plan mortality tables (PUB-2010) were applied in the valuation calculations. The increases in employer contributions resulting from these changes in actuarial assumptions have been, and continue to be, partially funded from the pension assignment in the General Fund.

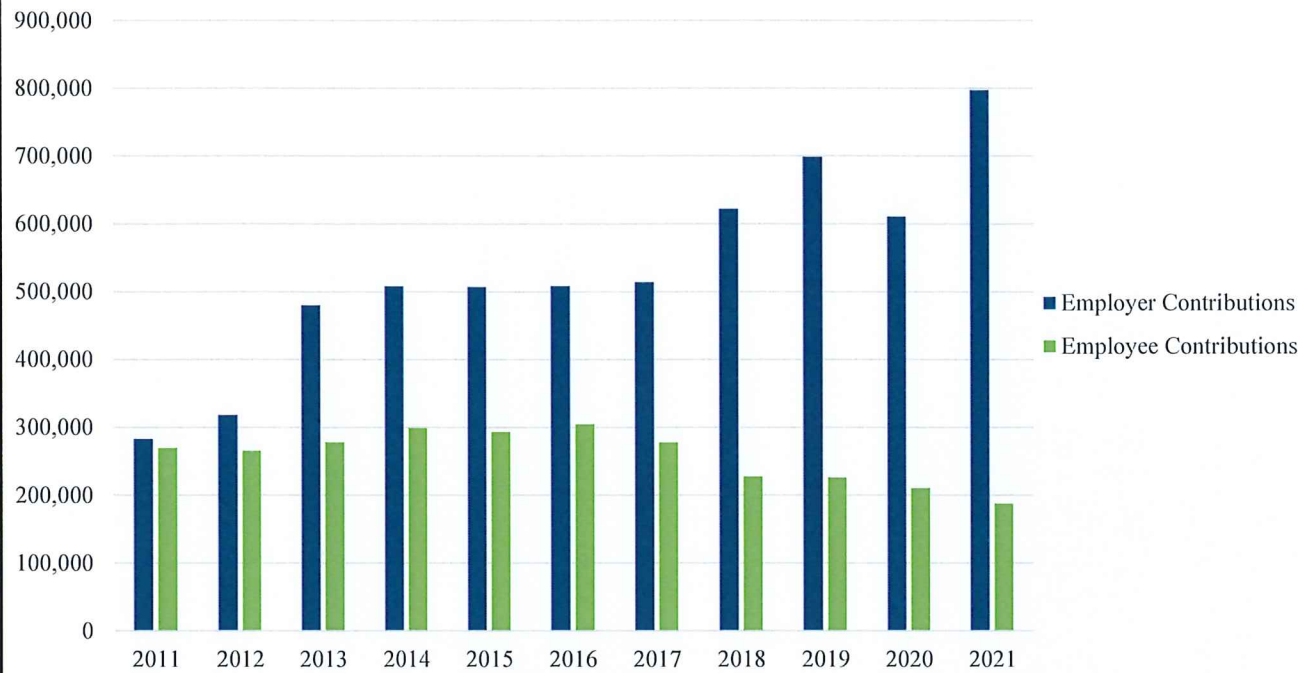
Per the Retirement Plan for Employees of the Town of Avon Actuarial Valuation as of July 1, 2020 for fiscal year ending June 30, 2022, the long-range forecast results indicate that the final payment of the Town's contributions will be ending in fiscal year 2027/2028. This forecast is based on the following assumptions: that the Town will pay the Actuarially Determined Contribution 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 the assumptions, or in the plan provisions. At time of publication, the Retirement Plan for the Board of Education of the Town of Avon Actuarial Valuation, as of July 1, 2020 for fiscal year ending June 30, 2022, the long-range forecast results indicate that the final payment of the Board of Education's contributions will be ending in fiscal year 2030. This forecast is based on the following assumptions: that the Board of Education will pay the Actuarially Determined Contribution 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, the 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.



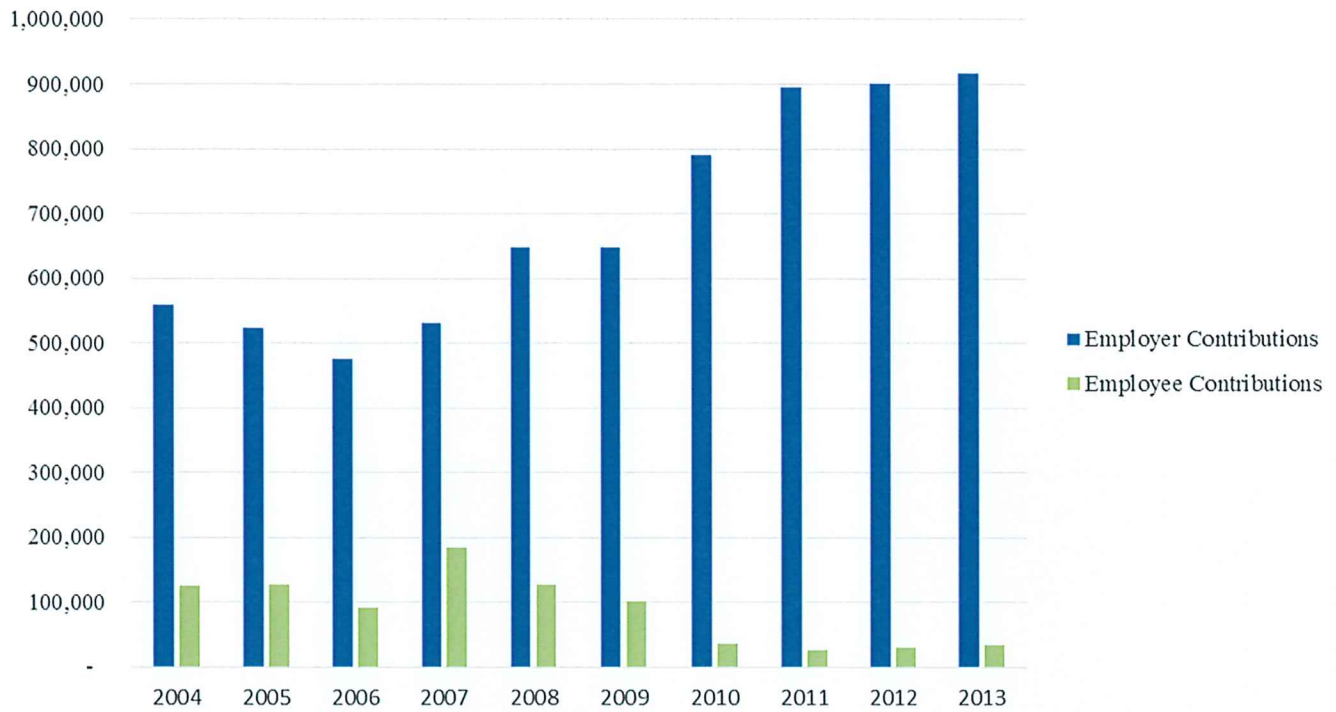
Source: June 30, 2021 Annual Comprehensive Financial Report
Schedule of Changes in Net Pension Liability and Related Ratios

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

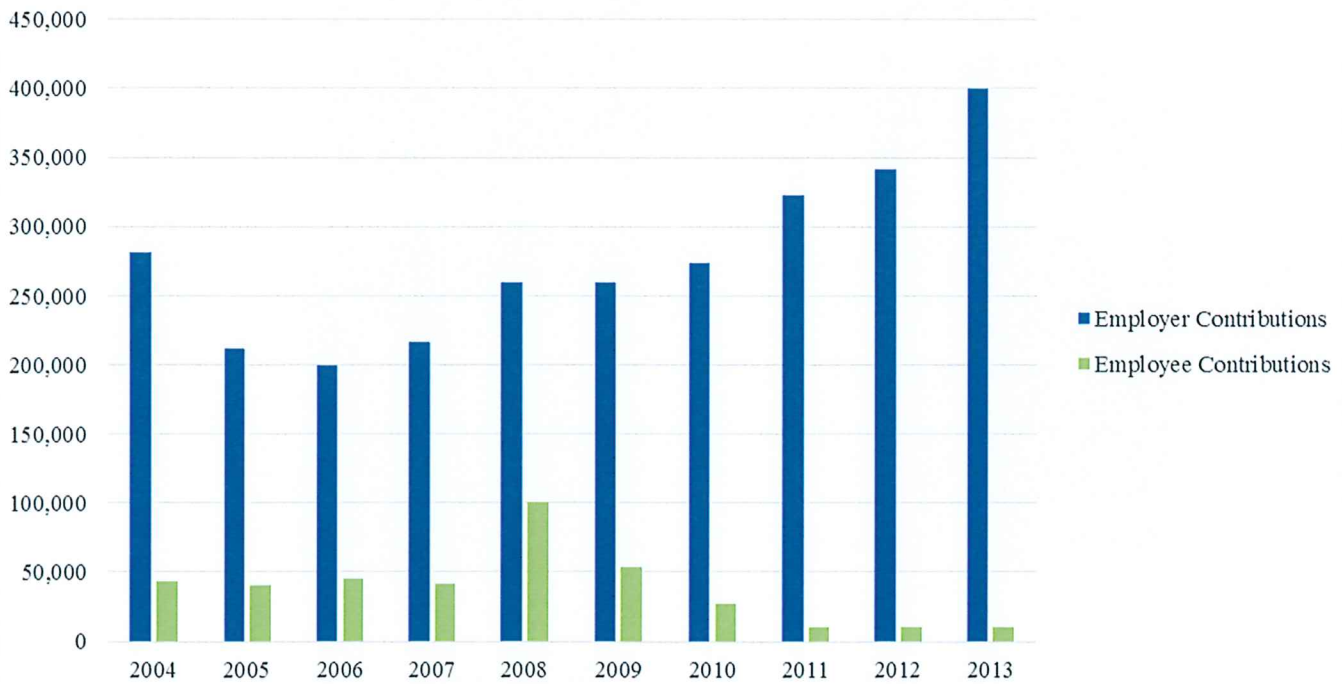


Source: June 30, 2021 Annual Comprehensive Financial Report,
Schedule of Changes in Net Pension Liability and Related Ratios

**Town of Avon
Retirement Plan Contribution Data
Police**



**Town of Avon
Retirement Plan Contribution Data
Public Works**

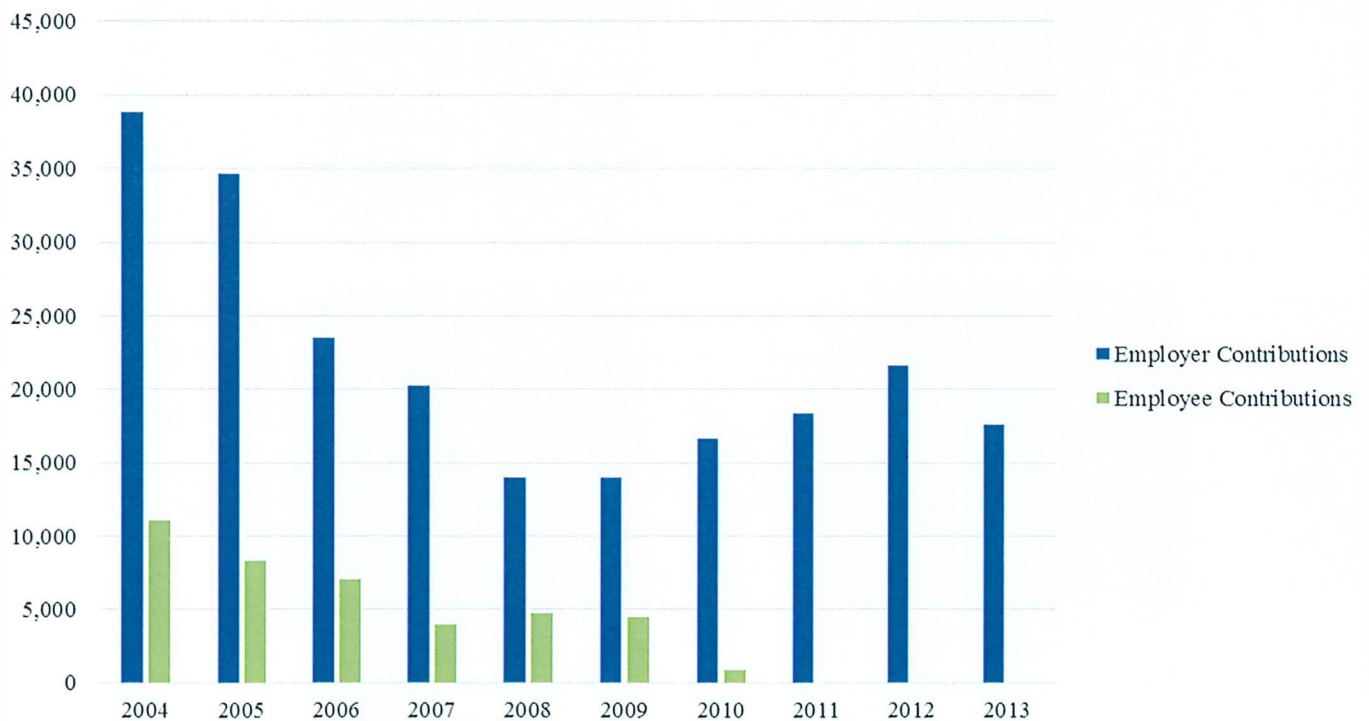


Source: June 30, 2013 Annual Comprehensive Financial Report,
Combining Statement of Changes in Fiduciary Net Assets

**Town of Avon
Retirement Plan Contribution Data
Non-Organized**



**Town of Avon
Retirement Plan Contribution Data
Dispatchers**



Source: June 30, 2013 Annual Comprehensive Financial Report,
Combining Statement of Changes in Fiduciary Net Assets

Board of Finance's Budget Summary

Budget Fiscal Year: 2023 to 2023

Account# and Description	2021 Actual	2022 Base Budget	2022 Actual YTD	Department Head	Town Manager	Town Council	Board of Finance	Inc/Dec	%
18 PENSION TRUST FUND									
8200 TOWN/BOE PENSION									
CAPITAL OUTLAY									
TOWN	3,788,412	4,821,362	3,017,077	4,821,362	4,748,250	4,748,250	4,748,250	(73,112)	(2)
Total CAPITAL OUTLAY	3,788,412	4,821,362	3,017,077	4,821,362	4,748,250	4,748,250	4,748,250	(73,112)	(2)
Total 8200 TOWN/BOE PENSION	3,788,412	4,821,362	3,017,077	4,821,362	4,748,250	4,748,250	4,748,250	(73,112)	(2)

Budget Fiscal Year: 2023 to 2023

Account# and Description	2021 Actual	2022 Base Budget	2022 Actual YTD	Department Head	Town Manager	Town Council	Board of Finance	Inc/Dec	%
18-8200-53600 INV EXP TOWN MT	10,028	0	11,089	0	0	0	0	0	0
18-8200-53605 INV EXP TOWN AE	14,477	0	9,949	0	0	0	0	0	0
18-8200-53610 BENEFIT PMT, TO	3,763,907	4,821,362	2,996,039	4,821,362	4,748,250	4,748,250	4,748,250	(73,112)	(2)

Flat funded for Department Budget
submittal.

Will be revised when ADC is
received in November/December
2021.

Total PENSION AND RE	3,788,412	4,821,362	3,017,077	4,821,362	4,748,250	4,748,250	4,748,250	(73,112)	(2)
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Total 8200 TOWN/BOE PEN	3,788,412	4,821,362	3,017,077	4,821,362	4,748,250	4,748,250	4,748,250	(73,112)	(2)
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TOWN OF AVON
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
FISCAL YEAR 2022/2023

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 74 and GASB 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 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 appropriation included in the budget adopted for fiscal year 2022/2023 in the amount of \$1,772,000 with contributions for annual funding within the General Fund and the Sewer Fund. The Town budgeted this amount in benefit object number 51039 for net current retiree health costs of \$1,064,051 and \$707,949, a portion of the Actuarially Determined Contribution as determined by a long-range forecast built by the Town's actuary to plan current and future funding for OPEB benefits. There is also funding in the amount of \$50,000 from the Post-Retirement Employee Medical Benefit Reserve Fund, and in the amount of \$150,000, from the post-employment benefit assignment in the General Fund. The Board of Education's contribution for fiscal year 2022/2023 decreased to \$743,750, which represents their Actuarially Determined Contribution.

				2022/23 REQUESTED	2022/23 RECOMMENDED		2022/23 DOLLAR	2022/23 PERCENT
BUDGET	2020/21 BUDGETED	2021/22 BUDGETED	2021/22 ESTIMATED	TOWN MANAGER	TOWN COUNCIL	2022/23 ADOPTED	INCREASE/ (DECREASE)	INCREASE/ -DECREASE
APPROPRIATIONS:								
General Fund:								
01 51039 Town Retiree Health ER Contrib	\$1,551,361	\$1,580,903	\$1,580,903	\$1,661,482	\$1,661,482	\$1,661,482	\$80,579	5.10%
01 51039 FB Assigned For OPEB	150,000	150,000	150,000	150,000	150,000	150,000	-	0.00%
01 51039 Transfer from PREMBF	80,000	85,269	85,269	50,000	50,000	50,000	(35,269)	-41.36%
01 55000 BOE Retiree Health ER Contrib	1,113,010	1,066,000	1,066,000	743,750	743,750	743,750	(322,250)	-30.23%
Total General Fund	2,894,371	2,882,172	2,882,172	2,605,232	2,605,232	2,605,232	(276,940)	-9.61%
05 51039 Sewer Fund	105,761	107,828	107,828	110,518	110,518	110,518	2,690	2.49%
TOTAL APPROPRIATIONS	\$3,000,132	\$2,990,000	\$2,990,000	\$2,715,750	\$2,715,750	\$2,715,750	(\$274,250)	-9.17%

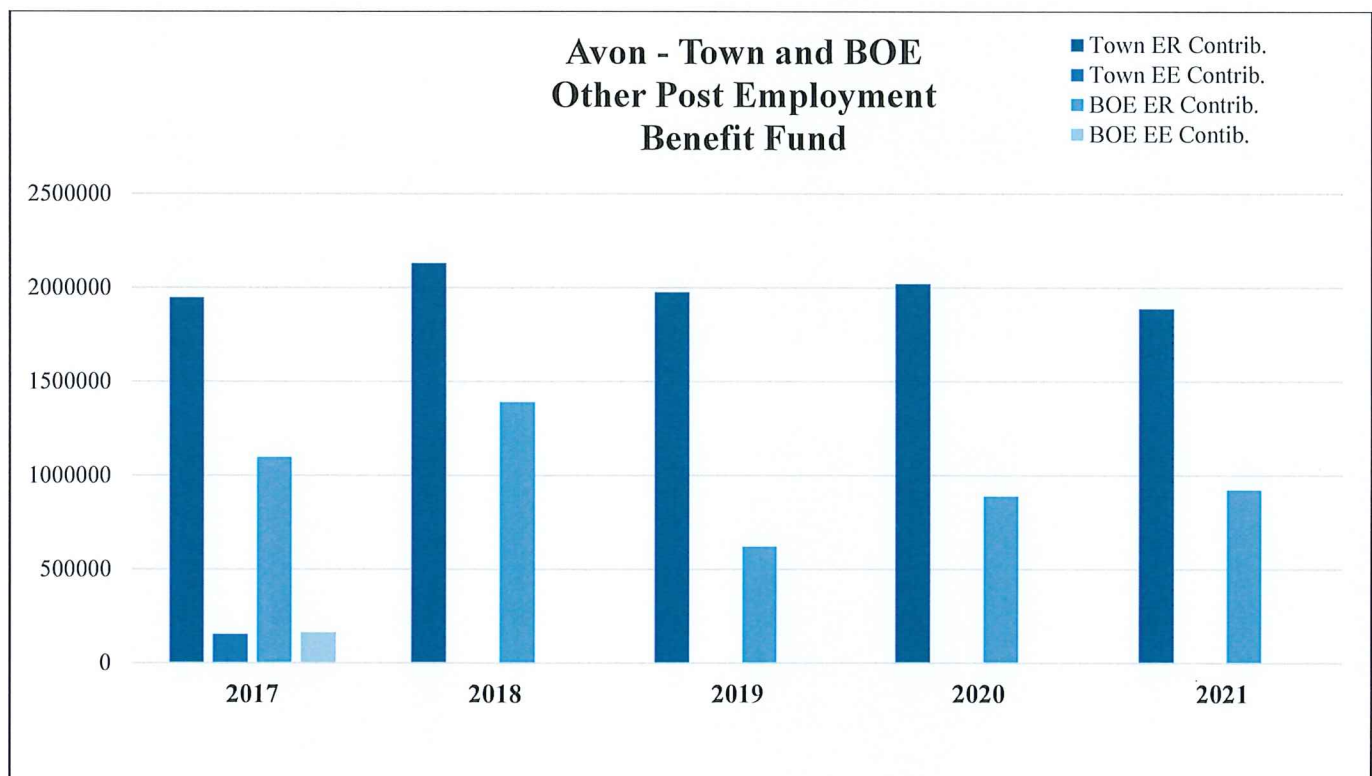
Note: Starting with fiscal year 2022/2023, Town retiree health contributions from the General Fund are no longer being allocated between each department as the majority of these contributions do not represent expenditures that pertain to individual, active employees. As such, a breakdown of these contributions by function is no longer included.

				2022/23	2022/23		2022/23	2022/23	
				REQUESTED	RECOMMENDED		DOLLAR	PERCENT	
				TOWN	TOWN	2022/23	INCREASE/	INCREASE/	
BUDGET				MANAGER	COUNCIL	ADOPTED	(DECREASE)	-DECREASE	
REVENUES:									
19	43620	Town Retiree Contributions	\$105,243	\$120,000	\$120,000	\$128,968	\$128,968	\$8,968	7.47%
19	43623	Town ER Contributions - GF	1,551,361	1,580,903	1,580,903	1,661,482	1,661,482	80,579	5.10%
19	43625	BOE Retiree Contributions	35,955	57,600	57,600	57,600	57,600	-	0.00%
19	43628	BOE ER Contributions - GF	1,113,010	1,066,000	1,066,000	743,750	743,750	(322,250)	-30.23%
19	43918	FB Assignment for OPEB - OTI	150,000	150,000	150,000	150,000	150,000	-	0.00%
19	43918	Town - Trx In PREMBF #16	80,000	85,269	85,269	50,000	50,000	(35,269)	-41.36%
Total GF and Other Cont.			3,035,569	3,059,772	3,059,772	2,791,800	2,791,800	(267,972)	-8.76%
19	43623	Sewer Fund	105,761	107,828	107,828	110,518	110,518	2,690	2.49%
TOTAL REVENUES			\$3,141,330	\$3,167,600	\$3,167,600	\$2,902,318	\$2,902,318	-\$265,282	-8.37%

APPROPRIATIONS:

TOWN

19 51046 Medical Claims - Retirees - Town	\$1,836,999	\$1,862,900	1,862,900	\$1,908,142	\$1,908,142	\$1,908,142	\$45,242	2.43%
19 51048 Medical Admin. - Retirees - Town	127,202	152,426	152,426	169,315	169,315	169,315	16,889	11.08%
19 51045 Fully Insured Retirees - Town	28,164	28,674	28,674	23,511	23,511	23,511	(5,163)	-18.01%
BOE								
19 51046 Medical Claims - Retirees - BOE	1,148,965	1,123,600	1,123,600	801,350	801,350	801,350	(322,250)	-28.68%
TOTAL APPROPRIATIONS	\$3,141,330	\$3,167,600	\$3,167,600	\$2,902,318	\$2,902,318	\$2,902,318	-\$265,282	-8.37%



Source: June 30, 2021 Annual Comprehensive Financial Report,
Statement of Changes in Fiduciary Net Position

