

**TOWN OF AVON
PENSION TRUST
FIDUCIARY FUND
FISCAL YEAR 2023/2024**

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 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 other 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.

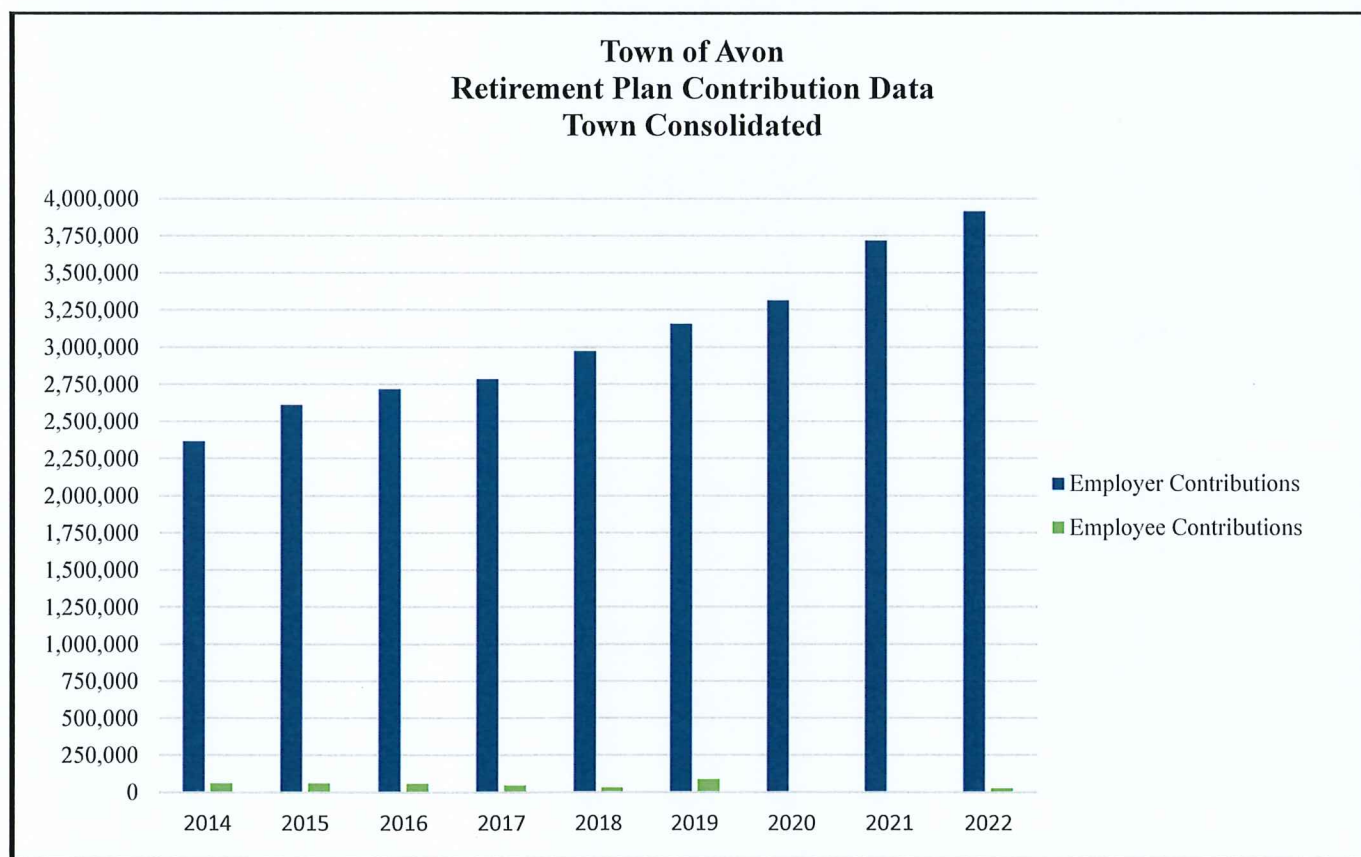
				2023/24 REQUESTED	2023/24 RECOMMENDED		2023/24 DOLLAR	2023/24 PERCENT
				TOWN	TOWN	2023/24	INCREASE/ (DECREASE)	INCREASE/ -DECREASE
BUDGET				MANAGER	COUNCIL	ADOPTED		
2021/22	2022/23	2022/23	2022/23					
BUDGETED	BUDGETED	ESTIMATED						
REVENUES:								
Operating Revenues 'from':								
General Fund								
01 43623	General Government (Town)	\$3,677,590	\$3,689,620	\$3,689,620	\$3,699,024	\$3,699,024	\$3,699,024	\$9,404 0.25%
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	856,552	771,139	771,139	676,227	676,227	676,227	(94,912) -12.31%
Total General Fund		4,734,142	4,660,759	4,660,759	4,575,251	4,575,251	4,575,251	(85,508) -1.83%
05 43623	Sewer Fund	87,220	87,491	87,491	88,845	88,845	88,845	1,354 1.55%
TOTAL REVENUES		\$4,821,362	\$4,748,250	\$4,748,250	\$4,664,096	\$4,664,096	\$4,664,096	(\$84,154) -1.77%
BUDGET:								
APPROPRIATIONS:								
01 51032	General Government (Town)	\$3,877,590	\$3,889,620	\$3,889,620	\$3,899,024	\$3,899,024	\$3,899,024	\$9,404 0.24%
01 55000	Board of Education	856,552	771,139	771,139	676,227	676,227	676,227	(94,912) -12.31%
Total General Fund		4,734,142	4,660,759	4,660,759	4,575,251	4,575,251	4,575,251	(85,508) -1.83%
05 51032	Sewer Fund	87,220	87,491	87,491	88,845	88,845	88,845	1,354 1.55%
TOTAL APPROPRIATIONS		\$4,821,362	\$4,748,250	\$4,748,250	\$4,664,096	\$4,664,096	\$4,664,096	(\$84,154) -1.77%

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 2023/2024. 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.

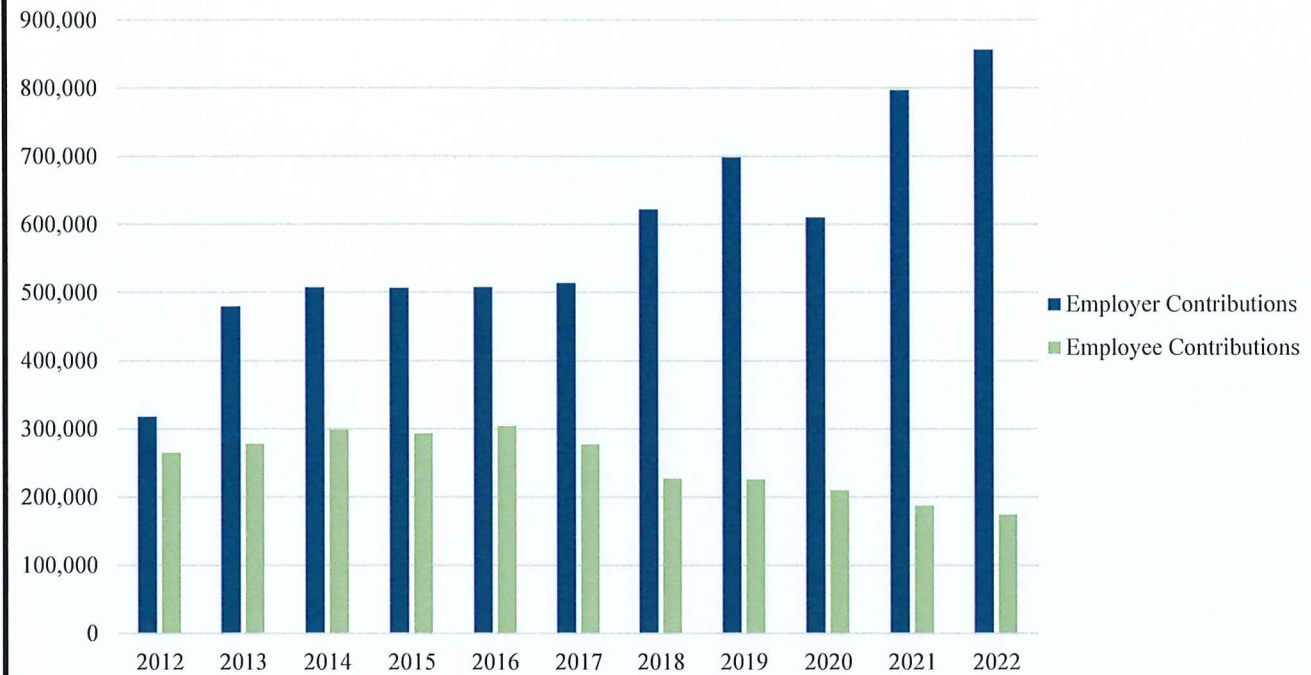
Per the Retirement Plan for Employees of the Town of Avon Actuarial Valuation as of July 1, 2022 for fiscal year ending June 30, 2024, the long-range forecast results indicate that the final payment of the Town's contributions will be ending in fiscal year 2027/2028. This forecast is based on the following 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, 2022 for fiscal year ending June 30, 2024, the long-range forecast results indicate that the final payment of the Board of Education's contributions will also be ending in fiscal year 2027/2028. 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.



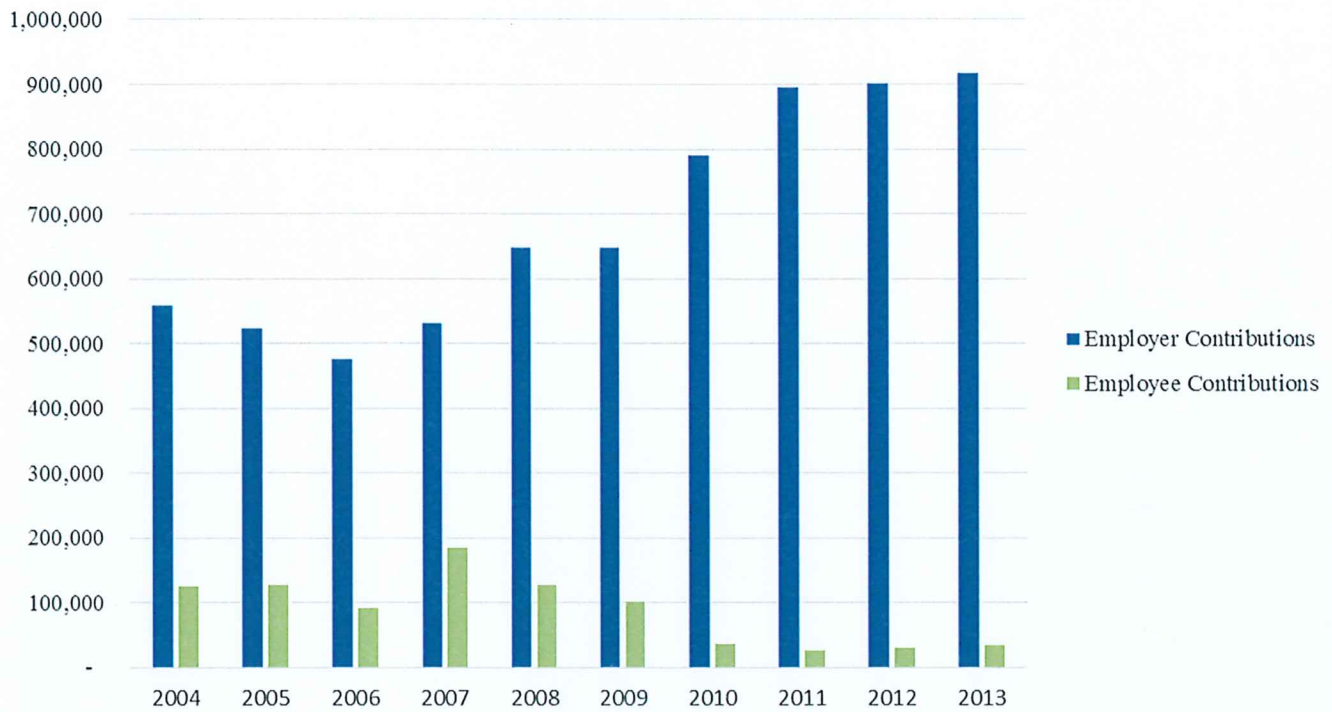
Source: June 30, 2022 Annual Comprehensive Financial Report
Schedule of Changes in Net Pension Liability and Related Ratios

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

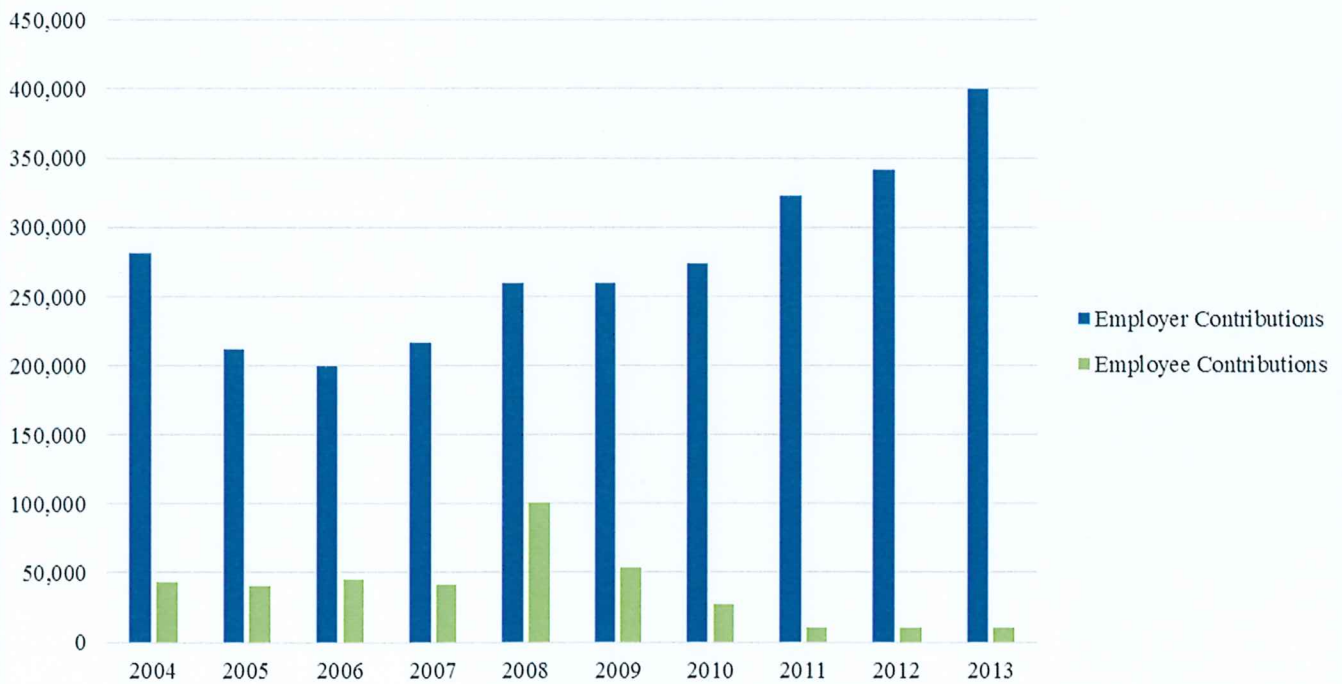


Source: June 30, 2022 Annual Comprehensive Financial Report,
Schedule of Changes in Net Pension Liability and Related Ratios

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



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

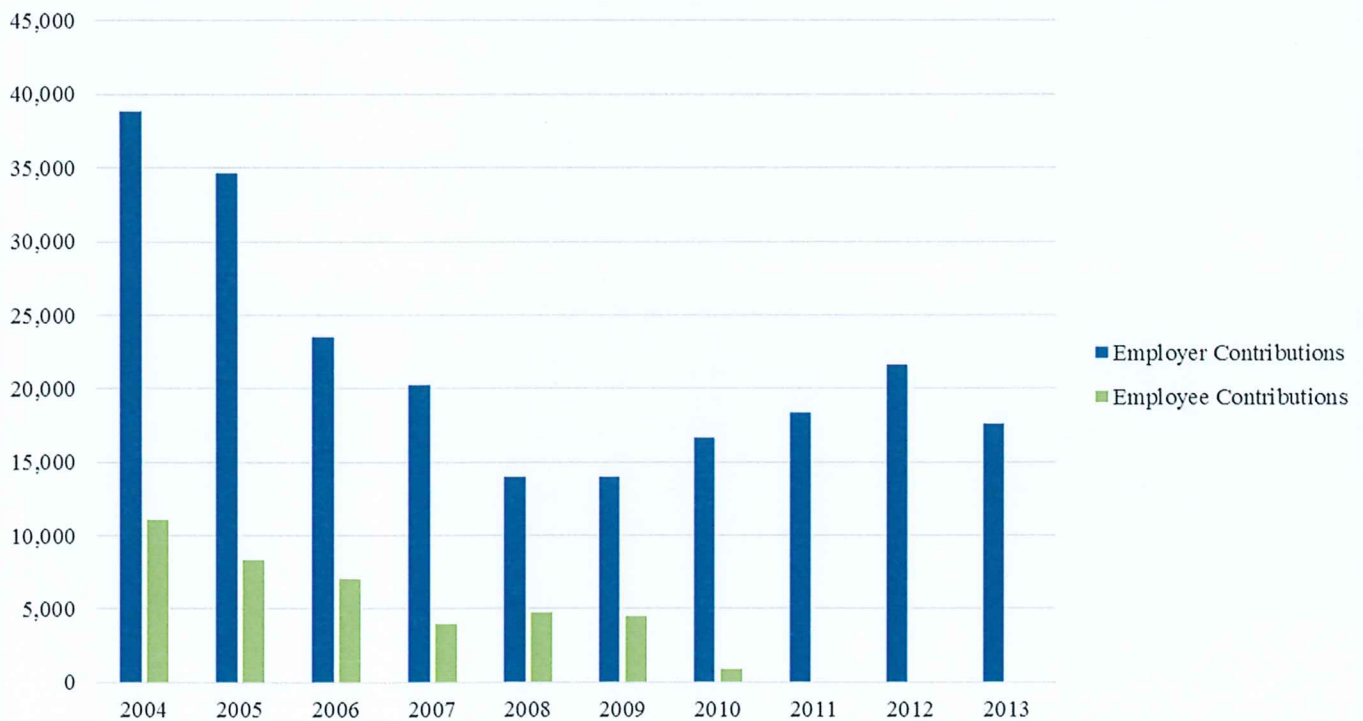


Source: June 30, 2013 Annual Comprehensive Financial Report,
Combining Statement of Changes in Fiduciary Net Assets

**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: 2024 to 2024

Account# and Description	2022	2023	2023	Department			Board		
	Actual	Base Budget	Actual YTD	Head	Town Manager	Town Council	of Finance	Inc/Dec	%
18 PENSION TRUST FUND									
8200 TOWN/BOE PENSION									
CAPITAL OUTLAY									
TOWN	3,595,091	4,748,250	2,799,330	4,748,250	4,664,096	4,664,096	4,664,096	(84,154)	(2)
Total CAPITAL OUTLAY	3,595,091	4,748,250	2,799,330	4,748,250	4,664,096	4,664,096	4,664,096	(84,154)	(2)
Total 8200 TOWN/BOE PENSION	3,595,091	4,748,250	2,799,330	4,748,250	4,664,096	4,664,096	4,664,096	(84,154)	(2)

Board of Finance's Budget Detail

Budget Fiscal Year: 2024 to 2024

Account# and Description	2022 Actual	2023 Base Budget	2023 Actual YTD	Department Head	Town Manager	Town Council	Board of Finance	Inc/Dec	%
18-8200-53610 BENEFIT PMT, TO	3,595,091	4,748,250	2,799,330	4,748,250	4,664,096	4,664,096	4,664,096	(84,154)	(2)
Total PENSION AND RE	3,595,091	4,748,250	2,799,330	4,748,250	4,664,096	4,664,096	4,664,096	(84,154)	(2)
Total 8200 TOWN/BOE PEN	3,595,091	4,748,250	2,799,330	4,748,250	4,664,096	4,664,096	4,664,096	(84,154)	(2)

**TOWN OF AVON
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
FISCAL YEAR 2023/2024**

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 into 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 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 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 2023/2024 in the amount of \$1,871,000 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 \$1,557,455 and \$313,545, a portion of the Actuarially Determined Contribution. There is also funding 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 2023/2024 stayed level at \$743,750, which represents their Actuarially Determined Contribution.

The Town's budgeted contribution to the OPEB Trust Fund was determined by adhering to a long-range forecast that was developed by the Town's actuary to plan current and future funding for OPEB benefits. The purpose of this long-range forecast, which runs from fiscal year 2021/2022 to fiscal year 2031/2032, is to set forth a plan that will allow the Town to begin fully funding the Actuarially Determined Contribution in fiscal year 2028/2029, at which time it is anticipated that the Town's Pension Trust Fund will be fully funded based on actuarial assumptions made in the Retirement Plan for Employees of the Town of Avon Actuarial Valuation as of July 1, 2022.

				2023/24	2023/24		2023/24	2023/24		
				REQUESTED	RECOMMENDED		DOLLAR	PERCENT		
				TOWN	TOWN	2023/24	INCREASE/	INCREASE/		
BUDGET				MANAGER	COUNCIL	ADOPTED	(DECREASE)	-DECREASE		
APPROPRIATIONS:										
General Fund:										
01	51039	Town Retiree Health ER Contrib	\$1,580,903	\$1,661,482	\$1,661,482	\$1,757,719	\$1,757,719	\$1,757,719	\$96,237	5.79%
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	85,269	50,000	50,000	-	-	-	(50,000)	-100.00%
01	55000	BOE Retiree Health ER Contrib	1,066,000	743,750	743,750	743,750	743,750	743,750	-	0.00%
Total General Fund			2,882,172	2,605,232	2,605,232	2,651,469	2,651,469	2,651,469	46,237	1.77%
05	51039	Sewer Fund	107,828	110,518	110,518	113,281	113,281	113,281	2,763	2.50%
TOTAL APPROPRIATIONS			\$2,990,000	\$2,715,750	\$2,715,750	\$2,764,750	\$2,764,750	\$2,764,750	\$49,000	1.80%

				2023/24 REQUESTED	2023/24 RECOMMENDED		2023/24 DOLLAR	2023/24 PERCENT
				TOWN	TOWN	2023/24	INCREASE/ (DECREASE)	INCREASE/ -DECREASE
BUDGET	2021/22 BUDGETED	2022/23 BUDGETED	2022/23 ESTIMATED	MANAGER	COUNCIL	ADOPTED		
REVENUES:								
19 43620 Town Retiree Contributions	\$120,000	\$128,968	\$128,968	\$119,715	\$119,715	\$119,715	(\$9,253)	-7.17%
19 43623 Town ER Contributions - GF	1,730,903	1,811,482	1,811,482	1,907,719	1,907,719	1,907,719	96,237	5.31%
19 43625 BOE Retiree Contributions	57,600	57,600	57,600	57,600	57,600	57,600	-	0.00%
19 43628 BOE ER Contributions - GF	1,066,000	743,750	743,750	743,750	743,750	743,750	-	0.00%
19 43918 Town - Trx In PREMBF #16	85,269	50,000	50,000	-	-	-	(50,000)	-100.00%
Total GF and Other Cont.	3,059,772	2,791,800	2,791,800	2,828,784	2,828,784	2,828,784	36,984	1.32%
19 43623 Sewer Fund	107,828	110,518	110,518	113,281	113,281	113,281	2,763	2.50%
TOTAL REVENUES	\$3,167,600	\$2,902,318	\$2,902,318	\$2,942,065	\$2,942,065	\$2,942,065	\$39,747	1.37%

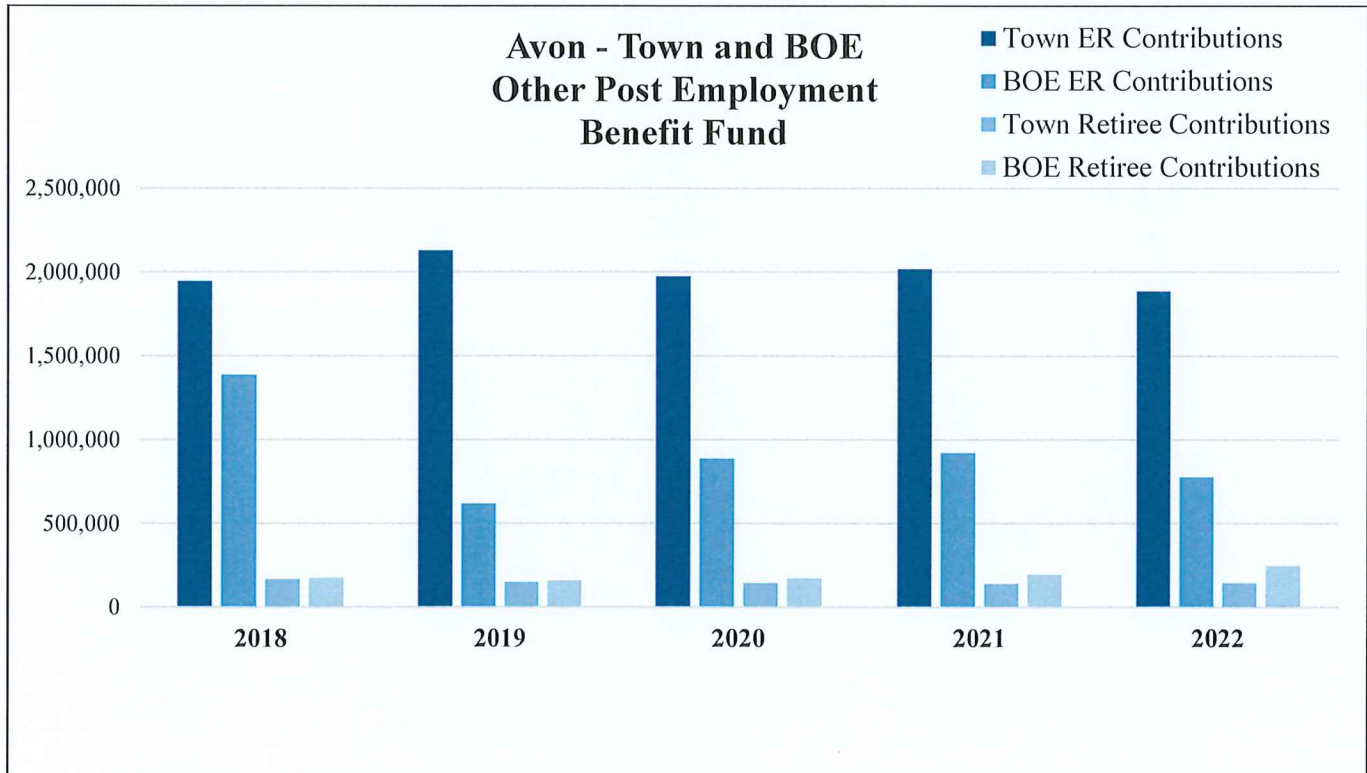
APPROPRIATIONS:

TOWN

19 51046 Medical Claims - Retirees - Town	\$1,862,900	\$1,908,142	1,908,142	\$1,905,151	\$1,905,151	\$1,905,151	(\$2,991)	-0.16%
19 51048 Medical Admin. - Retirees - Town	152,426	169,315	169,315	210,985	210,985	210,985	41,670	24.61%
19 51045 Fully Insured Retirees - Town	28,674	23,511	23,511	24,579	24,579	24,579	1,068	4.54%

BOE

19 51046 Medical Claims - Retirees - BOE	1,123,600	801,350	801,350	801,350	801,350	801,350	-	0.00%
TOTAL APPROPRIATIONS	\$3,167,600	\$2,902,318	\$2,902,318	\$2,942,065	\$2,942,065	\$2,942,065	\$39,747	1.37%



Source: June 30, 2022 Annual Comprehensive Financial Report,
Statement of Changes in Fiduciary Net Position

Budget Fiscal Year: 2024 to 2024

Account# and Description	2022 Actual	2023 Base Budget	2023 Actual YTD	Department Head	Town Manager	Town Council	Board of Finance	Inc/Dec	%
19 OPEB TRUST FUND									
1101 TOWN COUNCIL									
	1,074,251	2,077,457	858,465	2,077,457	2,116,136	2,116,136	2,116,136	38,679	2
PERSONAL SERVICES									
EMPLOYEE BENEFITS	21,989	23,511	22,228	23,511	24,579	24,579	24,579	1,068	5
Total PERSONAL SERVICES	21,989	23,511	22,228	23,511	24,579	24,579	24,579	1,068	5
Total 1101 TOWN COUNCIL	1,096,240	2,100,968	880,693	2,100,968	2,140,715	2,140,715	2,140,715	39,747	2

Board of Finance's Budget Detail

Budget Fiscal Year: 2024 to 2024

Account# and Description	2022 Actual	2023 Base Budget	2023 Actual YTD	Department Head	Town Manager	Town Council	Board of Finance	Inc/Dec	%
19-1101-51045 FULLY INSURED R Budgeted claims for fully insured retirees on the Anthem Plan.	21,989	23,511	22,228	23,511	24,579	24,579	24,579	1,068	5
19-1101-51046 MED CLAIMS-RETI Budgeted claims for Town retirees (\$1,200,193) combined with the Town's contribution towards the Fiscal Year 2022/2023 ADC recommended by the actuaries (\$707,949).	912,022	1,908,142	729,231	1,908,142	1,905,151	1,905,151	1,905,151	(2,991)	0
19-1101-51048 MED ADMIN-RETIR Budgeted administrative fees towards medical coverage provided for the Town's retirees.	162,229	169,315	129,234	169,315	210,985	210,985	210,985	41,670	25
Total LEGISLATIVE	1,096,240	2,100,968	880,693	2,100,968	2,140,715	2,140,715	2,140,715	39,747	2
Total 1101 TOWN COUNCIL	1,096,240	2,100,968	880,693	2,100,968	2,140,715	2,140,715	2,140,715	39,747	2

