

RETIREMENT PLAN FOR THE GENERAL EMPLOYEES  
OF THE SOUTHERN MANATEE FIRE & RESCUE DISTRICT

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2016

DETERMINES THE CONTRIBUTION  
FOR THE 2016/17 FISCAL YEAR



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December 7, 2016

## Introduction

This report presents the results of the October 1, 2016 actuarial valuation for the Retirement Plan for the General Employees of the Southern Manatee Fire & Rescue District. The report is based on the participant data and asset information provided by the pension plan administrator and, except for a cursory review for reasonableness including a comparison to the data provided for the previous valuation, we have not attempted to verify the accuracy of this information.

The primary purpose of this report is to provide a summary of the funded status of the plan as of October 1, 2016 and to determine the minimum required contribution under Chapter 112, Florida Statutes, for the 2016/17 plan year. In addition, this report provides a projection of the long-term funding requirements of the plan, statistical information concerning the assets held in the trust, statistical information concerning the participant population, and a summary of any recent plan changes.

The liabilities and cost presented in this report are based on numerous assumptions concerning the cost of benefits to be provided in the future, long-term investment returns, and the future demographic experience of the current participants. Anyone referring to this report should remember that the cost developed herein is only an *estimate* of the true cost of providing post-employment pension benefits. No one can predict with certainty whether the true cost will be higher or lower than the cost presented in this report. The calculated cost is entirely dependent upon the assumptions that are described in Table IV-A. If any of the assumptions is changed, then the cost shown in this report will change accordingly. Likewise, if any of the assumptions is not completely realized, then the cost shown in this report will change in the future.

Certain assumptions play a bigger role than others in determining the cost of the post-employment pension benefits. In some cases, relatively small changes in a particular assumption can have a dramatic impact on the anticipated cost of benefits. Although a thorough analysis of the impact of such changes is beyond the scope of this report, Table I-B illustrates the impact that alternative long-term investment returns would have on the normal cost rate.

## Minimum Required Contribution

Table I-A shows the development of the minimum required contribution for the 2016/17 plan year. The minimum required contribution rate is 46.81% of covered payroll, which represents an increase of 11.12% of payroll from the prior valuation.

The normal cost rate is 45.20%, which is 10.74% higher than the normal cost rate that was developed in the prior valuation. Table I-C provides a breakdown of the sources of change in the normal cost rate. Significantly, the rate decreased by 1.08% of payroll due to investment gains, increased by 0.34% of payroll due to demographic experience, and increased by another 11.48% due to the assumption change that is described below. The market value of assets



earned 8.18% during the 2015/16 plan year, whereas a 7.00% annual investment return was required to maintain a stable contribution rate.

Chapter 112, Florida Statutes, sets forth the rules concerning the minimum required contribution for public pension plans within the state. Essentially, the District must contribute an amount equal to the annual normal cost of the plan plus an adjustment as necessary to reflect interest on any delayed payment of the contribution beyond the valuation date. On this basis, the District's 2016/17 minimum required contribution will be equal to 46.81% multiplied by the total pensionable earnings for the 2016/17 fiscal year for the active employees who are covered by the plan.

Based on the current assets, participant data, and actuarial assumptions and methods that are used to value the plan, the present-day value of the total long-term funding requirement is \$3,391,190. As illustrated in Table I-A, current assets are sufficient to cover \$2,309,516 of this amount, the employer's 2016/17 expected contribution will cover \$198,547 of this amount, and future employee contributions are expected to cover \$77,742 of this amount, leaving \$805,385 to be covered by future employer funding beyond the 2016/17 fiscal year. Again, demographic and investment experience that differs from that assumed will either increase or decrease the future employer funding requirement.

#### Advance Employer Contribution

The District has made contributions to the plan in excess of the minimum amount that was required to be contributed pursuant to Chapter 112. In this report, the excess contributions are referred to as an "advance employer contribution." As of October 1, 2016, the advance employer contribution is \$4,695, which is equal to the \$12,395 advance contribution as of the prior year less \$7,700 that was applied to cover the shortfall between the actual District contribution and the minimum required contribution for the 2015/16 fiscal year as shown in Table II-F.

The District may apply all or any portion of the advance employer contribution towards the minimum required contribution for the 2016/17 plan year or for any later plan year. The minimum required contribution for that plan year will be reduced dollar-for-dollar by the amount of the advance employer contribution that is applied in this manner.

Alternatively, at any time, the District may apply all or any portion of the advance employer contribution as an *extra* contribution in excess of the minimum required contribution. In this case, the immediate application of the entire balance of the advance employer contribution as of October 1, 2016 would reduce the minimum required contribution for the 2016/17 plan year to 44.99% of payroll.

#### Contents of the Report

Tables I-D through I-G provide a detailed breakdown of various liability amounts by type of benefit and by participant group. Tables II-A through II-F provide information concerning the assets of the trust fund. Tables III-A through III-G provide statistical information concerning the plan's participant population. In particular, Table III-G gives a 10-year projection of the cash that is expected to be required from the trust fund in order to pay benefits to the current group of participants. Finally, Tables IV-A through V-B provide a summary of the actuarial assumptions and methods that are





used to value the plan's benefits and of the relevant plan provisions as of October 1, 2016, as well as a summary of the changes that have occurred since the previous valuation report was prepared.

### Assumption Change

Pursuant to the requirements of State law, the mortality basis has been changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table. This change increased the normal cost rate by 11.48% of payroll.

### Certification

This actuarial valuation was prepared by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate and, in my opinion, the techniques and assumptions used are reasonable and meet the requirements and intent of Chapter 112, Florida Statutes. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material change in plan costs or required contribution rates have been taken into account in the valuation.

For the firm,



Charles T. Carr  
Consulting Actuary  
Southern Actuarial Services Company, Inc.

Enrolled Actuary No. 14-04927

*The individual above is a member of the American Academy of Actuaries and meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.*



## Minimum Required Contribution

Table I-A



### For the 2016/17 Plan Year

Present Value of Future Benefits	\$3,308,478
Present Value of Future Administrative Expenses	\$82,712
Actuarial Value of Assets	(\$2,309,516)
Present Value of Future Employee Contributions	(\$77,742)
Present Value of Future Normal Costs	\$1,003,932
<hr/>	
Present Value of Future Payroll	÷ \$2,221,231
Normal Cost Rate	= 45.1971%
Expected Payroll	x \$424,163
<hr/>	
Normal Cost	\$191,709
Adjustment to Reflect Semi-Monthly Employer Contributions	\$6,838
Preliminary Employer Contribution for the 2016/17 Plan Year	\$198,547
<hr/>	
Expected Payroll for the 2016/17 Plan Year	÷ \$424,163

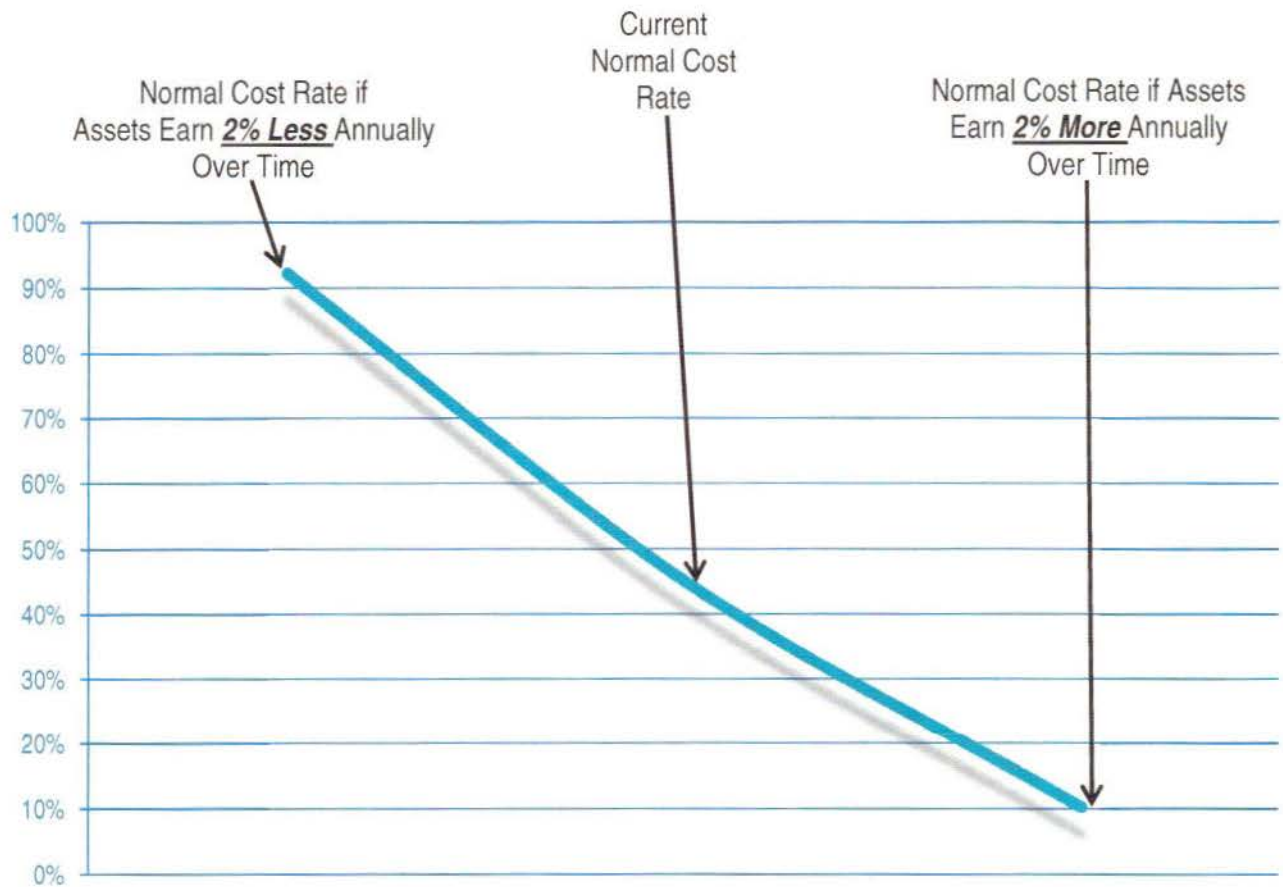
**Minimum Required Contribution Rate** 46.81%

*(The actual contribution should be based on the minimum required contribution rate multiplied by the actual payroll for the year.)*



Sensitivity Analysis

Table I-B



*The line above illustrates the sensitivity of the normal cost rate to changes in the long-term investment return.*



Gain and Loss Analysis

Table I-C

Previous normal cost rate	34.46%
Increase (decrease) due to investment gains and losses	-1.08%
Increase (decrease) due to demographic experience	0.34%
Increase (decrease) due to plan amendments	0.00%
Increase (decrease) due to actuarial assumption changes	11.48%
Increase (decrease) due to actuarial method changes	0.00%
Current normal cost rate	<u>45.20%</u>





## Present Value of Future Benefits

Table I-D

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$2,422,758	\$2,422,758	\$2,632,278
Termination benefits	\$18,812	\$18,812	\$20,035
Disability benefits	\$39,248	\$39,248	\$41,946
Death benefits	\$35,621	\$35,621	\$32,402
Refund of employee contributions	\$19,736	\$19,736	\$19,800
Sub-total	<b>\$2,536,175</b>	<b>\$2,536,175</b>	<b>\$2,746,461</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$521,734	\$521,734	\$562,017
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$521,734</b>	<b>\$521,734</b>	<b>\$562,017</b>
<i><u>Grand Total</u></i>	<b><u>\$3,057,909</u></b>	<b><u>\$3,057,909</u></b>	<b><u>\$3,308,478</u></b>
Present Value of Future Payroll	\$2,216,533	\$2,216,533	\$2,221,231
Present Value of Future Employee Contribs.	\$77,579	\$77,579	\$77,742
Present Value of Future Employer Contribs.	\$747,262	\$747,262	\$1,003,932



## Present Value of Accrued Benefits

Table I-E

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$1,544,421	\$1,544,421	\$1,669,396
Termination benefits	\$10,825	\$10,825	\$11,520
Disability benefits	\$27,390	\$27,390	\$29,240
Death benefits	\$22,975	\$22,975	\$20,447
Refund of employee contributions	\$14,860	\$14,860	\$14,892
Sub-total	<b>\$1,620,471</b>	<b>\$1,620,471</b>	<b>\$1,745,495</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$521,734	\$521,734	\$562,017
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$521,734</b>	<b>\$521,734</b>	<b>\$562,017</b>
<i><u>Grand Total</u></i>	<b><u>\$2,142,205</u></b>	<b><u>\$2,142,205</u></b>	<b><u>\$2,307,512</u></b>
<i><u>Funded Percentage</u></i>	108.03%	108.03%	100.29%



Present Value of Vested Benefits

Table I-F

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$1,513,837	\$1,513,837	\$1,636,237
Termination benefits	\$10,825	\$10,825	\$11,520
Disability benefits	\$27,390	\$27,390	\$29,240
Death benefits	\$19,130	\$19,130	\$16,431
Refund of employee contributions	\$16,002	\$16,002	\$16,086
Sub-total	<b>\$1,587,184</b>	<b>\$1,587,184</b>	<b>\$1,709,514</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$521,734	\$521,734	\$562,017
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$521,734</b>	<b>\$521,734</b>	<b>\$562,017</b>
<i><u>Grand Total</u></i>	<b><u>\$2,108,918</u></b>	<b><u>\$2,108,918</u></b>	<b><u>\$2,271,531</u></b>





## Entry Age Normal Accrued Liability

Table I-G

	<u>Old Assumptions w/o Amendment</u>	<u>Old Assumptions w/ Amendment</u>	<u>New Assumptions w/ Amendment</u>
<i><u>Actively Employed Participants</u></i>			
Retirement benefits	\$2,002,273	\$2,002,273	\$2,170,762
Termination benefits	\$14,656	\$14,656	\$15,605
Disability benefits	\$33,256	\$33,256	\$35,523
Death benefits	\$29,199	\$29,199	\$26,222
Refund of employee contributions	\$15,800	\$15,800	\$15,838
Sub-total	<b>\$2,095,184</b>	<b>\$2,095,184</b>	<b>\$2,263,950</b>
<i><u>Deferred Vested Participants</u></i>			
Retirement benefits	\$0	\$0	\$0
Termination benefits	\$0	\$0	\$0
Disability benefits	\$0	\$0	\$0
Death benefits	\$0	\$0	\$0
Refund of employee contributions	\$0	\$0	\$0
Sub-total	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Due a Refund of Contributions</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Deferred Beneficiaries</u></i>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<i><u>Retired Participants</u></i>			
Service retirements	\$521,734	\$521,734	\$562,017
Disability retirements	\$0	\$0	\$0
Beneficiaries receiving	\$0	\$0	\$0
DROP participants	\$0	\$0	\$0
Sub-total	<b>\$521,734</b>	<b>\$521,734</b>	<b>\$562,017</b>
<i><u>Grand Total</u></i>	<b><u>\$2,616,918</u></b>	<b><u>\$2,616,918</u></b>	<b><u>\$2,825,967</u></b>



Actuarial Value of Assets

Table II-A

Market Value of Assets as of October 1, 2016	\$2,314,211
Minus DROP account balances	\$0
Minus advance employer contributions	(\$4,695)
<b>Actuarial Value of Assets as of October 1, 2016</b>	<b><u>\$2,309,516</u></b>

<b>Historical Actuarial Value of Assets</b>	
October 1, 2007	\$785,284
October 1, 2008	\$749,500
October 1, 2009	\$847,230
October 1, 2010	\$1,015,163
October 1, 2011	\$1,120,735
October 1, 2012	\$1,436,085
October 1, 2013	\$1,690,602
October 1, 2014	\$1,916,144
October 1, 2015	\$2,007,307
October 1, 2016	\$2,309,516

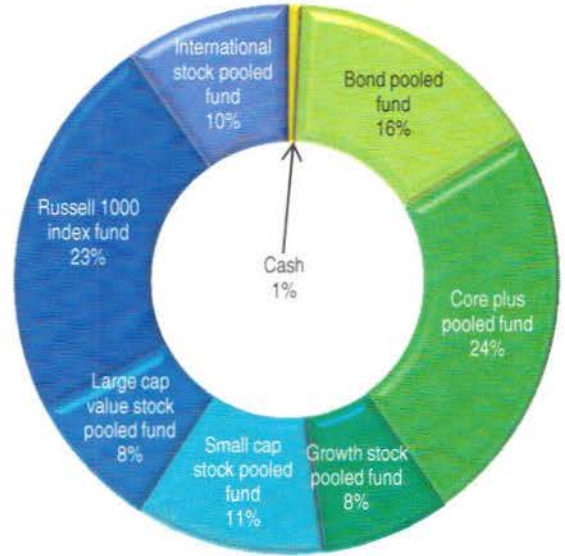


Market Value of Assets

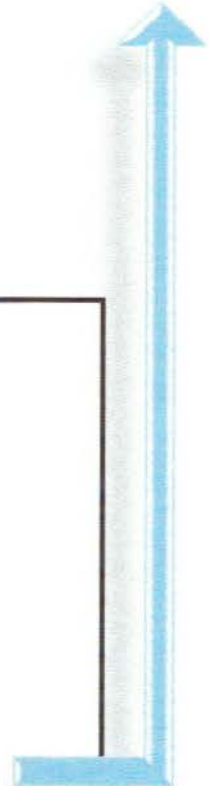
Table II-B

As of October 1, 2016

<b>Market Value of Assets</b>	<b><u>\$2,314,211</u></b>
Cash	\$18,514
Bond pooled fund	\$361,017
Core plus pooled fund	\$550,782
Growth stock pooled fund	\$175,880
Small cap stock pooled fund	\$261,506
Large cap value stock pooled fund	\$189,765
Russell 1000 index fund	\$529,954
International stock pooled fund	\$226,793



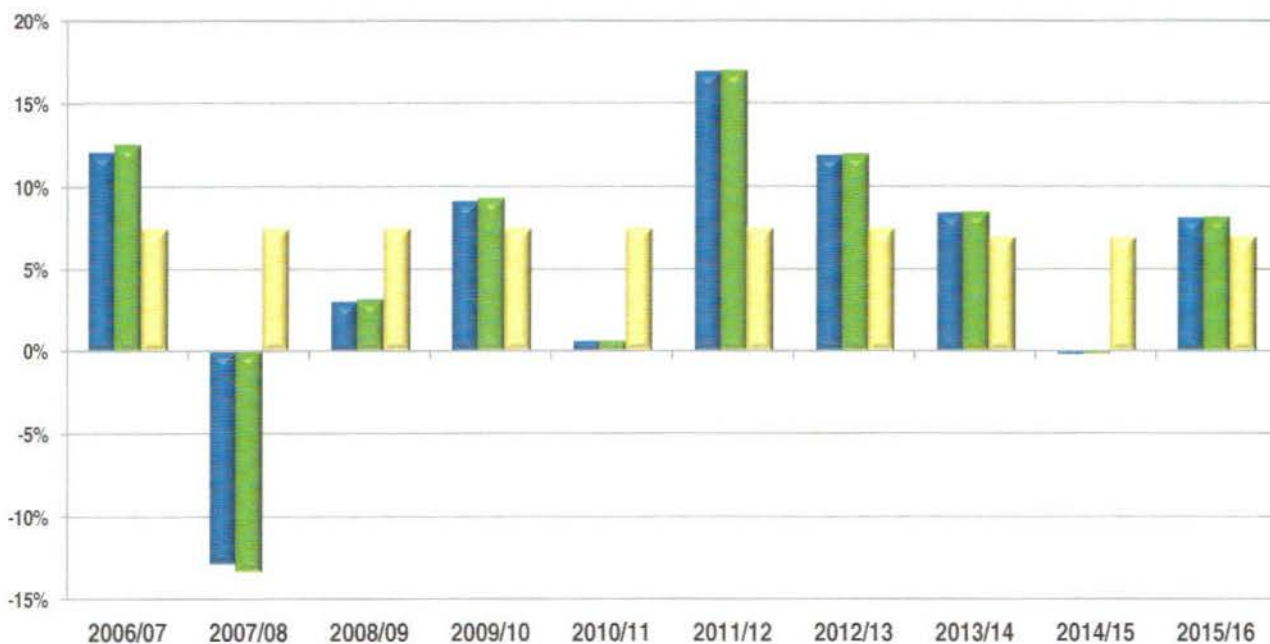
<u>Historical Market Value of Assets</u>	
October 1, 2007	\$812,700
October 1, 2008	\$780,077
October 1, 2009	\$880,491
October 1, 2010	\$1,015,691
October 1, 2011	\$1,127,172
October 1, 2012	\$1,436,085
October 1, 2013	\$1,697,452
October 1, 2014	\$1,928,539
October 1, 2015	\$2,019,702
October 1, 2016	\$2,314,211





Investment Return

Table II-C



Annual Investment Returns

■ Market Value Return  
 ■ Actuarial Value Return  
 ■ Assumed Return

Plan Year	Market Value Return	Actuarial Value Return	Assumed Return
2006/07	12.12%	12.59%	7.50%
2007/08	-12.84%	-13.30%	7.50%
2008/09	3.06%	3.19%	7.50%
2009/10	9.18%	9.35%	7.50%
2010/11	0.62%	0.62%	7.50%
2011/12	16.93%	16.98%	7.50%
2012/13	11.94%	11.97%	7.50%
2013/14	8.48%	8.53%	7.00%
2014/15	-0.20%	-0.20%	7.00%
2015/16	8.18%	8.21%	7.00%
10yr. Avg.	5.43%	5.46%	7.35%



## Asset Reconciliation

Table II-D

	<u>Market Value</u>	<u>Actuarial Value</u>
<b>As of October 1, 2015</b>	<b>\$2,019,702</b>	<b>\$2,007,307</b>
<b><i>Increases Due To:</i></b>		
Employer Contributions	\$161,687	\$161,687
Employee Contributions	\$16,611	\$16,611
Service Purchase Contributions	\$0	\$0
Total Contributions	<u>\$178,298</u>	<u>\$178,298</u>
Interest and Dividends	\$0	
Realized Gains (Losses)	\$0	
Unrealized Gains (Losses)	\$170,229	
Total Investment Income	<u>\$170,229</u>	\$170,229
Other Income	\$0	
<b>Total Income</b>	<u><b>\$348,527</b></u>	<u><b>\$348,527</b></u>
<b><i>Decreases Due To:</i></b>		
Monthly Benefit Payments	(\$44,192)	(\$44,192)
Refund of Employee Contributions	\$0	\$0
DROP Credits		\$0
Total Benefit Payments	<u>(\$44,192)</u>	<u>(\$44,192)</u>
Investment Expenses	\$0	
Administrative Expenses	(\$9,826)	(\$9,826)
Advance Employer Contribution		\$7,700
<b>Total Expenses</b>	<u><b>(\$54,018)</b></u>	<u><b>(\$46,318)</b></u>
<b>As of October 1, 2016</b>	<u><u><b>\$2,314,211</b></u></u>	<u><u><b>\$2,309,516</b></u></u>



## Historical Trust Fund Detail

## Table II-E

Income

<u>Plan</u> <u>Year</u>	<u>Employer</u> <u>Contribs.</u>	<u>Employee</u> <u>Contribs.</u>	<u>Service</u> <u>Purchase</u> <u>Contribs.</u>	<u>Interest /</u> <u>Dividends</u>	<u>Realized</u> <u>Gains /</u> <u>Losses</u>	<u>Unrealized</u> <u>Gains /</u> <u>Losses</u>	<u>Other</u> <u>Income</u>
2006/07	\$90,174	\$11,196	\$0	\$0	\$0	\$83,748	\$0
2007/08	\$93,568	\$11,617	\$0	\$0	\$0	-\$109,299	\$0
2008/09	\$93,957	\$11,745	\$0	\$0	\$0	\$25,045	\$0
2009/10	\$92,770	\$11,596	\$0	\$0	\$0	\$83,202	\$0
2010/11	\$137,306	\$12,687	\$0	\$0	\$0	\$6,583	\$0
2011/12	\$139,775	\$13,095	\$0	\$0	\$0	\$200,050	\$0
2012/13	\$119,945	\$12,794	\$0	\$0	\$0	\$176,601	\$0
2013/14	\$119,977	\$13,572	\$0	\$0	\$0	\$147,511	\$0
2014/15	\$131,597	\$15,608	\$0	\$0	\$0	-\$3,978	\$0
2015/16	\$161,687	\$16,611	\$0	\$0	\$0	\$170,229	\$0

Expenses

<u>Plan</u> <u>Year</u>	<u>Monthly</u> <u>Benefit</u> <u>Payments</u>	<u>Contrib.</u> <u>Refunds</u>	<u>Admin.</u> <u>Expenses</u>	<u>Invest.</u> <u>Expenses</u>	<u>Other Actuarial Adjustments</u>	
					<u>DROP</u> <u>Credits</u>	<u>Advance</u> <u>Employer</u> <u>Contribs.</u>
2006/07	\$20,702	\$0	\$5,004	\$0	\$0	\$3,429
2007/08	\$21,323	\$1,548	\$5,638	\$0	\$0	\$3,161
2008/09	\$25,481	\$431	\$4,421	\$0	\$0	\$2,684
2009/10	\$37,134	\$9,382	\$5,852	\$0	\$0	-\$32,733
2010/11	\$39,491	\$0	\$5,604	\$0	\$0	\$5,909
2011/12	\$38,126	\$0	\$5,881	\$0	\$0	-\$6,437
2012/13	\$40,901	\$0	\$7,072	\$0	\$0	\$6,850
2013/14	\$41,965	\$0	\$8,008	\$0	\$0	\$5,545
2014/15	\$43,062	\$0	\$9,002	\$0	\$0	\$0
2015/16	\$44,192	\$0	\$9,826	\$0	\$0	-\$7,700

Note: Information was not available to separate the investment expenses from the investment income nor was information available to separate the investment income by source.





## Other Reconciliations

Table II-F

**Advance Employer Contribution**

Advance Employer Contribution as of October 1, 2015	\$12,395
Additional Employer Contribution	\$161,687
Minimum Required Contribution	(\$169,387)
Net Increase in Advance Employer Contribution	(\$7,700)
Advance Employer Contribution as of October 1, 2016	\$4,695

**DROP Account Reconciliation**

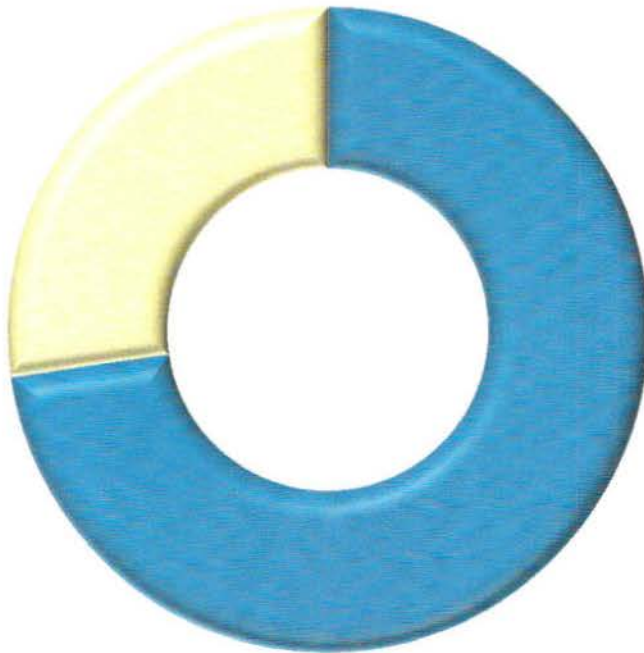
DROP Balance as of October 1, 2015	\$0
DROP Benefit Credits	\$0
DROP Investment Credits	\$0
DROP Benefits Paid Out	\$0
Net DROP Credit	\$0
DROP Balance as of October 1, 2016	\$0



Summary of Participant Data

Table III-A

As of October 1, 2016



Participant Distribution by Status

<u>Actively Employed Participants</u>		
◆	Active Participants	8
◆	DROP Participants	0
<u>Inactive Participants</u>		
◆	Deferred Vested Participants	0
◆	Due a Refund of Contributions	0
◆	Deferred Beneficiaries	0
<u>Participants Receiving a Benefit</u>		
◆	Service Retirements	3
◆	Disability Retirements	0
◆	Beneficiaries Receiving	0
<b>Total Participants</b>		<b>11</b>

Number of Participants Included in Prior Valuations

	<i>Active</i>	<i>DROP</i>	<i>Inactive</i>	<i>Retired</i>	<i>Total</i>
October 1, 2007	7	0	1	1	9
October 1, 2008	N/A	N/A	N/A	N/A	N/A
October 1, 2009	6	0	0	3	9
October 1, 2010	7	0	0	3	10
October 1, 2011	7	0	0	3	10
October 1, 2012	7	0	0	3	10
October 1, 2013	7	0	0	3	10
October 1, 2014	7	0	0	3	10
October 1, 2015	8	0	0	3	11
October 1, 2016	8	0	0	3	11



Data Reconciliation

Table III-B

	<u>Active</u>	<u>DROP</u>	<u>Deferred Vested</u>	<u>Due a Refund</u>	<u>Def. Benef.</u>	<u>Service Retiree</u>	<u>Disabled Retiree</u>	<u>Benef. Rec'v.</u>	<u>Total</u>
<u>October 1, 2015</u>	8	0	0	0	0	3	0	0	11
<u>Change in Status</u>									
Re-employed									
Terminated									
Retired									
<u>Participation Ended</u>									
Transferred Out									
Cashed Out									
Died									
<u>Participation Began</u>									
Newly Hired									
Transferred In									
New Beneficiary									
<u>Other Adjustment</u>									
<u>October 1, 2016</u>	8	0	0	0	0	3	0	0	11



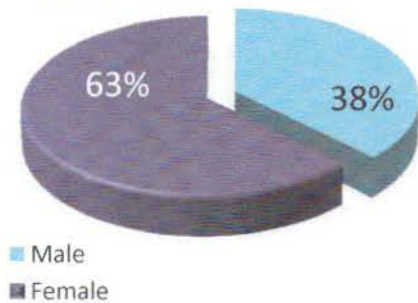


Active Participant Data

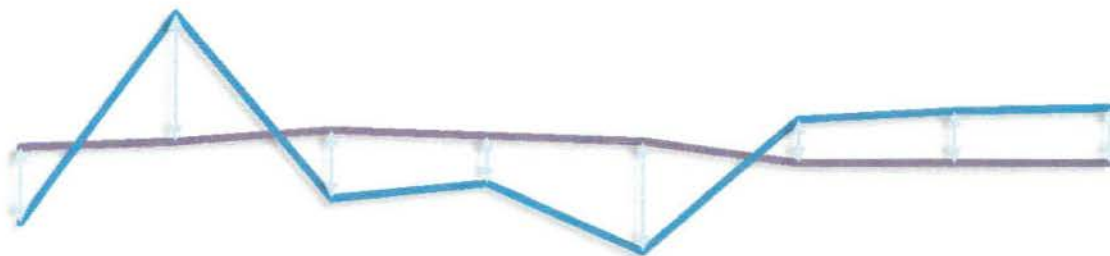
Table III-C

As of October 1, 2016

Gender Mix



Average Age	58.8 years
Average Service	11.1 years
Total Annualized Compensation for the Prior Year	\$474,605
Total Expected Compensation for the Current Year	\$424,163
Average Increase in Compensation for the Prior Year	7.27%
Expected Increase in Compensation for the Current Year	4.00%
Accumulated Contributions for Active Employees	\$158,264



Actual vs. Expected Salary Increases

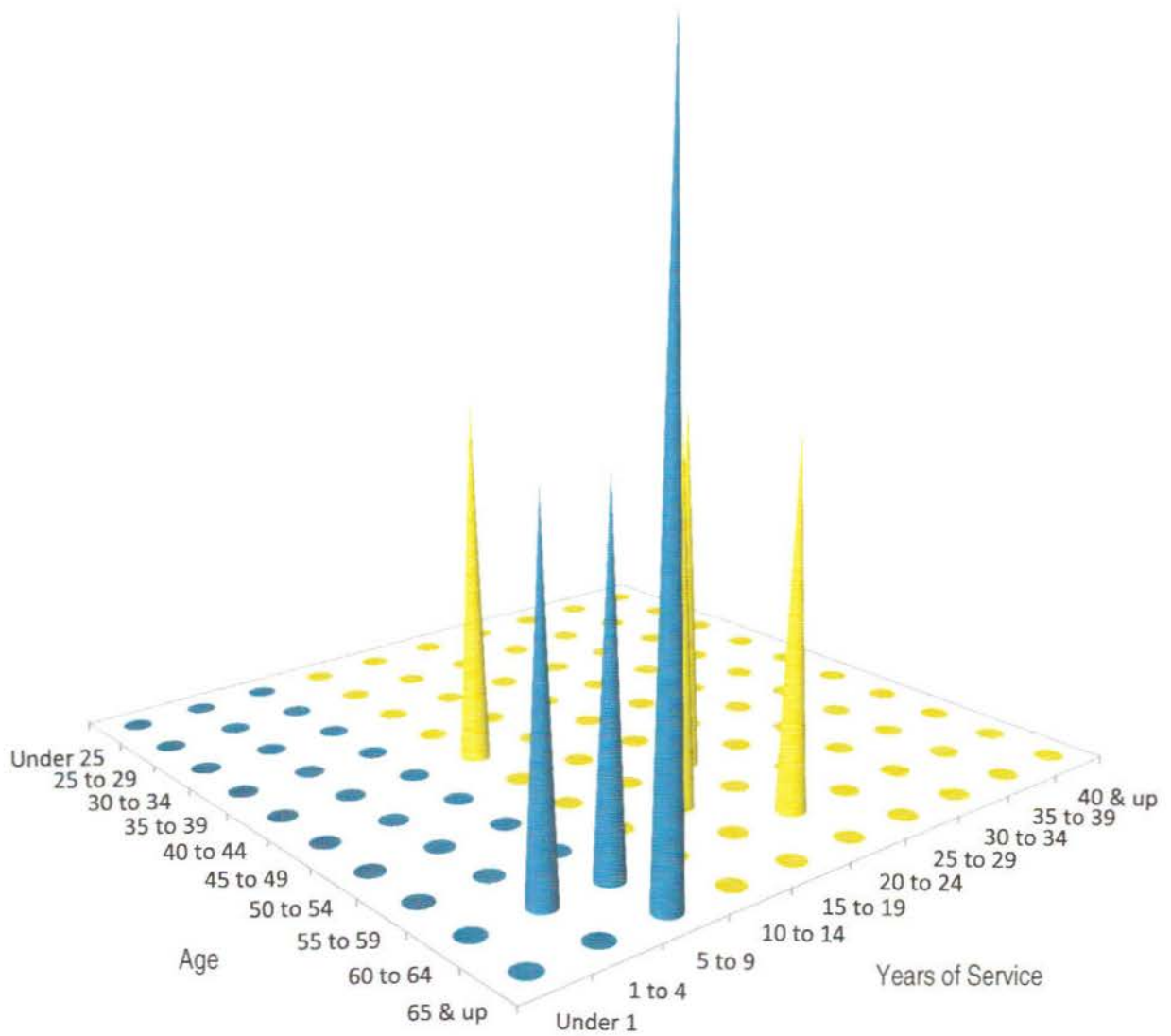
Active Participant Statistics From Prior Valuations

	Average Age	Average Service	Average Salary	Average Expected Salary Increase	Average Actual Salary Increase
October 1, 2007	47.4	7.7	\$45,697	N/A	N/A
October 1, 2008	N/A	N/A	N/A	5.20%	4.33%
October 1, 2009	48.5	7.8	\$49,982	5.00%	0.59%
October 1, 2010	52.6	6.4	\$50,309	5.33%	12.94%
October 1, 2011	53.6	7.4	\$51,782	6.00%	1.96%
October 1, 2012	54.6	8.4	\$53,448	5.64%	2.81%
October 1, 2013	55.6	9.4	\$52,218	5.29%	-1.19%
October 1, 2014	56.6	10.4	\$55,396	4.00%	6.59%
October 1, 2015	57.8	10.1	\$55,743	4.00%	7.11%
October 1, 2016	58.8	11.1	\$59,326	4.00%	7.27%



# Active Age-Service Distribution

Table III-D



- ▲ Eligible to retire
- ▲ May be eligible to retire
- ▲ Not eligible to retire



Active Age-Service-Salary Table

Table III-E

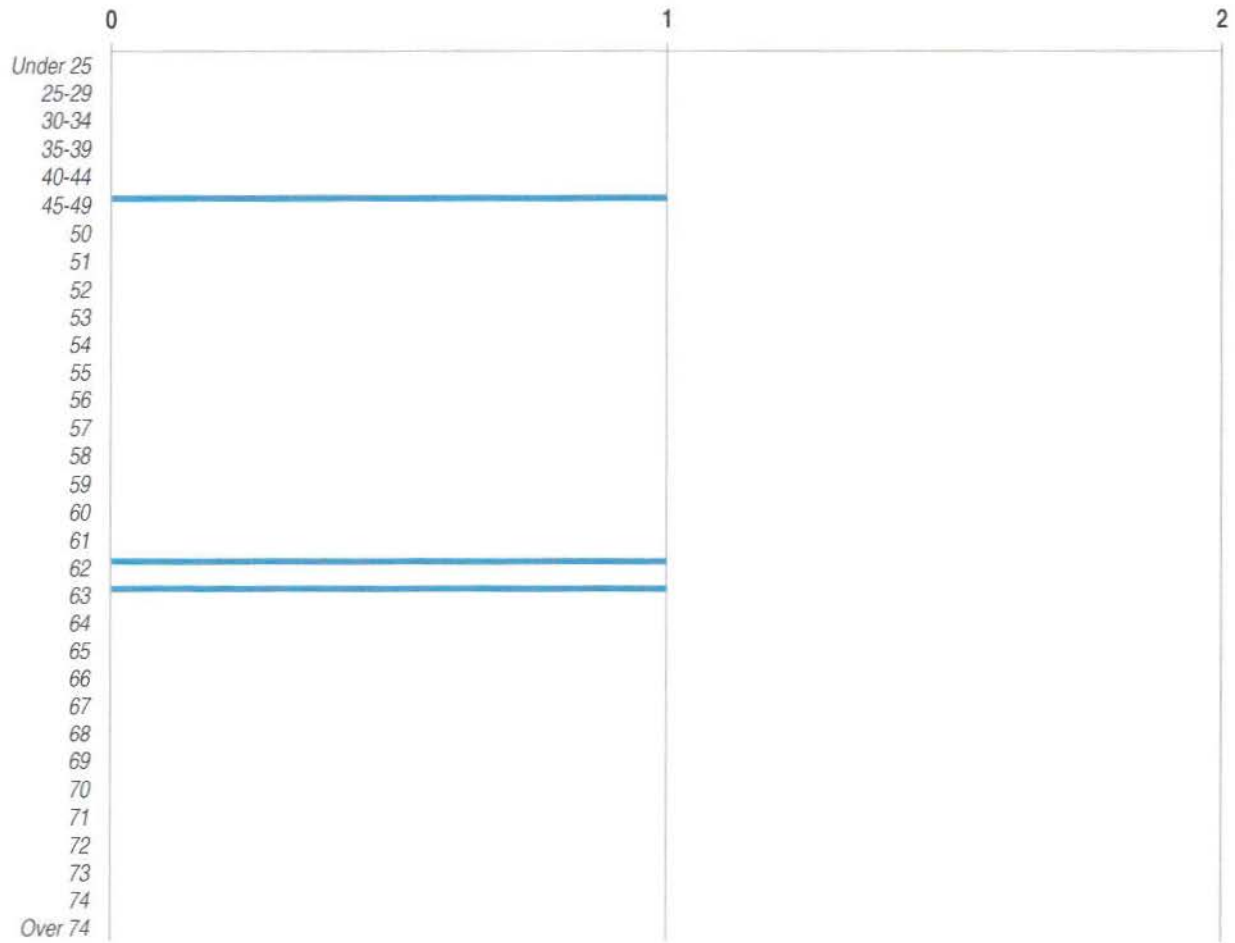
Attained Age	Completed Years of Service										Total	
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0	0
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0	0
40 to 44	0	0	0	1	0	0	0	0	0	0	0	1
Avg. Pay	0	0	0	46,442	0	0	0	0	0	0	0	46,442
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0
Avg. Pay	0	0	0	0	0	0	0	0	0	0	0	0
50 to 54	0	0	0	0	0	1	0	0	0	0	0	1
Avg. Pay	0	0	0	0	0	78,794	0	0	0	0	0	78,794
55 to 59	0	0	0	0	1	0	0	0	0	0	0	1
Avg. Pay	0	0	0	0	71,495	0	0	0	0	0	0	71,495
60 to 64	0	1	1	0	0	1	0	0	0	0	0	3
Avg. Pay	0	37,585	53,958	0	0	99,137	0	0	0	0	0	63,560
65 & up	0	0	2	0	0	0	0	0	0	0	0	2
Avg. Pay	0	0	43,597	0	0	0	0	0	0	0	0	43,597
<b>Total</b>	<b>0</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8</b>
<b>Avg. Pay</b>	<b>0</b>	<b>37,585</b>	<b>47,051</b>	<b>46,442</b>	<b>71,495</b>	<b>88,966</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>59,326</b>





Inactive Participant Data

Table III-F



Age at Retirement

- Service Retirements
- Disability Retirements
- DROP Participants

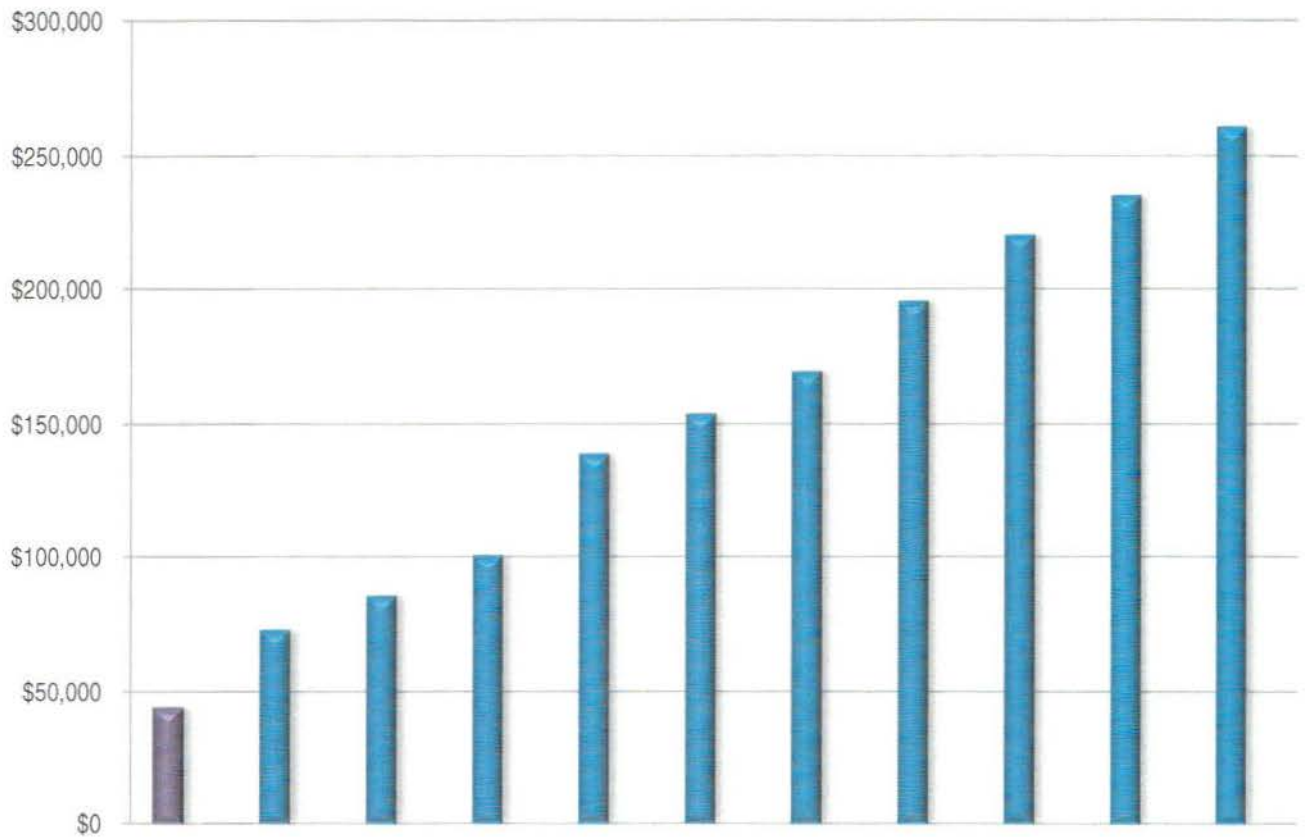
Average Monthly Benefit

Service Retirements	\$1,109.58
Disability Retirements	Not applicable
Beneficiaries Receiving	Not applicable
DROP Participants	Not applicable
Deferred Vested Participants	Not applicable
Deferred Beneficiaries	Not applicable



Projected Benefit Payments

Table III-G



Actual

For the period October 1, 2015 through September 30, 2016

\$44,192

Projected

For the period October 1, 2016 through September 30, 2017

\$73,229

For the period October 1, 2017 through September 30, 2018

\$85,732

For the period October 1, 2018 through September 30, 2019

\$100,743

For the period October 1, 2019 through September 30, 2020

\$138,963

For the period October 1, 2020 through September 30, 2021

\$154,046

For the period October 1, 2021 through September 30, 2022

\$169,693

For the period October 1, 2022 through September 30, 2023

\$195,617

For the period October 1, 2023 through September 30, 2024

\$220,557

For the period October 1, 2024 through September 30, 2025

\$235,325

For the period October 1, 2025 through September 30, 2026

\$260,882



## Summary of Actuarial Methods and Assumptions

Table IV-A

1. **Actuarial Cost Method**

Aggregate cost method. Under this actuarial cost method, a funding cost is developed for the plan as a level percentage of payroll. The level funding percentage is calculated as the excess of the total future benefit liability over accumulated assets and future employee contributions, with this excess spread over the expected future payroll for current active participants. The normal cost is equal to the level funding percentage multiplied by the expected payroll for the year immediately following the valuation date. The actuarial accrued liability is equal to the accumulated assets. Therefore, under the aggregate cost method, no unfunded accrued liability is developed.

2. **Asset Method**

The actuarial value of assets is equal to the market value of assets.

3. **Interest (or Discount) Rate**

7.00% per annum

4. **Salary Increases**

Plan compensation is assumed to increase at the rate of 4.00% per annum, unless actual plan compensation is known for a prior plan year.

5. **Decrements**

- Pre-retirement mortality: Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB
- Post-retirement mortality: Sex-distinct rates set forth in the RP-2000 Combined Mortality Table, with full generational improvements in mortality using Scale BB
- Disability: Age- and gender-based rates of disability were assumed, ranging from 0.067% for males and 0.040% for females at age 25, 0.119% for males and 0.118% for females at age 35, 0.462% for males and 0.435% for females at age 45, and 1.000% for males and 0.840% for females at age 55.





## Summary of Actuarial Methods and Assumptions

## Table IV-A

(continued)

- Termination: With respect to participants with less than 10 years of service, the termination rates are both gender- and service-based, ranging from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and 10 years of service; with respect to participants with at least 10 years of service, the termination rates are both gender- and age-based, ranging from 4.28% for males and 5.41% for females at age 25 to 0.00% for both genders at age 55.
- Retirement: For those participants who have met the age and service requirements to retire, retirement is assumed to occur at the rate of 10% per year during each of the three years prior to normal retirement age; alternatively, 40% of participants who reach their normal retirement age are assumed to retire immediately, with 20% assumed to retire during each of the next two years after the attainment of normal retirement age and 100% assumed to retire three years after the attainment of normal retirement age. No early retirements are assumed to occur prior to age 50.

**6. Form of Payment**

Future retirees have been assumed to select the 10-year certain and life annuity, except that participants who are under age 40 or who have earned less than 15 years of service are assumed to receive a refund of their employee contributions.

**7. Expenses**

The total projected benefit liability has been loaded by 2.50% to account for anticipated administrative expenses. In addition, the interest rate set forth in item 3. above is assumed to be net of investment expenses and commissions.



## Changes in Actuarial Methods and Assumptions

Table IV-B

Since the completion of the previous valuation, the following assumption has been changed:

*The mortality basis was changed from a 2015 projection of the RP-2000 Mortality Table for annuitants to a full generational projection using Scale BB of the RP-2000 Combined Mortality Table as required by State law.*



## Summary of Plan Provisions

Table V-A

### 1. Monthly Accrued Benefit

2.50% of Average Final Compensation multiplied by Credited Service

### 2. Normal Retirement Age and Benefit

- **Age**

Age 62 with at least 10 years of Credited Service; or  
Any age with at least 30 years of Credited Service

- **Amount**

Monthly Accrued Benefit

- **Form of Payment**

Actuarially increased single life annuity (optional);  
10-year certain and life annuity (normal form of payment);  
Actuarially reduced 50% joint and contingent annuity (optional);  
Actuarially reduced 66<sup>2</sup>/<sub>3</sub>% joint and contingent annuity (optional);  
Actuarially reduced 75% joint and contingent annuity (optional);  
Actuarially reduced 100% joint and contingent annuity (optional);  
Any other actuarially equivalent form of payment approved by the Board; or  
Actuarially equivalent lump sum distribution (automatic if the single sum value of the participant's benefit is less than or equal to \$5,000 or the monthly annuity is less than \$100)

*(Note: A participant may change his joint annuitant up to two times after retirement.)*

### 3. Early Retirement Age and Benefit

- **Age**

Any age with at least 10 years of Credited Service

- **Amount**

Monthly Accrued Benefit (payable at Normal Retirement Age); or  
Monthly Accrued Benefit reduced by 5% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)

- **Form of Payment**

Same as for Normal Retirement





Summary of Plan Provisions

Table V-A

(continued)

4. Disability Eligibility and Benefit

- **Eligibility**  
The participant must have earned at least 10 years of Credited Service.
- **Condition**  
The Board must find that the participant has a physical or mental condition resulting from bodily injury, disease, or a mental disorder which renders him incapable of employment.
- **Amount Payable**  
A monthly 10-year certain and life annuity equal to the larger of (a) or (b), as follows, but offset as necessary to preclude the total of the participant's worker's compensation, disability benefit, and other District-provided disability compensation from exceeding his Average Final Compensation:
  - (a) Monthly Accrued Benefit; or
  - (b) 25% of Average Final Compensation

5. Delayed Retirement Age and Benefit

- **Age**  
After Normal Retirement Age
- **Amount**  
Monthly Accrued Benefit
- **Form of Payment**  
Same as for Normal Retirement

6. Deferred Vested Benefit

- **Age**  
Any age with at least 10 years of Credited Service
- **Amount**  
Monthly Accrued Benefit (payable at Normal Retirement Age); or  
Monthly Accrued Benefit reduced by 5% for each year by which the participant's Early Retirement Date precedes his Normal Retirement Date (payable at Early Retirement Age)
- **Form of Payment**  
Same as for Normal Retirement



Summary of Plan Provisions

Table V-A

(continued)

**7. Pre-Retirement Death Benefit**

In the case of the death of a vested participant prior to retirement, his beneficiary will receive the participant's Monthly Accrued Benefit payable for 10 years beginning on the participant's early or normal retirement date. In the case of the death of a non-vested participant prior to retirement, his beneficiary will receive the participant's Accumulated Contributions in lieu of any other benefits payable from the plan.

**8. Average Final Compensation**

Average of the highest three years of Compensation out of the last 10 years of employment (or career average, if higher).

**9. Compensation**

Compensation includes regular earnings, incentive pay, merit pay, vacation pay, and sick pay, plus all tax-deferred and tax-exempt items of income, but excludes lump sum payments; annual compensation in excess of \$200,000 (as indexed) is excluded in accordance with IRC §401(a)(17).

**10. Credited Service**

The elapsed time from the participant's date of hire until his date of termination, retirement, or death, provided that the participant made all required contributions. In addition, Credited Service includes prior service with the Oneco-Tallevast and Somoset Fire Districts.

**11. Participation Requirement**

All full-time general employees of the Southern Manatee Fire & Rescue District automatically become a participant in the plan on their date of hire.

**12. Accumulated Contributions**

The Employee Contributions accumulated with no interest; if the participant terminates his employment with less than 10 years of Credited Service, he receives his Accumulated Contributions in lieu of any other benefits payable from the plan.

**13. Participant Contribution**

3.50% of earnings



Summary of Plan Provisions

Table V-A

(continued)

14. **Definition of Actuarially Equivalent**

- **Interest Rate**

7.00% per annum

- **Mortality Table**

Unisex mortality table promulgated by the Internal Revenue Service (IRS) for purposes of calculating lump sum distributions pursuant to Internal Revenue Code (IRC) 417(e)(3)

15. **Plan Effective Date**

October 1, 1999

16. **Automatic Annual Cost-of-Living Adjustment (COLA)**

All retirement and disability benefits, other than the retiree health supplement, include an automatic annual 3% cost-of-living adjustment.

17. **Retiree Health Supplement**

Participants receive a monthly post-retirement health supplement equal to \$15 for each year of service, with a minimum monthly benefit of \$50 and a maximum monthly benefit of \$450.

18. **Deferred Retirement Option Plan (DROP)**

A participant who reaches his Normal Retirement Age is eligible to participate in the DROP for a period of up to 60 months. Interest is credited on the DROP accounts at the rate of 6.50% per annum.



## Summary of Plan Amendments

Table V-B

No significant plan changes have been adopted since the completion of the previous valuation.





RETIREMENT PLAN FOR THE GENERAL EMPLOYEES  
OF THE SOUTHERN MANATEE FIRE & RESCUE DISTRICT

ACTUARIAL VALUATION  
AS OF OCTOBER 1, 2015

GASB 67/68 SUPPLEMENT  
AS OF SEPTEMBER 30, 2016



## DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN

### NET PENSION LIABILITY AS OF SEPTEMBER 30, 2016

Total pension liability	\$2,568,485 *
Less fiduciary net position	<u>(2,314,211)</u>
<b>Net pension liability</b>	<b><u>\$254,274 **</u></b>

\* This amount has been rolled forward from October 1, 2015.

\*\* This amount is recognized on the employer's balance sheet.

### PENSION EXPENSE FOR THE 2015/16 FISCAL YEAR

Service cost	\$104,615
Other recognized changes in net pension liability:	
Expected interest growth	(12,673)
Investment gain/loss	30,035
Demographic gain/loss	(1,877)
Employee contributions	(16,611)
Administrative expenses	9,826
Changes in benefit terms	0
Assumption changes	<u>52,996</u>
<b>Pension expense</b>	<b><u>\$166,311 *</u></b>

\* This amount is recognized on the employer's income statement, along with the employer contribution for the 2015/16 fiscal year.

### DEFERRED INFLOW AND OUTFLOW OF RESOURCES

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2015	\$146,192	\$226,362
Change due to:		
Amortization payments	\$(125,803)	\$(44,649)
Investment gain/loss	\$0	\$24,574
Demographic gain/loss	\$31,751	\$0
Assumption changes	<u>\$521,628</u>	<u>\$0</u>
Total change	\$427,576	\$(20,075)
Balance as of September 30, 2016	<b>\$573,768 *</b>	<b>\$206,287 *</b>

\* These amounts are recognized on the employer's balance sheet.

### BALANCE EQUATION

Net pension liability as of September 30, 2015	\$(198,001)
Plus pension expense for the 2015/16 fiscal year	\$166,311
Minus employer contribution for the 2015/16 fiscal year	\$(161,687)
Plus change in balance of deferred outflows of resources	\$427,576
Minus change in balance of deferred inflows of resources	\$20,075
Net pension liability as of September 30, 2016	\$254,274

**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)**

**DEFERRED INFLOW AND OUTFLOW OF RESOURCES (continued)**

Amortization schedule for deferred outflows and inflows of resources:

	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Balance as of September 30, 2016	\$573,768	\$206,287
Amount recognized in the 2016/17 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$6,513
<i>Demographic gain/loss</i>	\$5,121	\$6,998
<i>Assumption changes</i>	\$84,134	\$31,138
<i>Total</i>	\$125,803	\$44,649
Balance as of September 30, 2017	\$447,965	\$161,638
Amount recognized in the 2017/18 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$6,515
<i>Demographic gain/loss</i>	\$5,121	\$6,998
<i>Assumption changes</i>	\$84,134	\$31,138
<i>Total</i>	\$125,803	\$44,651
Balance as of September 30, 2018	\$322,162	\$116,987
Amount recognized in the 2018/19 pension expense:		
<i>Investment gain/loss</i>	\$36,548	\$4,915
<i>Demographic gain/loss</i>	\$5,121	\$6,998
<i>Assumption changes</i>	\$84,134	\$31,138
<i>Total</i>	\$125,803	\$43,051
Balance as of September 30, 2019	\$196,359	\$73,936
Amount recognized in the 2019/20 pension expense:		
<i>Investment gain/loss</i>	\$0	\$4,914
<i>Demographic gain/loss</i>	\$5,121	\$6,998
<i>Assumption changes</i>	\$84,134	\$31,138
<i>Total</i>	\$89,255	\$43,050
Balance as of September 30, 2020	\$107,104	\$30,886
Amount recognized in the 2020/21 pension expense:		
<i>Investment gain/loss</i>	\$0	\$0
<i>Demographic gain/loss</i>	\$5,121	\$5,667
<i>Assumption changes</i>	\$84,134	\$25,219
<i>Total</i>	\$89,255	\$30,886
Balance as of September 30, 2021	\$17,849	\$0



**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)**

**CHANGES IN THE NET PENSION LIABILITY**

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balance as of September 30, 2015	\$1,821,701	\$(2,019,702)	\$(198,001)
Change due to:			
<i>Service cost</i>	\$104,615	\$0	\$104,615
<i>Expected interest growth</i>	\$132,982	\$(145,655)	\$(12,673)
<i>Unexpected investment income</i>	\$0	\$(24,574)	\$(24,574)
<i>Demographic experience</i>	\$31,751	\$0	\$31,751
<i>Employer contributions</i>	\$0	\$(161,687)	\$(161,687)
<i>Employee contributions</i>	\$0	\$(16,611)	\$(16,611)
<i>Benefit payments &amp; refunds</i>	\$(44,192)	\$44,192	\$0
<i>Administrative expenses</i>	\$0	\$9,826	\$9,826
<i>Changes in benefit terms</i>	\$0	\$0	\$0
<i>Assumption changes</i>	\$521,628	\$0	\$521,628
Balance as of September 30, 2016	\$2,568,485	\$(2,314,211)	\$254,274

**COMPARISON OF NET PENSION LIABILITY USING ALTERNATIVE DISCOUNT RATES**

	Discount Rate Minus 1.00%	7.00% Discount Rate	Discount Rate Plus 1.00%
Total pension liability	\$2,892,788	\$2,568,485	\$2,295,406
Less fiduciary net position	<u>(2,314,211)</u>	<u>(2,314,211)</u>	<u>(2,314,211)</u>
Net pension liability	\$578,577	\$254,274	\$(18,805)

**HISTORICAL TREND INFORMATION**

Measurement Date	Total Pension Liability	Fiduciary Net Position	Net Pension Liability	Funded Percentage	Covered Payroll	Net Pension Liability as a % of Covered Payroll
September 30, 2016	\$2,568,485	\$2,314,211	\$254,274	90.10%	\$429,316	59.23%
September 30, 2015	\$1,821,701	\$2,019,702	\$(198,001)	110.87%	\$375,841	<i>Not applicable</i>
September 30, 2014	\$1,896,350	\$1,916,144	\$(19,794)	101.04%	\$351,865	<i>Not applicable</i>
September 30, 2013	\$1,727,284	\$1,690,602	\$36,682	97.88%	\$351,865	10.43%
October 1, 2012	\$1,706,809	\$1,436,085	\$270,724	84.14%	\$378,881	71.45%
October 1, 2011	\$1,596,407	\$1,120,735	\$475,672	70.20%	\$363,761	130.76%
October 1, 2010	\$1,423,371	\$1,015,163	\$408,208	71.32%	\$351,483	116.14%
October 1, 2009	\$1,306,730	\$847,230	\$459,500	64.84%	\$300,430	152.95%



**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN** (continued)

HISTORICAL TREND INFORMATION (continued)

Changes in the net pension liability by source

Fiscal Year	Service Cost	Expected Interest Growth	Unexpected Investment Income	Demographic Experience	Employer Contributions	Employee Contributions	Benefit Payments & Refunds	Administrative Expenses	Changes In Benefit Terms	Assumption Changes
2015/16	\$104,615	\$(12,673)	\$(24,574)	\$31,751	\$(161,687)	\$(16,611)	\$0	\$9,826	\$0	\$521,628
2014/15	\$60,938	\$(3,320)	\$182,740	\$(47,655)	\$(143,992)	\$(15,608)	\$(8,265)	\$9,002	\$0	\$(212,047)
2013/14	\$76,142	\$4,015	\$(7,992)	\$0	\$(114,432)	\$(13,572)	\$(8,645)	\$8,008	\$0	\$0

NOTE: The amortization period for demographic experience and assumption changes was 6.81 years for the 2014/15 fiscal year and 6.20 years for the 2015/16 fiscal year.

**DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)**

**HISTORICAL TREND INFORMATION (continued)**

Fiscal Year End	(1) Actuarially Determined Contribution	(2) Contributions Recognized By the Plan	(3) Difference Between (1) and (2)	Covered Payroll	Column (2) as a % of Covered Payroll
September 30, 2016	\$169,387	\$161,687	\$(7,700)	\$429,316	37.66%
September 30, 2015	\$131,597	\$143,992	\$12,395	\$375,841	38.31%
September 30, 2014	\$114,432	\$114,432	\$0	\$351,865	32.52%
September 30, 2013	\$113,095	\$113,095	\$0	\$378,881	29.85%
September 30, 2012	\$146,212	\$146,212	\$0	\$363,761	40.19%
September 30, 2011	\$131,397	\$131,397	\$0	\$351,483	37.38%
September 30, 2010	\$125,503	\$125,503	\$0	\$300,430	41.77%
September 30, 2009	\$91,273	\$91,273	\$0	Not available	Not available
September 30, 2008	\$90,407	\$90,407	\$0	Not available	Not available
September 30, 2007	\$86,745	\$86,745	\$0	\$288,571	30.06%

**INFORMATION USED TO DETERMINE THE NET PENSION LIABILITY**

Employer's reporting date: *September 30, 2016*  
 Measurement date: *September 30, 2016*  
 Actuarial valuation date: *October 1, 2015*

**Actuarial assumptions**

Discount rate: *7.00% per annum (2.92% per annum is attributable to long-term inflation); this rate was used to discount all future benefit payments.*

Salary increases: *4.00% per annum*

Cost-of-living increases: *3.00% per annum for all benefits other than the health supplement*

Mortality basis: *Sex-distinct rates set forth in the RP-2000 Mortality Table for annuitants, projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.*

Retirement: *10% of eligible employees are assumed to retire during each of the three years prior to normal retirement age, 40% are assumed to retire at normal retirement age, 20% are assumed to retire during each of the two years following normal retirement age, and 100% are assumed to retire three years after normal retirement age; no retirements are assumed prior to age 50.*

Other decrements: *Assumed employment termination is based on gender, age, and service; for participants with less than 10 years of service, termination rates range from 15.00% for males and 10.01% for females with less than two years of service to 4.30% for males and 4.75% for females with between eight and 10 years of service; for participants with at least 10 years of service, termination rates range from 4.28% for males and 5.41% for females at age 25 to 0.00% at age 55.*  
*Assumed disability is based on gender and age and ranges from 0.067% for males and 0.040% for females at age 25 to 1.00% for males and 0.84% for females at age 55.*

Non-investment expenses: *All liabilities have been loaded by 2.50% to account for non-investment expenses.*

Future contributions: *Contributions from the employer and employees are assumed to be made as legally required.*

Changes: *Since the prior measurement date, the discount rate was decreased from 9.08% per annum to 7.00% per annum.*

**DETERMINATION OF THE LONG-TERM EXPECTED RATE OF RETURN ON PLAN ASSETS**

Investment Category	Target Allocation	Expected Long-Term Real Return
Core bonds	16.00%	0.58% per annum
Multi-sector	24.00%	1.08% per annum
U.S. large cap equity	39.00%	6.08% per annum
U.S. small cap equity	11.00%	6.83% per annum
Non-U.S. equity	10.00%	6.83% per annum
Total or weighted arithmetic average	100.00%	4.08% per annum



## DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

### PENSION PLAN DESCRIPTION

Name of the pension plan:	<i>Retirement Plan for the General Employees of the Southern Manatee Fire &amp; Rescue District</i>
Legal plan administrator:	<i>Board of Trustees of the Retirement Plan for the General Employees of the Southern Manatee Fire &amp; Rescue District</i>
Plan type:	<i>Single-employer defined benefit pension plan</i>
Number of covered individuals:	<i>11 (three inactive employee or beneficiary currently receiving benefits; no inactive employees entitled to but not yet receiving benefits; eight active employees)</i>
Contribution requirement:	<i>Employer contributions are actuarially determined; employees must contribute 3.50% of pensionable earnings; employee contribution requirement may be amended by City ordinance, but employer contribution requirement is subject to State minimums.</i>
Pension plan reporting:	<i>The plan issues a stand-alone financial report each year, which contains information about the plan's fiduciary net position. The plan's fiduciary net position has been determined on the same basis used by the pension plan and is equal to the market value of assets calculated under the accrual basis of accounting. This report is available to the public at the plan's administrative office: Retirement Department, Florida League of Cities, Inc., P. O. Box 1757, Tallahassee, FL 32302, (800) 342-8112.</i>

### Description of the benefit terms

Employees covered:	<i>Full-time general employees of the Southern Manatee Fire &amp; Rescue District</i>
Types of benefits offered:	<i>Retirement, disability, and pre-retirement death benefits</i>
Basic pension formula:	<i>2.50% of average earnings x service</i>
Early retirement adjustment:	<i>Early retirement pension is reduced by 5% for each year by which the early retirement date precedes the normal retirement date.</i>
Disability pension:	<i>Larger of basic pension formula or 25% of average earnings (if the participant has earned at least 10 years of service)</i> <i>Disability benefits are offset as necessary to preclude the total of the disability benefit, worker's compensation, and other District-provided disability compensation from exceeding average earnings.</i>
Pre-retirement death benefit:	<i>Basic pension formula payable for 10 years at early or normal retirement age (payable to the beneficiary of a vested participant)</i> <i>Return of accumulated employee contributions (payable to the beneficiary of a non-vested participant)</i>
Normal retirement age:	<i>Age 62 with at least 10 years of service, or</i> <i>Any age with at least 30 years of service</i>
Early retirement age:	<i>Any age with at least 10 years of service</i>
Vesting requirement:	<i>100% vesting after 10 years of service</i>
Form of payment:	<i>Actuarially increased single life annuity</i> <i>10-year certain and life annuity</i> <i>Actuarially equivalent 50%, 66⅔%, 75%, or 100% joint and contingent annuity</i> <i>Any other actuarially equivalent form of payment approved by the Board of Trustees</i>
Average earnings:	<i>Average of the highest three years of pensionable earnings out of the last 10 years</i>
Cost-of-living adjustment:	<i>3.00% per annum for all benefits other than the health supplement</i>
Health supplement:	<i>\$15 x service, minimum benefit of \$50.00 per month, maximum benefit of \$450.00 per month</i>
DROP:	<i>A deferred retirement option plan (DROP) is available to those participants who have attained their normal retirement age and individuals may participate in the DROP for up to 60 months; DROP accounts are credited with interest at the rate of 6.50% per annum.</i>
Legal authority:	<i>The plan was established effective October 1, 1999 pursuant to District resolution and has been amended several times since that date.</i>
Changes:	<i>The benefit terms did not change from the prior measurement date.</i>

DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN (continued)

PROJECTION OF THE FIDUCIARY NET POSITION

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2015	\$2,019,702	\$178,298	\$44,192	\$9,826	\$170,229	\$2,314,211
October 1, 2016	\$2,314,211	\$174,979	\$76,166	\$16,935	\$164,812	\$2,560,901
October 1, 2017	\$2,560,901	\$181,978	\$87,449	\$19,444	\$181,847	\$2,817,833
October 1, 2018	\$2,817,833	\$189,257	\$101,004	\$22,458	\$199,512	\$3,083,140
October 1, 2019	\$3,083,140	\$196,827	\$134,753	\$29,962	\$216,925	\$3,332,177
October 1, 2020	\$3,332,177	\$204,700	\$148,554	\$33,031	\$234,048	\$3,589,340
October 1, 2021	\$3,589,340	\$212,888	\$162,826	\$36,204	\$251,731	\$3,854,929
October 1, 2022	\$3,854,929	\$221,404	\$187,525	\$41,696	\$269,576	\$4,116,688
October 1, 2023	\$4,116,688	\$31,452	\$210,443	\$46,792	\$280,399	\$4,171,304
October 1, 2024	\$4,171,304	\$0	\$223,788	\$49,759	\$282,579	\$4,180,336
October 1, 2025	\$4,180,336	\$0	\$246,882	\$54,894	\$282,240	\$4,160,800
October 1, 2026	\$4,160,800	\$0	\$255,020	\$56,703	\$280,530	\$4,129,607
October 1, 2027	\$4,129,607	\$0	\$266,104	\$59,168	\$277,881	\$4,082,216
October 1, 2028	\$4,082,216	\$0	\$288,687	\$64,189	\$273,613	\$4,002,953
October 1, 2029	\$4,002,953	\$0	\$286,775	\$63,764	\$268,145	\$3,920,559
October 1, 2030	\$3,920,559	\$0	\$286,237	\$63,644	\$262,400	\$3,833,078
October 1, 2031	\$3,833,078	\$0	\$288,752	\$64,203	\$256,171	\$3,736,294
October 1, 2032	\$3,736,294	\$0	\$289,845	\$64,446	\$249,350	\$3,631,353
October 1, 2033	\$3,631,353	\$0	\$288,710	\$64,194	\$242,052	\$3,520,501
October 1, 2034	\$3,520,501	\$0	\$296,714	\$65,974	\$233,956	\$3,391,769
October 1, 2035	\$3,391,769	\$0	\$295,087	\$65,612	\$225,013	\$3,256,083
October 1, 2036	\$3,256,083	\$0	\$294,998	\$65,592	\$215,519	\$3,111,012
October 1, 2037	\$3,111,012	\$0	\$301,358	\$67,006	\$205,096	\$2,947,744
October 1, 2038	\$2,947,744	\$0	\$291,907	\$64,905	\$194,065	\$2,784,997
October 1, 2039	\$2,784,997	\$0	\$285,339	\$63,445	\$182,949	\$2,619,162
October 1, 2040	\$2,619,162	\$0	\$277,631	\$61,731	\$171,665	\$2,451,465
October 1, 2041	\$2,451,465	\$0	\$268,418	\$59,682	\$160,313	\$2,283,678
October 1, 2042	\$2,283,678	\$0	\$258,109	\$57,390	\$149,002	\$2,117,181
October 1, 2043	\$2,117,181	\$0	\$246,641	\$54,840	\$137,829	\$1,953,529
October 1, 2044	\$1,953,529	\$0	\$233,318	\$51,878	\$126,934	\$1,795,267
October 1, 2045	\$1,795,267	\$0	\$219,981	\$48,912	\$116,417	\$1,642,791
October 1, 2046	\$1,642,791	\$0	\$206,200	\$45,848	\$106,323	\$1,497,066
October 1, 2047	\$1,497,066	\$0	\$190,334	\$42,320	\$96,789	\$1,361,201
October 1, 2048	\$1,361,201	\$0	\$176,320	\$39,204	\$87,868	\$1,233,545
October 1, 2049	\$1,233,545	\$0	\$162,530	\$36,138	\$79,512	\$1,114,389
October 1, 2050	\$1,114,389	\$0	\$149,071	\$33,146	\$71,737	\$1,003,909
October 1, 2051	\$1,003,909	\$0	\$135,931	\$30,224	\$64,557	\$902,311
October 1, 2052	\$902,311	\$0	\$123,561	\$27,474	\$57,965	\$809,241
October 1, 2053	\$809,241	\$0	\$111,876	\$24,875	\$51,942	\$724,432
October 1, 2054	\$724,432	\$0	\$101,133	\$22,487	\$46,457	\$647,269
October 1, 2055	\$647,269	\$0	\$91,205	\$20,279	\$41,473	\$577,258
October 1, 2056	\$577,258	\$0	\$82,298	\$18,299	\$36,947	\$513,608
October 1, 2057	\$513,608	\$0	\$74,286	\$16,517	\$32,828	\$455,633
October 1, 2058	\$455,633	\$0	\$67,043	\$14,907	\$29,075	\$402,758
October 1, 2059	\$402,758	\$0	\$60,568	\$13,467	\$25,646	\$354,369
October 1, 2060	\$354,369	\$0	\$54,645	\$12,150	\$22,508	\$310,082
October 1, 2061	\$310,082	\$0	\$49,103	\$10,918	\$19,641	\$269,702
October 1, 2062	\$269,702	\$0	\$44,000	\$9,783	\$17,029	\$232,948
October 1, 2063	\$232,948	\$0	\$39,146	\$8,704	\$14,660	\$199,758
October 1, 2064	\$199,758	\$0	\$34,299	\$7,626	\$12,541	\$170,374
October 1, 2065	\$170,374	\$0	\$30,104	\$6,694	\$10,660	\$144,236
October 1, 2066	\$144,236	\$0	\$26,168	\$5,818	\$8,996	\$121,246
October 1, 2067	\$121,246	\$0	\$22,407	\$4,982	\$7,545	\$101,402



DISCLOSURES RELATED TO THE GENERAL EMPLOYEES' PENSION PLAN *(continued)*

PROJECTION OF THE FIDUCIARY NET POSITION *(continued)*

Date	BOY Balance	Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	EOY Balance
October 1, 2068	\$101,402	\$0	\$19,192	\$4,267	\$6,291	\$84,234
October 1, 2069	\$84,234	\$0	\$16,342	\$3,634	\$5,209	\$69,467
October 1, 2070	\$69,467	\$0	\$13,884	\$3,087	\$4,279	\$56,775
October 1, 2071	\$56,775	\$0	\$11,773	\$2,618	\$3,479	\$45,863
October 1, 2072	\$45,863	\$0	\$10,094	\$2,244	\$2,786	\$36,311
October 1, 2073	\$36,311	\$0	\$7,433	\$1,653	\$2,229	\$29,454
October 1, 2074	\$29,454	\$0	\$6,169	\$1,372	\$1,802	\$23,715
October 1, 2075	\$23,715	\$0	\$5,125	\$1,140	\$1,444	\$18,894
October 1, 2076	\$18,894	\$0	\$4,258	\$947	\$1,143	\$14,832
October 1, 2077	\$14,832	\$0	\$3,560	\$792	\$888	\$11,368
October 1, 2078	\$11,368	\$0	\$2,911	\$647	\$673	\$8,483
October 1, 2079	\$8,483	\$0	\$2,375	\$528	\$494	\$6,074
October 1, 2080	\$6,074	\$0	\$1,925	\$428	\$344	\$4,065
October 1, 2081	\$4,065	\$0	\$1,536	\$342	\$220	\$2,407
October 1, 2082	\$2,407	\$0	\$1,185	\$263	\$119	\$1,078
October 1, 2083	\$1,078	\$0	\$883	\$196	\$38	\$37
October 1, 2084	\$37	\$0	\$0	\$0	\$3	\$40

NOTES: *The fiduciary net position is projected to be sufficient to cover all future benefit payments when due. The plan requires only a 7% average investment return per year to avoid a crossover date. The projection shown above does not reflect future new entrants into the pension plan.*

DISCLOSURES REQUIRED PURSUANT TO CHAPTER 2013-100, FLORIDA STATUTES

(a) City/District	Southern Manatee FD
(b) Plan Name	Retirement Plan for the General Employees
(c) Plan Type	Defined Benefit
(d) Valuation Date	10/1/2016
(e) Interest Rate:	
(1) Discount Rate, net of investment fees	7.00%
(2) Long-Term Expected Rate of Return, net of investment fees	7.00%

With respect to the reporting standards for defined benefit retirement plans or systems contained in Section 112.664(1), F.S., the actuarial disclosures required under this section were prepared and completed by me or under my direct supervision and I acknowledge responsibility for the results. To the best of my knowledge, the results are complete and accurate, and in my opinion, meet the requirements of Section 112.664(1), F.S., and Section 60T-1.0035, F.A.C.

(f) Certification Statement:	
(1) Signature	
(2) Actuary's Name	Charles T. Carr
(3) Enrollment Number	14-04927
(4) Signature Date	12/7/2016
(5) Cover letter attached (pdf)?	N

Section 112.664(1)(a), F.S.

(g) Total pension liability:	
(1) Service cost	\$101,095
(2) Interest	\$139,481
(3) Benefit changes	\$0
(4) Difference between expected and actual experience	\$38,078
(5) Changes in assumptions	\$33,586
(6) Benefit payments	(\$44,192)
(7) Contribution refunds	\$0
(8) Net change in total pension liability	\$268,048
(9) Total pension liability - beginning of year	\$1,913,213
(10) Total pension liability - ending of year	\$2,181,261
(h) Plan fiduciary net position:	
(1) Contributions - Employer	\$169,387
(2) Contributions - State	\$0
(3) Contributions - Member	\$16,611
(4) Net investment income	\$174,924
(5) Benefit payments	(\$44,192)
(6) Contribution refunds	\$0
(7) Administrative expenses	(\$9,826)
(8) Other	\$0
(9) Net change in plan fiduciary net position	\$306,904
(10) Plan fiduciary net position - beginning of year	\$2,007,307
(11) Plan fiduciary net position - ending of year	\$2,314,211
(i) Net pension liability/(asset) [(g)(10) minus (h)(11)]	(\$132,950)

Section 112.664(1)(b), F.S.

(j) Total pension liability:	
(1) Service cost	\$151,878

(2) Interest	\$127,253
(3) Benefit changes	\$0
(4) Difference between expected and actual experience	\$43,368
(5) Changes in assumptions	\$172,584
(6) Benefit payments	(\$44,192)
(7) Contribution refunds	\$0
(8) Net change in total pension liability	\$450,891
(9) Total pension liability - beginning of year	\$2,415,000
(10) Total pension liability - ending of year	\$2,865,891
 (k) Plan fiduciary net position:	
(1) Contributions - Employer	\$169,387
(2) Contributions - State	\$0
(3) Contributions - Member	\$16,611
(4) Net investment income	\$174,924
(5) Benefit payments	(\$44,192)
(6) Contribution refunds	\$0
(7) Administrative expenses	(\$9,826)
(8) Other	\$0
(9) Net change in plan fiduciary net position	\$306,904
(10) Plan fiduciary net position - beginning of year	\$2,007,307
(11) Plan fiduciary net position - ending of year	\$2,314,211
 (l) Net pension liability/(asset) [(j)(10) minus (k)(11)]	 \$551,680
 <u>Section 112.664(1)(c), F.S. (on last valuation basis)</u>	
(m) Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	20.87
 <u>Section 112.664(1)(c), F.S. (on Section 112.664(1)(a), F.S. basis)</u>	
(n) Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	21.25
 <u>Section 112.664(1)(c), F.S. (on Section 112.664(1)(b), F.S. basis)</u>	
(o) Number of Years, and fractional parts of Years, for which the Market Value of Assets are adequate to sustain expected retirement benefits	17.09
 <u>Section 112.664(1)(d), F.S. (on last valuation basis)</u>	
(p) Recommended Plan contributions in Annual Dollar Value	\$213,392
(q) Recommended Plan contributions as a Percentage of Valuation Payroll	50.31%
 <u>Section 112.664(1)(d), F.S. (on Section 112.664(1)(a), F.S. basis)</u>	
(r) Recommended Plan contributions in Annual Dollar Value	\$187,004
(s) Recommended Plan contributions as a Percentage of Valuation Payroll	44.09%
 <u>Section 112.664(1)(d), F.S. (on Section 112.664(1)(b), F.S. basis)</u>	
(t) Recommended Plan contributions in Annual Dollar Value	\$374,073
(u) Recommended Plan contributions as a Percentage of Valuation Payroll	88.19%