

February 2, 2011

VIA EMAIL AND MAIL

Board of Trustees
City of Ormond Beach Police Officers' Retirement Trust Fund
P. O. Box 277
Ormond Beach, FL 32175-0277

Re: Police Officers' Retirement Trust Fund
Impact of Assumption and Method Changes

Dear Board:

As requested, we are writing regarding the study you requested to see the impact on the funding requirements by the following four scenarios:

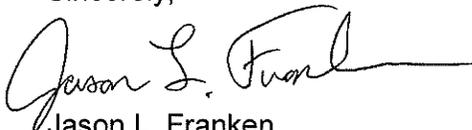
- Scenario #1: Re-implementation of 30-year amortizations
- Scenario #2: 30-year amortizations and a fresh start (5-year smoothing going forward)
- Scenario #3: 30-year amortizations and a 7.75% investment return assumption
- Scenario #4: 30-year amortizations and a 7.50% investment return assumption
- Scenario #5: 30-year amortizations and a 6.25% salary scale assumption

These changes impact the funding requirements for the fiscal year ending September 30, 2012 as follows:

	<u>Original</u>	<u>Scenario #1</u>	<u>Scenario #2</u>	<u>Scenario #3</u>	<u>Scenario #4</u>	<u>Scenario #5</u>
Total Required	65.1%	54.1%	59.8%	57.2%	60.4%	53.6%
Member	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
State Contribution	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%
Balance from City	45.5%	34.5%	40.2%	37.6%	40.8%	34.0%
Increase in Contribution	N/A	(11.0%)	(5.3%)	(7.9%)	(4.7%)	(11.5%)

If you have any questions, please let me know.

Sincerely,



Jason L. Franken
JLF/lsw