

Actuaries and Consultants

February 2, 2011

VIA EMAIL AND MAIL

Ms. Kelly McGuire
City of Ormond Beach
22 South Beach St.
Ormond Beach, FL 32174

Re: City of Ormond Beach General Employees' Pension Plan
Impact of Assumption Changes

Dear Kelly:

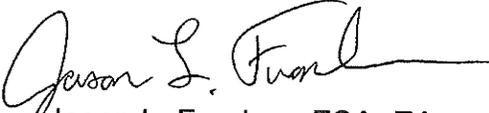
As you requested, we have performed a special actuarial analysis to determine the change City contribution rates that would result from changing the interest rate assumption and salary scale assumption for the General Employees' Pension Plan.

The increase in the funding requirements for the fiscal year ending September 30, 2012 for each assumption change is as follows:

<u>Salary Scale</u>	<u>Interest Rate</u>
<u>Decreased by 0.25%</u>	<u>Decreased by 0.25%</u>
(0.4%)	1.5%

If you have any questions regarding this analysis, please let us know.

Sincerely,


Jason L. Franken, FSA, EA

JLF/lsw