



February 10, 2016

VIA MAIL AND EMAIL

Board of Trustees
City of Ormond Beach
General Employees' Pension Plan
P. O. Box 277
Ormond Beach, FL 32175-0277

Re: City of Ormond Beach General Employees' Pension Plan

Dear Board:

As you requested, we have performed a special actuarial analysis to determine the costs associated with a one-time 1.0% cost-of-living adjustment provided to all Members currently receiving benefits, excluding DROP participants.

The cost impact, determined as of October 1, 2015, applicable for the plan/fiscal year ending September 30, 2017, is as follows:

	<u>Current</u>	<u>Proposed</u>
Total Required Contribution		
% of Total Annual Payroll	30.0%	30.4%
Expected Member Contribution		
% of Total Annual Payroll	4.0%	4.0%
Balance From City		
% of Total Annual Payroll	26.0%	26.4%

Please note that the increase in Unfunded Actuarial Accrued Liability associated with the proposed benefit change (\$247,690) has been amortized over 15 years in this analysis.

If you have any questions, please let us know.

Sincerely,

Patrick T. Donlan, ASA, MAAA

PTD/lke