

Ohio Police & Fire Pension Fund

140 East Town Street / Columbus, Ohio 43215-5164 / Tel. (614) 228-2975 / www.op-f.org

January 26, 2011

Aristotle Hutras
Ohio Retirement Study Council
88 E. Broad Street, Suite 1175
Columbus, OH 4321

Mr. Hutras,

Please accept the enclosed funding plan that was approved by the Ohio Police & Fire Pension Fund (OP&F) Board of Trustees on January 25, 2011. These recommendations were carefully considered and designed to ensure the long-term financial health of our retirement system with the goal of reaching the 30-year statutory requirement.

Upon examination of this plan, please note two important points. First, OP&F is submitting a plan that does not require any additional tax dollars. Previous plans that have been submitted had called for increases in employer contributions in order to climb out of the "infinity" funding status that has hampered our system in recent years.

Secondly, you will notice that the enactment of each of the 10 recommendations will bring OP&F's funded status to 36 years. Although this does not bring OP&F into compliance with the state's 30-year requirement, it represents a significant improvement in our status, especially considering it is achieved without a contribution increase that would place an additional burden on OP&F employers.

Deliberations that included Trustees, OP&F staff and our actuaries, examined many different scenarios in an effort to bring our funding period to 30 years or less. It was eventually determined that only an infusion of new dollars into OP&F would further reduce our funding period to the required 30 years. The Board fully recognizes the economic strain facing Ohio's municipalities, and therefore opted to remove the increase in employer contributions that were included in previous recommendations.

Our plan does include a significant increase in pension contributions from our members, a higher normal service retirement age, adjustments to the cost of living adjustments (COLAs) and changes to our Deferred Retirement Option Plan (DROP). If accepted and implemented, these changes leave OP&F within sight of its goal of 30 year funding.

At this time I believe it is appropriate to urge the Ohio Retirement Study Council (ORSC) to consider changes to the schedule and frequency of the submission of funding plans.

Retirement systems are based on long-term forecasts and assumptions. Determining benefit policy based on the results of a single actuarial valuation is inconsistent with the long term nature of retirement systems. Our actuarial valuation is a mere snapshot taken at a selected point in time. The actuarial valuation results upon which the 30-year statutory requirement can vary widely from year to year. This variation can result in a fragmented benefits policy if 30 year plans are enacted frequently. Requiring systems to submit annual recommendations for funding changes not only creates unwarranted anxiety within our membership and other stakeholders, but creates an environment prone to reactions or “solutions” that are not thoroughly discussed or put in the proper context.

For example, when OP&F was required to submit funding recommendations in September 2009, they were based on actuarial data as of January 1, 2009, following one of the worst economic meltdowns in our nation’s history. Even as we were developing those recommendations, we realized that our assets were on the rebound (in fact our 2009 investment returns were 20.73 percent, and the 2010 returns are anticipated to be more than 14 percent).

I would welcome an earnest discussion of this process with the goal of implementing a more reasoned approach of examining the financial health of Ohio’s public retirement systems.

After examining our funding recommendations, please contact us if you have any questions or need clarification.

With regards,



William J. Estabrook
Executive Director

Enclosure

cc: OP&F Board of Trustees
Darryl Dever

January 25, 2011

Mr. William J. Estabrook
Executive Director
Ohio Police & Fire Pension Fund
140 East Town Street
Columbus, Ohio 43215

Re: Ohio Police & Fire Pension Fund – 30-year Funding Plan Update

Dear Mr. Estabrook:

In September 2009, the Board of Trustees presented its 30-Year Funding Plan to the ORSC. The Plan, as presented, was estimated to reduce the funding period from infinite to 39 years. The estimate of 39 years was based on the results of the January 1, 2009 actuarial valuations, reflecting the value of plan assets and liabilities on that valuation date. At OP&F's request, we have updated our estimate to reflect the results of the January 1, 2010 actuarial valuations, as well as to provide the financial impact of additional proposals.

Each proposal and its impact on the pension funding period are described below. Please see the attached Exhibits A, B and C for additional information.

As we reported with the 2010 valuation results, the plans experienced significant actuarial gains during 2009 primarily due to investment returns that were more than anticipated, which were not reflected in last year's study. As of January 1, 2010, the pension plan's unfunded liability decreased from \$5.0 billion to \$4.0 billion. The solvency period for the Health Care Stabilization Fund (HCSF) increased from 2036 to 2040. Despite these gains, the pension funding period remained infinite. However, the gains during 2009 significantly improved the financial impact of the proposed changes submitted to the ORSC.

Scenario 1 – Original 30-Year Funding Plan presented September 2009

This is the same proposal presented to the ORSC in 2009. Because it is one year later, we have assumed the changes in benefits and contribution rates in the 2009 proposal would be deferred one year from their original target dates. The only other change we made was to the contribution to the health care fund, which, due to recent favorable plan experience, can be reduced from the original 4.80% rate to 4.20% to achieve non-rolling, 15-year solvency of the HCSF. A brief summary of the components of this proposal follows:

- A – Increase Active Member Contribution rate from 10% to 12% (in .5% increments from 2011 to 2014) and Police Employer Contribution rate from 19.5% to 24% (in increments of .5% in 2011 and 2% in years 2012 and 2013)
- B – Normal Service Retirement Age of 52 for New Hires effective January 1, 2012
- C – Delay the commencement of Cost of Living Adjustment (COLA) until Age 55 for all members except Beneficiaries effective January 1, 2011

- D1 – Additional 1% employer contributions for both Police and Fire beginning January 1, 2014 to make fully phased in contribution equal to 25.00%
- D2 – Beginning January 1, 2011, reallocate 1.95% of the 6.75% employer contribution rate allocated to health care back towards the pension unfunded accrued liability rate. Note that the 1.95% figure was 1.50% in the original plan. These numbers were selected to result in a 15 year solvency period in the HCSF.
- D3 – Reduce DROP interest credit from 5% to 3% effective January 1, 2011
- D4 – Redefine Average Annual Salary to mean the highest average annual salary for a member during any 5 years of contributions (currently 3 years) effective January 1, 2011 for members with less than 15 years of service upon effective date
- D5 – Change minimum no penalty DROP period to 5 years for new DROP participants
- D6 – Tie health care premium subsidy to years of service for new retirees (health care indexing), reducing employer contribution allocation to health care to 4.20% for 15-year, non-rolling solvency

Based on the 2010 valuation results, we estimate this proposal would reduce the pension funding period to 24 years and the HCSF solvency period would be 2024.

Scenario 2 – No Increase in Contribution Rates, Target Rolling 15-Year Solvency (Pension funding subordinate to HCSF funding)

This is the same as Scenario 1 except as follows:

- Make no changes to the employer and member contribution rates (A and D1), that is keep the rates at 19.50%, 24.00% and 10.00% respectively
- Eliminate COLAs while member is in DROP for all members going forward
- Create a variable % to be allocated to the HCSF to keep the fund in line with 15-year solvency on a rolling basis. Any remaining contribution goes toward the unfunded pension liability

We estimate the contribution to the HCSF could start at 4.20% of payroll for 2010 to achieve 15-year solvency, but then would need to increase annually by 0.2%-0.3% of payroll in order to maintain a rolling 15-year solvency. The contribution toward the unfunded would start at 8.32% of payroll but decrease annually as the health care contribution increases. At these projected contribution rates, the funding period for the pension plan would be infinite.

See Exhibit B for a projection of contribution rates.

Scenario 3A – No Increase in Contribution Rates, Target 30-Year Funding and Rolling 15-Year Solvency (Determine if HCSF and Pension Funding are sufficient)

This is the same as Scenario 2 except we determined the amount of contributions that would be sufficient to achieve both 30-year pension funding and maintain 15-year rolling solvency of the HCSF. The total employer contribution rate is 21.59% of payroll. Of that amount, 9.07% is allocated to pension normal cost, leaving 12.52% for funding of the pension UAL and the HCSF. In 2010, a contribution rate of 9.87% to the UAL is sufficient to achieve 30-year pension funding and the amount of contributions needed to achieve a 15-year rolling solvency starts at 4.20%, for a total of 14.07%. The 14.07% required to achieve these goals is larger than the 12.52% available, and thus scenario 3A is not achievable.

Note that after 2010, the 4.20% contribution for the HCSF would need to increase annually by 0.2%-0.3% of payroll in order to maintain a rolling 15-year solvency. This was determined as part of the analysis for Scenario 2 and can be found in the third column of Exhibit B.

Scenario 3B – No Increase in Contribution Rates, Target 30-Year Funding (HCSF funding subordinate to Pension funding)

This is the same as Scenario 2 except with the objective of achieving 30-year pension funding with any remaining contribution going toward the HCSF. Under this Scenario, 30-year funding would be achieved by reducing the HCSF contribution to 2.65% of payroll. The HCSF solvency period would be 2018.

Scenario 3C – No Increase in Contribution Rates, Target 39-Year Funding (HCSF funding subordinate to Pension funding)

This is the same as Scenario 2 except with the objective of achieving 39-year pension funding, with any remaining contribution going toward the HCSF. Under this Scenario, 39-year pension funding would be achieved by reducing the HCSF contribution to 3.80% of payroll. The HCSF solvency period would be 2022.

Scenario 4 – Increase in Member Contributions, DROP Interest Crediting Rate Adjustment and Reduction in Percentage of Member Contributions Credited Towards DROP Accruals (HCSF funding subordinate to Pension funding)

This is the same as Scenario 3C except as follows:

- Reduce the percentage of the member contribution that gets credited to their DROP accruals: 50% for years 1-3, 75% for years 4-5 and 100% for years 6-8 for new DROP participants
- Change the rate of DROP accrual interest crediting to a quarterly adjusted rate based on the 5-Year U.S. Treasury Note Business Day Series with a 5% cap
- Increase Active Member Contribution rate from 10% to 12% (in .5% increments from 2011 to 2014), also included in Item A under Scenario 1

Under this scenario, 39-year pension funding would be achieved by reducing the HCSF contribution rate to 5.20% of payroll. The HCSF solvency period would be 2029.

Scenario 5 – Increase in Member Contributions, DROP Interest Crediting Rate Adjustment and Reduction in Percentage of Member Contributions Credited Towards DROP Accruals (HCSF funding subordinate to Pension funding)

This is the same as Scenario 3C except as follows:

- Reduce the percentage of the member contribution that gets credited to their DROP accruals: 50% for years 1-3, 75% for years 4-5 and 100% for years 6-8 for new DROP participants
- Change the rate of DROP accrual interest crediting to a quarterly adjusted rate based on the 10-Year U.S. Treasury Note Business Day Series with a 5% cap
- Increase Active Member Contribution rate from 10% to 12.25% upon the effective date of pension legislation reform

Under this scenario, 36-year pension funding would be achieved by reducing the HCSF contribution rate to 5.20% of payroll. The HCSF solvency period would be 2029.

Assumptions and Methods

This actuarial analysis is generally based on the same methods, assumptions, and data that were used for the January 1, 2010 annual actuarial valuation. This includes the use of the entry-age funding method, an assumed interest rate of 8.25% and annual payroll growth assumption of 4%.

For estimating the financial impact of changing the normal retirement age from 48 to 52, we changed the assumed rates of retirement for ages 48-51 to zero and increased the rate for age 52 to 35%.

For estimating the impact of changing the DROP accrual interest rate from 5% to an indexed rate based on 5-Year U.S. Treasury rates and 10-Year U.S. Treasury Rates, we assumed an average annual interest crediting rate of 4% and 4.5% respectively. We developed this assumption based in part on historical rates of return for 5-Year and 10-Year U.S. Treasuries published by the Federal Reserve for 1962-2010. Historically, the 5-Year and 10-Year rates have consistently exceeded 5% except during the 1960s and, recently, since the late 1990s when rates have been at or near historical lows. Using the published Treasury rates and applying OP&F's proposed 5% ceiling, we estimated average historical rates over various 10-, 20- and 30-year periods since 1962 to be between 3% and 5%, with the 10-Year Treasury Rates being higher than the 5-year Treasury Rates. For the purpose of this estimate, we used the mid-point of 4% for the 5-Year Treasury crediting with an incrementally higher amount of 4.5% for the 10-Year Treasury crediting.

OP&F utilizes a smoothing method for developing the Actuarial Value of Assets for the pension plan, which recognizes market gains and losses over a period of time rather than all at once. The application of this method leaves a net deferred investment loss of \$1.7 billion as of January 1, 2010, making further deterioration in the funded percentage and funding period likely over the next few years unless there are gains (market or otherwise) to offset these losses. A proposal that appears to achieve 30-year funding based on this analysis may no longer meet this objective as early as the January 1, 2011 valuation.

Note that we have not analyzed the impact of these proposals on DROP neutrality.

Mr. William J. Estabrook
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This analysis was determined on a consistent and objective basis in accordance with applicable Actuarial Standards of practice and generally accepted actuarial procedures. We certify that the below are Members of the American Academy of Actuaries and meet its qualification standards for issuing this Statement of Actuarial Opinion.

Please call if you have any questions.

Sincerely,



Larry Langer, ASA, EA
Principal, Consulting Actuary



Paul R. Wilkinson, ASA, EA
Director, Consulting Actuary

LFL/PRW:pl
19428/C####RET01-30-Yr-Fund-Task-Force January 25 2011.doc

Enc.

cc: Scott Miller
Arleen Rhodes
Keith Byrd
Marco Ruffini

OHIO POLICE & FIRE PENSION FUND

30-Year Funding Estimates Prepared January 25, 2011

All figures are based on assumptions, methods and data submitted for the January 1, 2010 valuation

EXHIBIT A

Summary of Scenarios 1 - 5

		Results as of January 1, 2010							
Scenario	Pension Unfunded Accrued Liability (UAL)	Pension Amortization Period in Years	Pension Funded Percentage	Pension UAL Contribution Rate	Pension Total Contribution Rate	HCSF Contribution Rate	HCSF Projected Solvency Year	Total Employer Rate	Additional Reduction in Pension UAL Needed to Reach 30 Years
Current Plan	\$ 4,037,000,000	Infinite	72.8%	2.43%	14.84%	6.76%	2040	21.59%	\$ 3,233,000,000
Scenario 1 Originally proposed Sept 2009, with effective dates moved back 1 year: - Increase Active Member Contribution rate from 10% to 12%, .5% per year 2011-2014 - Increase Police Employer Contribution rate from 19.5% to 24%, .5% for 2011, 2% for 2012 and 2013 - Raise normal service retirement age to 62 for New Hires starting in 2012 (members may not enter DROP prior to normal service retirement age) - Delay Cost of Living Adjustments until age 55 (excluding Beneficiaries) starting in 2012 - Additional Police & Fire Employer contributions of 1.00% beginning in 2014 to make fully phased in contribution equal to 25.00% - Reallocate 1.50% from the health care contribution rate toward the pension unfunded contribution rate - Change the DROP crediting rate to 3% - Redefine Average Annual Salary to mean the highest average annual salary for a member during any 5 years of contributions (currently 3 years) effective January 1, 2011 for members with less than 15 years of service upon the effective date - Change the minimum no penalty DROP period to 5 years for new DROP participants - Tie the health care premium subsidy to years of service for new retirees (health care indexing), reducing the employer contribution allocation to health care to achieve non-rolling 15 year solvency (solved through 2024)	\$ 3,486,000,000	24	75.6% (12.93% once contribution increase fully phased in)	17.39% (20.80% once contribution increase fully phased in)	4.20%	2024	21.59% (25.00% once contribution increase fully phased in)	\$ (453,000,000)	

Ohio Police & Fire Pension Fund

30-Year Funding Estimates Prepared January 25, 2011
 All figures are based on assumptions, methods and data submitted for the January 1, 2010 valuation

EXHIBIT A

Summary of Scenarios 1 - 5

Results as of January 1, 2010

Scenario	Pension Unfunded Accrued Liability (UAL)	Pension Amortization Period in Years	Pension Funded Percentage	Pension UAL Contribution Rate	Pension Total Contribution Rate	HCSF Contribution Rate	HCSF Projected Solvency Year	Total Employer Rate	Additional Reduction in Pension UAL Needed to Reach 30 Years
Scenario 2 Same as scenario 1 except: - Remove proposed changes to employer and employee contribution rates and health care contribution - Eliminate COLAs during DROP - Create variable % health care contribution for rolling 15-year solvency, with any remaining contribution going toward unfunded pension liability	\$ 3,214,000,000	Infinite	77.1%	8.32% (Will decrease as future health care contribution rates increase)	17.39% (Will decrease as future health care contribution rates increase)	4.20% (Will increase annually to maintain rolling 15-year solvency)	15-years from the valuation date (rolling)	21.59%	\$ 1,408,000,000
Scenario 3A Same as scenario 2 except: - Create variable % health care contribution to achieve 30-year pension funding and maintain rolling 15-year solvency	\$ 3,214,000,000	30	77.1%				15-years from the valuation date (rolling)	21.59%	
Scenario 3B Same as scenario 2 except: - Create variable % health care contribution to achieve 30-year pension funding	\$ 3,214,000,000		77.1%	9.87%	18.84%	2.65%	2018	21.59%	\$ -
Scenario 3C Same as scenario 2 except: - Create variable % health care contribution to achieve 39-year pension funding	\$ 3,214,000,000	39	77.1%	8.72%	17.79%	3.80%	2022	21.59%	\$ 385,000,000
Scenario 4 Same as scenario 3C except: - Reduce the percentage of the member contribution that gets credited to their DROP accruals: 50% for years 1-3, 75% for years 4-5, and 100% for years 6-8. - Change DROP interest credit to the 5-year Treasury rate with a 5% cap - Increase Active Member Contribution rate from 10% to 12%, .5% per year 2011-2014	\$ 3,262,000,000	39	76.8%	7.13%	16.39%	5.20%	2029	21.59%	\$ 386,000,000
Scenario 5 Same as scenario 3C except: - Reduce the percentage of the member contribution that gets credited to their DROP accruals: 50% for years 1-3, 75% for years 4-5, and 100% for years 6-8. - Change DROP interest credit to the 10-year Treasury rate with a 5% cap - Increase Active Member Contribution rate from 10% to 12.25% upon signature into law	\$ 3,275,000,000	36	76.7%	7.14%	16.39%	5.20%	2029	21.59%	\$ 309,000,000

Scenario 3A will not work without additional plan changes or additional contributions.

Ohio Police & Fire Pension Fund

30-Year Funding Estimates Prepared January 25, 2011

All figures are based on assumptions, methods and data submitted for the January 1, 2010 valuation

EXHIBIT B

Projection of Contribution Rates to Achieve Rolling 15-Year Solvency Under Scenario 2

Allocation of Employer Contribution									
Year	Total Employer Rate	-	Health Care Allocation for Rolling 15-Year Solvency	=	Remaining for Pension	-	Pension Normal Cost	=	Remaining for UAL
2010	21.59%		4.20%		17.39%		9.07%		8.32%
2011	21.59%		4.43%		17.16%		9.07%		8.09%
2012	21.59%		4.66%		16.93%		9.07%		7.86%
2013	21.59%		4.89%		16.70%		9.07%		7.63%
2014	21.59%		5.12%		16.47%		9.07%		7.40%
2015	21.59%		5.36%		16.23%		9.07%		7.16%
2016	21.59%		5.59%		16.00%		9.07%		6.93%
2017	21.59%		5.82%		15.77%		9.07%		6.70%
2018	21.59%		6.05%		15.54%		9.07%		6.47%
2019	21.59%		6.26%		15.33%		9.07%		6.26%
2020	21.59%		6.47%		15.12%		9.07%		6.05%
2021	21.59%		6.67%		14.92%		9.07%		5.85%
2022	21.59%		6.87%		14.72%		9.07%		5.65%
2023	21.59%		7.08%		14.51%		9.07%		5.44%
2024	21.59%		7.29%		14.30%		9.07%		5.23%
2025	21.59%		7.51%		14.08%		9.07%		5.01%
2026	21.59%		7.80%		13.79%		9.07%		4.72%
2027	21.59%		8.10%		13.49%		9.07%		4.42%
2028	21.59%		8.41%		13.18%		9.07%		4.11%
2029	21.59%		8.71%		12.88%		9.07%		3.81%
2030	21.59%		9.01%		12.58%		9.07%		3.51%
2031	21.59%		9.31%		12.28%		9.07%		3.21%
2032	21.59%		9.61%		11.98%		9.07%		2.91%
2033	21.59%		9.91%		11.68%		9.07%		2.61%
2034	21.59%		10.21%		11.38%		9.07%		2.31%

Based on Buck Consultants' January 1, 2010 projection of HCSF solvency (based on 8.25% interest rate), the contribution rate for health care will increase annually to maintain a rolling 15-year solvency period. As a result, the pension UAL contribution rate will decrease annually, which will be insufficient to amortize the UAL over 30 years.

Ohio Police & Fire Pension Fund

30-Year Funding Estimates Prepared January 25, 2011
 All figures are based on assumptions, methods and data submitted for the January 1, 2010 valuation

EXHIBIT C

Components of Scenario 5

(Note: The order of the components impacts the "Progress towards Reduction in Unfunded Needed to reach 30 Years")

Estimated Results as of January 1, 2010										
Proposed Components (Each component is added to previous)	Pension Unfunded Accrued Liability (UAL)	Pension Amortization Period in Years	Pension Funded Percentage	Pension UAL Contribution Rate	Pension Total Contribution Rate	HCSF Contribution Rate	HCSF Projected Solvency Year	Total Employer Rate	Progress towards Reduction in Unfunded Needed to reach 30 Years	Additional Reduction in Unfunded Needed to reach 30 Years
Current Plan	\$ 4,037,000,000	Infinite	72.8%	2.43%	14.84%	6.75%	2040	21.59%		\$ 3,233,000,000
1 Increase Active Member Contribution rate from 10% to 12.25% upon signature into law	\$ 4,070,000,000	Infinite	72.8%	4.51%	14.84%	6.75%	2040	21.59%	\$ 546,000,000	\$ 2,687,000,000
2 Raise normal Service Retirement Age from 48 to 52 for new hires only	\$ 4,122,000,000	Infinite	72.4%	5.30%	14.84%	6.75%	2040	21.59%	\$ 203,000,000	\$ 2,484,000,000
3 Delay Cost of Living Adjustments until age 55 (excluding beneficiaries)	\$ 3,636,000,000	Infinite	74.8%	6.55%	14.84%	6.75%	2040	21.59%	\$ 893,000,000	\$ 1,591,000,000
4 Change the DROP interest rate to the 10-year Treasury rate with a 5% cap	\$ 3,633,000,000	Infinite	74.8%	6.58%	14.84%	6.75%	2040	21.59%	\$ 12,000,000	\$ 1,579,000,000
5 Redefine "Average Annual Salary" as the highest 5 years of contributions (Only for members with less than 15 years of service at the implementation date)	\$ 3,572,000,000	Infinite	75.1%	7.03%	14.84%	6.75%	2040	21.59%	\$ 207,000,000	\$ 1,372,000,000
6 Change the minimum DROP participation period to 5 years	\$ 3,539,000,000	Infinite	75.3%	7.13%	14.84%	6.75%	2040	21.59%	\$ 65,000,000	\$ 1,307,000,000
7 Tie health care premium subsidy to years of service	\$ 3,539,000,000	Infinite	75.3%	7.13%	14.84%	6.75%	2044	21.59%	\$ -	\$ 1,307,000,000
8 Eliminate COLAs during DROP	\$ 3,295,000,000	67	76.6%	7.81%	14.84%	6.75%	2044	21.59%	\$ 465,000,000	\$ 842,000,000
9 Reduce the percentage of the member contribution that gets credited to their DROP accruals: 50% for years 1-3, 75% for years 4-5, and 100% for years 6-8.	\$ 3,275,000,000	63	76.7%	7.84%	14.84%	6.75%	2044	21.59%	\$ 30,000,000	\$ 812,000,000
10 Create variable % health care contribution to achieve 36-year pension funding	\$ 3,275,000,000	36	76.7%	9.39%	16.39%	5.20%	2029	21.59%	\$ 503,000,000	\$ 309,000,000

Information critical to the understanding of the analysis above can be found in our cover letter dated January 25, 2011 regarding "Ohio Police & Fire Pension Fund – 30 year Funding Plan Update".

**OHIO POLICE & FIRE PENSION FUND
140 EAST TOWN STREET
COLUMBUS, OHIO 43215
614/228-2975**

M E M O R A N D U M

Date: January 25, 2011
To: Board of Trustees
Through: William J. Estabrook, Executive Director *WJE*
From: Mary Beth Foley, General Counsel *MBF*
Subject: 2011 30 - Year Funding Plan
Action Number: 2011 01 001 BOT

Motion:

Mr. Montgomery moved, seconded by Mr. Deighton, that the Board adopt the 2011 30 - Year Funding Plan to be submitted to the Ohio Retirement Study Council ("ORSC") in the form presented to the Board by its actuary on January 25, 2011 with a correction to item #10 on Exhibit C.

Ayes: Baker, Deighton, Gallagher, Heller, Owsiany and Witner
Nays: Harrell, Petrick and Montgomery

Motion Carried.