

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
November 15, 2012**

Members Present: Elaine Kramer, Chief Financial Officer
Captain Terry Black, Sheriff's Office Representative
Sergeant Edward Evans, Sheriff's Office Representative
Doug Ahearn, Citizen Member
Susan Sabo, Acting County Administrator

Others Present: Karen Gates, Benefits Coordinator
Tom Lowman, Bolton Partners
Mark Kelbaugh, Bolton Partners
Jeff Seibel, Morgan Stanley

CALL TO ORDER

The meeting was called to order at 1:03 p.m.

ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented by Sue Sabo.

APPROVAL OF MINUTES

Elaine Kramer made a motion, seconded by Doug Ahearn, to approve the August 23, 2012 meeting minutes. Motion carried.

APPROVAL OF 2013 MEETING SCHEDULE

The Sheriff's Office Retirement Plan Board of Trustees meeting schedule for 2013 was accepted as presented by Sue Sabo.

ACTUARIAL REPORT – BOLTON PARTNERS

Tom Lowman presented the Sheriff's Office Retirement Plan Actuarial Valuation results for the Plan as of July 1, 2012. Mr. Lowman recommended that the Plan change its mortality table from the RP2000 Blue Color table to a generational mortality table.

VESTMENT PERFORMANCE REPORT as of September 30, 2012 PRESENTED BY MORGAN STANLEY

Morgan Stanley representative Jeff Seibel provided an overview of the Plan's third quarter 2012 performance. Mr. Seibel stated that the Plan's portfolio under-performed just a little based on the Plan's asset allocation and fund managers Horizon Hancock and Tradewinds Global. The beginning market value for the third quarter was at \$46,906,891 with an ending market value of \$49,036,199 as of September 30, 2012.

Mr. Seibel recommended the following action plan to the Board:

1. Remove Tradewinds Global All-Cap (per Watch List) and replace with First Eagle Global (less 500k)
2. Remove Hancock Horizon Large Value (per Watch List) and replace with Vanguard Total Market ETF (less 1MM)
3. Add 1MM to iShares MSCI EAFE ETF

4. Add 2.5MM in Millennium Strategic Capital Hedge Fund to replace liquidating position in MS Portable Alpha Fund
5. Add 1MM to Goldman Sachs Private Equity XI offering
6. Rebalance portfolio by reducing Calamos Growth by 250K, reducing Hamlin Equity Income by 250 K and reducing Cash by 2.5MM.
7. Discuss process to draft new Investment Policy Statement (IPS) to clarify the section on the plan's strategic target asset allocation and its allowable investment ranges and to make the section on asset allocation an addendum of the IPS.

Doug Adhearn made a motion, seconded by Elaine Kramer to proceed with action on item numbers 1, 2, 3, 5, and 6. Motion carried.

Item #4 (Add 2.5MM in Millennium Strategic Capital Hedge Fund to replace liquidating position in MS Portable Alpha Fund) and Item #7 (Discuss process to draft new Investment Policy Statement (IPS) to clarify the section on the plan's strategic target asset allocation and its allowable investment ranges and to make the section on asset allocation an addendum of the IPS) will be carried over to the January 24, 2013 meeting. Jeff will draft a revision to the Investment Policy Statement and send to Sue for the Board to review at its January 2013 meeting.

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

9/12/12	Bolton Partners	Consulting services for month ending 8/31/12 (valuation preparation as of 7/1/12 in process; benefit calculations for Perkins and Noyes).	\$ 4,350.00 \$123.00 \$123.00
9/12/12	Whiteford, Taylor & Preston	Professional services through 8/31/12 (draft plan amendment)	\$1,085.00
10/15/12	Bolton Partners	Consulting services for month ending 9/30/12 (SORP valuation , benefit calculation for wood, benefit statements).	\$5,804.00
11/5/12	Whiteford, Taylor & Preston	Consulting services for month ending 10/31/12 (update changes to ninth amendment)	\$280.00
		TOTAL:	\$11,765.00

NEXT MEETING

The next meeting is scheduled for Thursday, January 24, 2013.

ADJORNMENT

The meeting adjourned at approximately 3:35 p.m.

Respectfully submitted,

Karen Gates
Recorder

APPROVED:

Susan L. Sabo
Chair