

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
February 24, 2011**

Members Present: John Savich, County Administrator
Elaine Kramer, Chief Financial Officer
Doug Ahearn, Citizen Member
Captain Terry Black, Sheriff's Office Representative
Susan Sabo, Plan Administrator

Others Present: Karen Gates, Benefits Coordinator
Mike Holycross, Morgan Stanley
Drew Romans, Morgan Stanley

Members Absent: Sergeant Edward Evans, Sheriff's Office Representative

Others Absent: David Weiskopf, Deputy County Attorney

CALL TO ORDER

The meeting was called to order at 2:15 p.m.

ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented by John Savich.

APPROVAL OF MINUTES

Doug Ahearn made a motion, seconded by Elaine Kramer, to approve the November 18, 2010 meeting minutes. Motion carried.

FOURTH QUARTER FINANCIAL REPORT BY MORGAN STANLEY

Drew Romans provided an overview of the Plan's 2010 fourth quarter performance. The beginning market value for the current quarter was at \$38,269,655 with a gain of \$2,290,358. This gain resulted in an ending market value of \$41,255,533. Mr. Romans noted that three investment managers had outstanding returns for the quarter: Calamos Growth, Tradewinds Sm/Mid Value, and Wentworth Hauser.

Mike Holycross reiterated the steps to be taken with respect to under-performing managers. Mr. Holycross provided an introduction to dividend paying stocks. Dividend paying stocks have outperformed non-payers during the ten worst calendar years. Mr. Holycross gave an overview of Hamlin Capital Management, LLC. Hamlin focuses on dividend equities and high yield municipal bond strategies.

After discussing the 4th Quarter 2010 investment performance, the under performance of fund manager Artio International, and dividend paying stocks, a motion was made by Doug Ahearn, seconded by Terry Back, to rebalance the Plan's portfolio which included the following changes:

1. Terminate the Artio International fund manager
2. Retain Hamlin Equity Income Dividend strategy
3. Switch Tradewinds Small/Mid Value to Tradewinds Global

Motion carried.

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

11/29/10	Bolton Partners	Consulting services through 10/31/10 (valuation preparation, benefit statements, 2 benefit calculations)	\$ 5,560.00
12/17/10	Bolton Partners	Consulting services through 11/30/10 (change in assumption study, meeting on 11/18/10, revised valuation report)	\$6,140.00
1/18/11	Bolton Partners	Consulting services through 12/31/10 (two benefit calculations, one benefit refund calculation, extra contribution analysis)	\$1,757.00
2/1/11	RCM&D	Fiduciary Insurance	\$7,273.00
2/15/11	Whiteford, Taylor & Preston	Professional services through 1/31/11 (IRS submission for revised Favorable Determination Letter, updated working copy of plan document to include all new amendments)	\$3,585.00
2/9/11	Bolton Partners	Consulting services through 1/31/11 (refund calculation)	\$190.00
2/28/11	Stephen R. Matz, M.D.	Independent Medical Examination for C. Morley	\$800.00
		TOTAL:	\$25,305.00

NEXT MEETING

There will be no meeting on March 24, 2011. The next meeting will be held on Thursday, April 28, 2011.

ADJORNMENT

The meeting adjourned at approximately 3:15 p.m.

Respectfully submitted,

APPROVED:

Karen Gates
Plan Coordinator

John W. Savich
Chair