

**Sheriff's Office Retirement Plan (SORP) Board Meeting Minutes**  
**Thursday, January 24, 2019**

Generated by Karen Gates on Friday, February 22, 2019

**Members Present**

Dr. Rebecca Bridgett  
Jeannett Cudmore  
Sgt. Clay Stafford  
Catherine Pratson, Plan Administrator  
Karen Gates, Recorder

**Members Absent**

Sgt. Shawn Moses  
Dr. Tracy Harris

**Others Present**

Thomas Lowman, President, Bolton Retirement  
James Ritchie, Senior Actuary, Bolton  
Jeff Seibel, Vice President, Financial Advisor, Morgan Stanley

**1. CALL TO ORDER**

The SORP meeting was called to order by Dr. Rebecca Bridgett at 1:12 p.m.

**2. ROLL CALL**

**A. Approval of SORP Meeting Agenda**

The SORP meeting agenda was approved as presented by Dr. Bridgett.

**B. Approval of November 15, 2018 SORP Minutes**

**Motion 1.** I move to approve the SORP meeting minutes of November 15, 2018.

Motion by Jeannett Cudmore, second by Sgt. Clay Stafford  
Final Resolution: Motion Carries  
Yea: Rebecca Bridgett, Sgt. Clay Stafford, Jeannett Cudmore  
Not present at Vote: Sgt. Shawn Moses, Dr. Tracy Harris

**3. PRESENTATION**

**A. Presentation - Bolton**

**Present:** Thomas Lowman, President, Bolton Retirement and James Ritchie, Senior Actuary

Thomas Lowman and James Ritchie presented the results of the SORP Actuarial Valuation as of July 1, 2018 and requested the Board consider the following:

Update future assumptions to reflect the DROP

Continue to accrue costs while actually working

Treat DROP start date similar to a retirement date (recommended by GASB)

Re-amortize unfunded liability

New base established each year to amortize changes - generally over 20 years

Current average period is about 15 years

May "re-start" amortizations at 20 year

Payroll growth assumption

Currently 3.75%

Recommend 3% based on recent payroll changes

Average growth over the past 10 years has been 3%

Bolton will provide cost estimates of the various scenarios and present the results to the Board at the February 28, 2019 SORP Meeting.

## **B. Presentation - Morgan Stanley**

**Present:** Jeff Seibel, Vice President, Financial Advisor

Jeff Seibel presented the SORP 4th Quarter 2018 Performance Report and recommended tactical investment changes.

**Motion 1** - I move to approve tactical investment changes as presented by Morgan Stanley as follows:

Remove 1.9% from Pacer Nasdaq 100 ETF  
Increase Vanguard Total Stock Market ETF by 1.9%

Remove 3.7% from iShares Emerging Markets EFT (EEM), 1.5% from Small/Mid-Cap (Kayne Anderson), and 0.5% from Cash  
Increase SPDR Emerging Markets ETF (SPEM) by 5.7%

Remove 1.0% from Cambiar International and 1.0% from Thornburg International Growth  
Increase Hartford Developed Markets ex-US EFT by 2.0%

Remove .05% from Cash  
Increase Blackstone Income Trust by 0.5%

Motion by Sgt. Clay Safford, second by Jeannett Cudmore  
Final Resolution: Motion Carries

Yea: Rebecca Bridgett, Sgt. Clay Stafford, Jeannett Cudmore  
Not present at Vote: Sgt. Shawn Moses, Dr. Tracy Harris

**Motion 2** - I move to approve a 1.5% commitment to Blackstone/GSO Secured Lending Fund BDC.

Motion by Jeannett Cudmore, second by Sgt. Clay Safford  
Final Resolution: Motion Carries  
Yea: Rebecca Bridgett, Sgt. Clay Safford, Jeannett Cudmore  
Not present at Vote: Sgt. Shawn Moses, Dr. Tracy Harris

**Motion 3** - I move to approve 1.5% commitment to Bridge Multifamily IV.

Motion by Sgt. Clay Safford, second by Jeannett Cudmore  
Final Resolution: Motion Carries  
Yea: Rebecca Bridgett, Sgt. Clay Safford, Jeannett Cudmore  
Not present at Vote: Sgt. Shawn Moses, Dr. Tracy Harris

## **C. Discussion - Morgan Stanley**

**Present:** Jeff Seibel, Vice President, Financial Advisor

Jeff Seibel discussed the Plan's investment returns. The current Investment Policy Statement (IPS) will be distributed to all Board members and added to the agenda for discussion at the April 2019 meeting.

#### **4. OLD BUSINESS**

##### **A. Open Meetings Act**

Dr. Bridgett discussed that the St. Mary's County Open Meetings Act does not contain a provision for the SORP Board to hold a closed meeting to consider proprietary or confidential information without modification of the act. The requisite for closed or confidential information will be considered by the County Attorney on a case-by-case basis.

##### **B. DROP Program Update**

Catherine Pratson advised the Board that there was a discrepancy between the DROP plan the SORP members approved and the 15th Amendment prepared by the Plan Attorney. A recommendation was made to address the discrepancy.

I move to approve the correction of the 15th amendment to include language reflecting that as long as at least 3 years of DROP participation is attained, a participant may receive payment of a DROP account at termination of employment; the effective date of the DROP (including the clarifying language) will remain January, 1, 2019; SORP Plan amendments 1-15 will be incorporated into the Plan Document, thus restating the Plan Document; and the restated Plan Document, incorporating amendments 1-15, including the corrected 15th amendment (DROP) will be brought before the Commissioners for approval.

Motion by Jeannett Cudmore, second by Sgt. Clay Stafford.

Final Resolution: Motion Carries

Yea: Rebecca Bridgett, Sgt. Clay Stafford, Jeannett Cudmore

Not present at Vote: Sgt. Shawn Moses, Dr. Tracy Harris

#### **5. NEW BUSINESS**

##### **A. SORP 2019 Meeting Schedule**

I move to approve the 2019 SORP Meeting Schedule.

Motion by Jeannett Cudmore, second by Clay Stafford

Final Resolution: Motion Carries

Yea: Rebecca Bridgett, Sgt. Clay Stafford, Jeannett Cudmore

Not present at Vote: Sgt. Shawn Moses, Dr. Tracy Harris

#### **6. COMMITTEE REPORTS**

##### **A. Administrator's Report**

I move to approve the Administrator's Report dated January 24, 2019.

Motion by Jeannett Cudmore, second by Sgt. Clay Safford.

Motion Carries

Yea: Rebecca Bridgett, Sgt. Clay Stafford, Jeannett Cudmore

**7. PUBLIC COMMENTS**

None.

**8. ADJOURN**

**A. Adjourn**

The meeting adjourned at approximately 2:35 p.m.