

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
October 27, 2016**

Members Present: Dr. Rebecca Bridgett, County Administrator
Captain Terry Black, Sheriff's Office Representative
Lt. Edward Evans, Sheriff's Office Representative
Dr. Tracy Harris, Citizen Representative

Others Present: Catherine Pratson, Plan Administrator
Karen Gates, Recorder

Absent: Jeannett Cudmore, Chief Financial Officer

Call to Order

The meeting was called to order at 1:05 p.m.

Acceptance of the Agenda

The agenda was accepted as presented by Rebecca Bridgett.

Approval of Minutes

Tracey Harris made a motion, seconded by Terry Black, to approve the corrected minutes from the August 25, 2016 meeting. Motion carried.

Terry Black made a motion, seconded by Tracey Harris, to approve the minutes from the September 22, 2016. Motion carried.

Presentation by Morgan Stanley – 3rd Quarter 2016 Financial Review

Jeff Seibel noted that the investment returns on the bond funds were down for the current quarter and that the Templeton Global Bond fund was still not doing well.

The Combined Account portfolio was up 3.55% for the quarter, the Domestic Equity portfolio was up 5.07% for the quarter, the International Equity portfolio was up 7.39% for the quarter, the Fixed Income portfolio was up slightly 1.36% for the quarter, the Real Estate portfolio was up 1.24% for the quarter, and the Hedge Funds & Private Equity portfolio was up 2.03% for the quarter. The beginning market value of the Plan was \$68,167,384 and the ending Market Value of the Plan was \$71,071,232.

Morgan Stanley made the following recommendations:

1. Decrease the iShares Morningstar Large Growth ETF fund by 1.8%; increase the Loomis Sayles Large Growth fund by 1.8%
2. Decrease the Templeton Global Bond fund by 0.9%; increase the iShares TIPS ETF fund by 0.9%

3. Decrease cash by 2%
 - a. Increase the Loomis Sayles Large Growth fund by 1.0%
 - b. Increase the iShares Russell 1000 Value ETF fund by 0.5%
 - c. Increase the IShares Emerging Markets ETF by 0.5%
4. Decrease the Liquid Markets Hedge fund by 1.2%; increase the Graham Absolute Return fund by 1.2%

Terry Black made a motion, seconded by Edward Evans, to rebalance the above funds as recommended by Morgan Stanley. Motion Carried.

Morgan Stanley Agenda for January 2017 Meeting

- End of Year Review
- Private Equity / Real Estate / Hedge Fund Positioning

Update of Eleventh Amendment

The Commissioners of St. Mary's County signed the Ordinance to approve the Eleventh Amendment to the St. Mary's County Sheriff's Office Retirement Plan on October 11, 2016. The amendment, which is effective October 1, 2016, excludes contractual employees from the definition of "covered employee" for the purposes of participating in the Sheriff's Office Pension Plan.

Pre-Trial Case Manager Position

Capt. Michael Merican gave the Board an overview of the Pre-Trial Services Case Manager position. Inquiries were made to local agencies to determine the position classification of Pre-Trial employees within Corrections in other jurisdictions.

Terry Black made a motion, seconded by Edward Evans to amend the SORP Plan document to include the position of Pre-Trial Services Case Manager as eligible to participate in the Sheriff's Office Retirement Plan. Motion Carried.

The proposed amendment will be presented to the Commissioners of St. Mary's County with a request to schedule a public hearing for the Sheriff's Office Retirement Plan 12th Amendment.

SORP Meeting Schedule for 2017

The SORP Meeting Schedule for 2017 as presented by Karen Gates. Board members were asked to respond during the November meeting if there is any conflict with the proposed 2017 meeting schedule.

SORP Annual Benefit Statements

Terry Black asked if the SORP Annual Benefit Statements could include unused sick leave. Karen Gates will follow up with Bolton Partners to determine how this can be addressed.

Administrator's Report

BILLS PAID SINCE LAST MEETING:

DATE	PAYEE	TYPE SERVICE	AMOUNT
10/17/16	Bolton Partners	Professional services rendered through 09/30/16. - Lump sum distribution calculation - Annual SORP Benefit Statement preparation - Actuarial Valuation as of July 1, 2016 in progress	 \$ 135.00 \$1,435.00 \$8,000.00
TOTAL:			\$ 9,570.00

Next Meeting

The next meeting is scheduled for Thursday, November 17, 2016.

Adjournment

The meeting adjourned at approximately 2:10 p.m.

Respectfully submitted,

APPROVED:

Karen Gates
SORP Plan Coordinator

Dr. Rebecca B. Bridgett
Chair