

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
July 23, 2009**

Members Present: John W. Savich, County Administrator
Elaine M. Kramer, Chief Financial Officer
Daniel L. Morris, Citizen Member

Members Absent: Captain Terry L. Black
Sergeant Edward B. Evans

Others Present: Susan Sabo, Plan Administrator
Karen Gates, Benefits Coordinator
David Weiskopf, Deputy County Attorney
Mary Claire Chessire, Plan Attorney
Mike Holycross, Morgan Stanley
Drew Romans, Morgan Stanley

CALL TO ORDER

The meeting was called to order at 2:14 p.m.

ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented by John Savich with the exception of approving the new Investment Policy.

APPROVAL OF MINUTES

Approval of June 25, 2009 minutes will be carried over to next meeting.

OVERVIEW OF MAXIMUM LIMITATION ON BENEFITS ACCRUAL

Mary Claire Chessire (Plan Attorney) gave an overview of the limitations on benefit accruals under the Plan. These limitations are required to be included in the terms of the Plan pursuant to Section 415 of the Internal Revenue Code (the "Code"). The Code limits benefit accruals to prevent high paid employees from sheltering excessive retirement benefits from current income taxes and to prevent excessive tax deductions for organizations sponsoring the plans.

MORGAN STANLEY PRESENTATION

Investment Report

Mike Holycross from Morgan Stanley gave the investment performance report for the period ending June 30, 2009. The combined account returned a gain of 7.66% for the quarter. The year-to-date return was 5.06%. The beginning market value was \$26,370,841. Contributions were \$1,290,910, and withdrawals were \$531,962 with a net of \$758,948. Gains were \$1,976,950. The ending market value was \$29,106,738. Following the continued under performance of the Highland Floating Rate Fund, Morgan Stanley recommended replacing the Highland Floating Rate Fund with the Loomis Sayles Bond Fund. Morgan Stanley recommended terminating the phoenix Multi-Sector Fund, and transferring the proceeds into the Loomis Sayles Bond Fund. Elaine Kramer moved to accept Morgan Stanley's recommendation. Motion seconded by Dan Morris. Motion carried. It was decided to minimize Morgan Stanley's site visits. Morgan Stanley will present quarterly after each quarter's final results.

Investment Policy Change

Members reviewed investment manager fund performance during the last quarter and discussed proposed changes to the investment policy. Mike Holycross will send Sue Sabo the watch list criteria changes. The Watch List Procedures will be put on the agenda for the next meeting.

ACTUARIAL VALUATION FOR 2009

The Board discussed the necessity of conducting a special valuation in July 2009. All agreed to maintain the current biannual valuation process. Elaine Kramer moved that the Board maintain its current biannual valuation process. Motion seconded by Dan Morris. Motion Carried.

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

03/30/09 – Bolton Partners, Inc. for benefit calculation	\$ 330.00
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NEXT MEETING

The next meeting will be held on August 27, 2009.

ADJORNMENT

The meeting adjourned at approximately 3:40 p.m.

Respectfully submitted,

Karen Gates
Benefits Coordinator

APPROVED:

John W. Savich
Chair