

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
October 28, 2010**

Members Present: John Savich, County Administrator
Elaine Kramer, Chief Financial Officer
Doug Ahearn, Citizen Member
Captain Terry Black
Sergeant Edward Evans

Others Present: Susan Sabo, Plan Administrator
Karen Gates, Benefits Coordinator
David Weiskopf, Deputy County Attorney
Tom Bolton, Bolton Partners
Mark Kelbaugh, Bolton Partners

CALL TO ORDER

The meeting was called to order at 2:06 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 Sgt. Edward Evans, to approve the August 26, 2010 meeting minutes. Motion carried.

APPROVAL OF 2011 SORP MEETING SCHEDULE

Elaine Kramer made a motion, seconded by Doug Ahearn, to approve the 2011 SORP Meeting Schedule. Motion carried.

PRESENTATION BY BOLTON PARTNERS – JULY 1, 2010 ACTUARIAL VALUATION

Mr. Tom Lowman of Bolton Partners presented the July 1, 2010 *draft* Actuarial Valuation for the Sheriff's Office Retirement Plan. The valuation will set the County's contribution rate for fiscal years 2012 and 2013. The total recommended employer contribution for the plan years and fiscal years ending June 30, 2012 and June 30, 2013 is 36.2% of covered payroll. The market value of plan assets as of June 30, 2010 was \$34,829,002. This represents an increase of \$3,530,928 from the June 30, 2008 market value of 31,298,074. The report reflects one change in assumptions since the 2008 valuation; the turnover rates were lowered to 0.5% for those participants with at least 15 years of service. Mr. Lowman believes that this better reflects past experience and expectation for the foreseeable future. No other changes were made to the assumptions and no changes were made to the benefits since the 2008 valuation.

Mr. Lowman also reviewed the service-age-salary distributions, asset information, actuarial costs, and assumptions and methods. Currently, the SORP uses a Five-Year Smoothing Method. This method provides a means to reduce the impact of investment return volatility; investment gains and losses are spread over a five-year period. Mr. Lowman recommended no changes to the 5-year smoothing method. Mr. Lowman noted that the RP-2000 Blue Collar Mortality tables were used in the assumptions. Mr. Lowman suggested changing the mortality table in the next 2 years to a more conservative table.

The Board requested Bolton Partners provide information at the next meeting regarding the impact of making the following assumption changes:

- 1) reduce the investment return
- 2) close the amortization period
- 3) lower the disability assumption based on changes made 3 years ago and recent trend
- 4) revise the payroll assumption

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

09/17/10	Bolton Partners	Consulting services for month ending 8/31/10 (valuation preparation in progress, Presson rollover calculation)	\$ 1,000.00 \$ 150.00
10/07/10	Whiteford, Taylor & Preston L.L.P.	Professional Services through 9/30/10 (QDRO questions, transfer of service questions)	\$ 374.00

NEXT MEETING

The next meeting will be held on Thursday, November 18, 2010. Mark Kelbaugh will provide additional information regarding the actuarial valuation, and Morgan Stanley will present financial information for the 3rd quarter.

ADJORNMENT

The meeting adjourned at approximately 3:30 p.m.

Respectfully submitted,

APPROVED:

Karen Gates
Benefits Coordinator

John W. Savich
Chair