

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
March 31, 2016**

Members Present: Dr. Rebecca Bridgett, County Administrator
Jeannett Cudmore, Chief Financial Officer
Captain Terry Black, Sheriff's Office Representative
Lt. Edward Evans, Sheriff's Office Representative

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

Absent: Dr. Tracy Harris, Citizen Representative

Call to Order

The meeting was called to order at 1:00 p.m.

Acceptance of the Agenda

The agenda was accepted as presented by Rebecca Bridgett.

Approval of Minutes

Edward Evans made a motion, seconded by Jeannett Cudmore, to approve the February 25, 2016 meeting minutes. Motion carried.

Discussion of Amended Transition Rules

The Board reviewed the amended DROP transition rules submitted by Tom Lowman. The revision states "Eligible participants, who at the inception of the DROP program, have 28 or more years of creditable service will be allowed a 90 day period immediately following implementation of the DROP to elect to enter the DROP for a maximum of 2 years. Eligible participants, who at the inception of this DROP program, have more than 27 years of creditable service may elect to stay in the DROP for less than 3 years (but no more than 2 years if they have 28 years at the inception of the DROP).

Sgt. Evans noted that he has received a lot of feedback from the SORP members regarding the term of the DROP period for employees with 25 or more years of service. Sgt. Evans would like to get more feedback from the SORP members before going forward.

Terry Black would like to defer making a decision on the amended transition rules. He spoke with several participants in the plan and the amended language was not well received. Many members feel that all SORP members should be treated equally and be able to enter the DROP program for 5 years if they choose to do so regardless of their years of service.

Finalization of the transition rules will be deferred until the Board can get more feedback from the plan members.

Edward Evans made a motion, seconded by Jeannett Cudmore, to rescind the motion he made at the February 25, 2016 meeting that adopted the transition rules. Motion carried.

Unused Sick Leave

A suggestion was made by Lt. Evans to amend the Plan document to remove the cap from unused sick leave for purposes of calculating creditable service. Capt. Black suggested packaging together removal of the unused sick leave cap and the proposed amendment excluding "contractual deputies" from the definition of "covered employee" and to provide both recommendations to the Commissioners to bring forward for a Public Hearing.

The Board agreed to put the unused sick leave cap and transition rules on the agenda for the next meeting.

Advantage and Disadvantage of Hiring Contractual Deputies

Mary Claire Chesshire, Plan attorney, provided the Board with an outline of the advantages and disadvantages of hiring contractual deputies.

Advantage

The hiring of contractual deputies is beneficial for those individuals who are hired with the expectation that they will be short-term employees of the County. The County could receive a grant for a special project that requires filling a position that is appropriate to be filled by a sworn deputy. For example, if the County receives a grant for heightened alcohol enforcement activities and the grant is of a two-year duration, a retiree of the County or of another jurisdiction with the appropriate experience may be the best person to fill this short-term position. However, a retiree of the County may not agree to take the position if his or her benefit payments are suspended during re-employment. Likewise, the retiree of another jurisdiction may not want to take the position if it means making required contributions to the SORP with no anticipation of receiving a benefit from the SORP.

Disadvantage

A disadvantage of excluding contractual deputies from coverage under the Sheriff's Office Retirement Plan and not requiring that a Sheriff's Office retiree suspend benefit payments upon re-employment is the potential for manipulation of the retirement process and, in particular, the DROP currently under discussion. Specifically, if the DROP is implemented, an individual who elects a DROP period and, following expiration of the DROP period, does not want to terminate employment could begin to collect retirement benefits and have an informal agreement with the Sheriff to be rehired as a contractual deputy effectively eliminating the benefit of the DROP insofar as it relates to planned retirements and opening promotional opportunities.

In addition, a contractual employee would not be eligible for a death or disability benefit under the SORP, including for death or disability sustained in the line of duty. While other payments may be available to the contractual deputy or his or her beneficiaries by the County, the failure of the County to provide any sort of survivor benefit or disability benefits from the retirement plan may be a public relations issue.

Mary Claire Chesshire drafted the following amendment to the Plan Document:

First Change ó Section 1.05(1) shall be amended to read as follows:

- (1) *Covered Employee.* Except as otherwise provided in Section 1.06, "Covered Employee" means any Employee who is classified by the County as a Sheriff, a Deputy Sheriff, a correctional officer, or an Inmate Services Coordinator of the Sheriff's Office.

Notwithstanding the foregoing, a “Covered Employee” shall not include an individual classified by the County as a “contractual employee” whose employment is governed by a contract between the County of the St. Mary’s County Sheriff’s Office and the Employee.

The Board discussed the advantages and disadvantages. Capt. Black made a motion to accept the recommendation of the plan attorney, Mary Claire Chesshire, regarding covered employee under section 1.05(1) and amend the plan document as the language is written. Motion failed. Jeannett Cudmore made a motion, seconded by Edward Evans, to table the discussion until the next meeting.

Agenda for April 28, 2015 SORP Meeting

- Motion to amend Plan Document to remove cap from unused sick leave
- Discussion and motion to adopt DROP transition rules
- Discussion and motion to adopt amendment to eliminate coverage under the Plan by individuals hired by the Sheriff as “contractual deputies”

Administrator’s Report

BILLS PAID SINCE LAST MEETING:

DATE	PAYEE	TYPE SERVICE	AMOUNT
03/09/16	Bolton Partners	Professional services rendered through 2/29/16.	
		Lump sum distribution calculation for J. Bowling.	\$ 131.00
		Drop Study Meeting on 2/25/16	\$6,630.00
03/08/16	Whiteford, Taylor and Preston	Professional services rendered through 02/29/16.	
		Review DROP program requirements and 457 rollovers; review Tom Lowman’s responses to DROP questions; review DROP Q&A; attend SORP meeting on 2/25/16 via telephone.	\$1,120.00
TOTAL:			\$7,881.00

NEXT MEETING

The next meeting is scheduled for Thursday, April 28, 2016.

ADJORNMENT

The meeting adjourned at approximately 1:30 p.m.

Respectfully submitted,

Karen Gates
SORP Plan Coordinator

APPROVED:

Dr. Rebecca B. Bridgett
Chair