

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

**Absent:** Jeannett Cudmore, Chief Financial Officer  
Karen Gates, Recorder

**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**

Due to confusion concerning the summary of unused sick leave and the mention of contractual deputies within this summary, approval of the March 31, 2016 minutes was tabled until the next SORP meeting when the summary will be clarified.

**Presentation by Morgan Stanley – 1<sup>st</sup> Quarter 2016 Financial Review**

Jeff Seibel from Morgan Stanley presented the 1<sup>st</sup> Quarter 2016 Financial Review. Mr. Seibel indicated that there was a lot of volatility and not much growth this quarter. Morgan Stanley expects the volatility to continue.

Jeff Seibel provided the Performance Measurement Report for the period ending March 31, 2016. The Combined Account portfolio was slightly down -0.28% for the quarter, the Domestic Equity portfolio was up 1.62% for the quarter, the International Equity portfolio was down -3.26% for the quarter, the Fixed Income portfolio was up slightly 1.61% for the quarter, the Real Estate portfolio was down -2.97% for the quarter, and the Hedge Funds & Private Equity portfolio was down -4.27% for the quarter. The beginning market value of the Plan was \$66,771,094 and the ending Market Value of the Plan was \$66,945,912.

Morgan Stanley made the following recommendations:

1. **Large Growth Manager Search Results**

- a. The large growth search yielded four managers that Morgan Stanley presented to the Board. Morgan Stanley recommended Loomis to replace the remaining portion invested in Putnam Spectrum and some of the portion in the Large Cap Growth ETF.

The motion to select Loomis as a Large Cap Growth manager and replace the remaining Putnam Spectrum (-1.7%) position and a portion of the Large Cap Growth EFT (-1.4%) position with Loomis (3.1%) carried.

2. Hedge Fund Replacement for Virtus and Hatteras

- a. Morgan Stanley recommended the Graham Absolute Return Hedge Fund to replace the previous Virtus and Hatteras funds.

The motion to replace the previous Virtis and Hatteras funds (-3% cash) with the Graham Absolute Return Hedge Fund (3%) carried.

3. Rebalance/Repositioning

- a. Morgan Stanley recommended rebalancing the account to increase the position in Value stocks.

The motion to purchase iShares Russell 1000 Value EFT (3%) with funds from Vanguard Total Market (-3%) carried.

Morgan Stanley Agenda for July 28, 2016 Meeting

- Second Quarter 2016 Review
- Private Equity Review

**Unused Sick Leave**

The motion to amend the SORP Plan document to remove the cap from unused sick leave for purposes of calculating creditable service 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 Sherriff's Office Retirement Tenth Plan Amendment.

**Motion to Adopt DROP Transition Rules**

The SORP Board of Trustees discussed Commissioner John E. O'Connor's April 26, 2016 memorandum to the Board requesting withdrawal of the DROP program. After discussion, the Board will continue to consider the DROP proposal. The Board determined to table the motion to adopt the DROP transition rules until a future SORP meeting.

**Discussion and Motion to Amend Plan Document for Exclude Contractual Deputies**

The Board will ask the Plan actuary if excluding contractual deputies from joining the Sheriff's Office Retirement Plan has a financial impact on the Plan. Motion tabled for further discussion during the next SORP meeting.

**Agenda for June 23, 2015 SORP Meeting**

- Review and approval of March 31, 2016 minutes
- Review and approval of April 28, 2016 minutes
- Discussion to adopt or modify 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
04/13/16	Whiteford, Taylor and Preston	Professional services rendered through 03/31/16.  Review pension plan document; review deputy contract; draft plan amendment to revise the definition of "covered employee"; preparation of letter outlining the pros and cons of contractual deputies; review DROP proposal.	\$1,365.00
TOTAL:			\$1,365.00

**NEXT MEETING**

The next meeting is scheduled for Thursday, June 23, 2016.

**ADJORNMENT**

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

Respectfully submitted,

APPROVED:

Karen Gates  
SORP Plan Coordinator

Dr. Rebecca B. Bridgett  
Chair