

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN**  
**BOARD OF TRUSTEES MEETING**  
**April 24, 2008**

**Members Present:** John W. Savich, County Administrator  
Elaine M. Kramer, Chief Financial Officer  
Lt. Terry L. Black

**Absent:** Daniel L. Morris, Citizen Member

**Others Present:** Susan Sabo, Plan Administrator  
Dee Snyder, Benefits Coordinator  
Jeff Seibel, Morgan Stanley

**CALL TO ORDER**

The meeting was called to order at approximately 2:10 p.m.

**ACCEPTANCE OF THE AGENDA**

The agenda was accepted as presented.

**APPROVAL OF MINUTES**

Terry Black made a motion, seconded by Elaine Kramer, to approve the minutes from the meeting of 03-27-08. Motion carried.

**INVESTMENT REPORT/MORGAN STANLEY**

Jeff Seibel from Morgan Stanley gave the investment performance report for the first quarter of 2008. The combined account returned minus 2.75% for the quarter. The beginning market value was \$31,003,875. Contributions/Withdrawals were \$486,348. Losses were \$913,945. Ending market value was \$30,576,278. Elaine Kramer asked Mr. Seibel if future reports could show contributions and withdrawals as separate items. Mr. Siebel answered that they could. There was a lengthy discussion regarding a large sum of cash funds being kept in an amount much greater than has been allocated. Mr. Siebel reported that the cash fund helped keep losses for the quarter from being higher than they were, but he also indicated that Morgan Stanley would be asking the Board to approve gradually re-allocating cash into investments. Elaine Kramer stated the belief that an allocation policy has already been approved and Morgan Stanley should be able to make decisions about investments without further approval if the allocation policy is being followed. Mr. Seibel stated that Morgan Stanley would then make decisions within policy guidelines and inform the Board of their actions. Mr. Seibel reported that two Investment Mangers were on the Watch List due to underperformance – Highland and Phoenix. Highland may be removed during the next quarter; however, Phoenix was not as serious a worry, and it may not be necessary to replace them.

Mr. Seibel then introduced the possibility of using a Morgan Stanley Real Estate Portfolio even though as a Morgan Stanley Consultant they usually refrain from offering Morgan Stanley Managers. Mr. Seibel stated the belief that their portfolio is so superior that they did not want to deprive the SORP of the opportunity to utilize them. He asked if the Board would be willing to allow the Morgan Stanley Managers to attend the June meeting to present their product. He further stated that if the Board chose to utilize them that there would be investment charges, but Morgan Stanley would not charge consulting fees for their services. Elaine Kramer made the statement that she was not comfortable using Morgan Stanley as both the consultant and as a manager. An agreement was made that Mr. Seibel would send the Board Members an analysis of the portfolio for review, and the Board would then decide whether they were willing to meet with the Morgan Stanley Managers. Jeff Seibel will be scheduled to return to the July meeting for the next investment performance report.

#### DISCUSSION REGARDING CONTRIBUTION RATE CHANGES

Terry Black reported that he believed that the new contribution rates were no longer an issue for the members.

#### DISABILITY RETIREMENT CHANGES

The Board re-opened a discussion regarding a motion suggested by Sue Sabo to change the plan language to clarify the new definition of catastrophic and non-catastrophic disability benefits. Following the discussion, it was decided to add two words to the suggested motion. Elaine Kramer then made the motion, seconded by Terry Black, to recommend to the Board of County Commissioners that the Sheriff's Office Retirement Plan's disability benefits be changed to incorporate the following: (1.) Initially, Line of Duty non-catastrophic disabilities will be awarded at 50% instead of 33-1/3% and (2.) Line of Duty catastrophic disabilities will be subsequently awarded if a participant applies for and is awarded Social Security Disability Insurance (SSDI). The participant must apply for SSDI within 3 months of retirement. If SSDI is awarded, the catastrophic disability benefit will be retroactive up to one year from the date of the SSDI approval. Catastrophic disabilities will continue to be awarded at 66-2/3%. Motion carried.

#### REPLACEMENT OF WILLIAM RADDATZ

Bill Raddatz submitted his resignation as a member of the Board via an e-mail message on April 2, 2008 to be effective immediately for personal reasons. Dee Snyder prepared a special nominating ballot to replacement Sr.DFC Raddatz; however, only Edward Evans submitted his name. The Board discussed whether it would be appropriate to submit Edward Evans's name to the Board of County Commissioners for appointment without sending another ballot since only one name was received. It was decided that Dee Snyder would send an e-mail message to the members asking if anyone would like to be included on a ballot, and if no one offered, Edward Evans's name would be taken to the Board of County Commissioners for approval.

## RETIREES REPORT

Dee Snyder had prepared a report on the status and benefits of the SORP Retirees for the Board to review, but discussion was tabled until the next meeting. John Savage asked Ms. Snyder to add a column to the report showing how much the annuities are for retirees on disability.

## ADMINISTRATOR'S REPORT

Bills paid since last meeting:

4-14-08 – Whiteford, Taylor & Preston for legal services through 3-31-08 - \$1,080.00

4-10-08 – Karpinski, Colaresi & Karp – legal services for Earhart Hearing - \$646.00

The Anthony Scott Earhart appeal hearing is scheduled for May 15, 2008 at 1:00 p.m. in Room 14.

### James Wathen Court Case

Sue Sabo reported that Judge Raley had finally rendered his Opinion and Order of the Court regarding James Wathen's civil action against the Board of Trustees. He granted the defendants' Motion for Judgment. Mr. Wathen has 30 days to appeal the decision; otherwise, the case will be closed.

## NEXT MEETING

The next meeting is scheduled for June 26, 2008. There will be no monthly meeting in May.

## ADJORNMENT

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

Respectfully submitted,

APPROVED:

Dee Snyder  
Recorder

John W. Savich  
Chair