

Sheriff's Office Retirement Plan (SORP) Board Meeting Minutes
Thursday, June 27, 2019

Generated by Karen Gates on Monday, July 15, 2019

Members present

Jeannett Cudmore, Chief Financial Office
Sgt. Shawn Moses
Sgt. Clay Safford

Members Absent

Dr. Rebecca Bridgett
Dr. Tracy Harris

Others Present

Catherine Pratson, Plan Administrator
Jennifer Earhart, Recorder

1. CALL TO ORDER

The SORP meeting was called to order by Catherine Pratson at approximately 1:05 p.m.

2. ROLL CALL

A. Approval of SORP Agenda

The SORP meeting agenda was presented to the Board members by Catherine Pratson.

Motion 1: I move to approve the SORP meeting agenda for June 27, 2019.

Motion by Jeannett Cudmore, second by Clay Safford
Final Resolution: Motion Carries
Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

B. Approval of April 25, 2019 Meeting Minutes

Motion 1: I move to approve the SORP meeting minutes of April 25, 2019.

Motion by Shawn Moses, second by Jeannett Cudmore.
Final Resolution: Motion Carries
Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

3. OLD BUSINESS

A. Pop-Up Option

Discussion was tabled for next meeting when all Board members are present.

B. Disability Application

Motion 1: I move to approve the disability application presented at the April 25, 2019 SORP meeting with a May 1, 2019 effective date.

Motion by Sgt. Clay Safford, second by Sgt. Shawn Moses

Final Resolution: Motion Carries

Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

C. SORP Citizen Representative

The Commissioners approved the appointment of John Walters as Citizen Representative of the Sheriff's Office Retirement Plan Board of Trustees with a term beginning July 1, 2019 and ending on June 30, 1922.

D. Single Investment Advisor

Catherine Pratson will present a request to the Commissioners at their July 9, 2019 meeting. The request will ask the Commissioners to approve conducting an RFP to solicit a consolidated investment advisor for the County's three Retirement Trusts: the Sheriff's Office Retirement Plan (SORP), the Other Post Employee Benefit Plan (OPEB), and the Length of Service Awards Plan (LOSAP) and to utilize a consultant to assist with the RFP process and selection. Ms. Pratson confirmed that at their quarterly Board meetings, held May 31, 2019, the OPEB and LOSAP Boards approved submitting a Commissioner request to solicit a combined investment advisor.

4. NEW BUSINESS

A. Morgan Stanley - 1st Quarter 2019 Financial Review

Jeff Seibel from Morgan Stanley presented the SORP 1st quarter financial review. The beginning value of the plan as of December 31, 2018, was \$81,410,194.80 and the ending value of the plan as of March 31, 2019 was \$88,536,425.50. The portfolio's return (net of fees) was 7.81%.

B. Morgan Stanley - SORP Investment Policy Statement

The SORP Investment Policy Statement was tabled until the July 2019 meeting.

C. Morgan Stanley - Tactical Changes

Jeff Seibel presented and recommended tactical changes to the Board.

Motion 1: I move to approve Jeff Seibel's recommendation to decrease the Hamlin Dividend Equity fund by -3.5% and to increase the iShares Dividend Growth ETF fund by +3.5% and to decrease Cash by -1.1% and to increase Starwood Real Estate Income Trust by +1.1% (1MM).

Motion by Sgt. Shawn Moses, second by Sgt. Clay Safford

Final Resolution: Motion Carries

Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

Motion 2: I move to approve Jeff Seibel's recommendation to reduce the Loomis fund and commit 2.0% (1.8MM) to Medalist Partners Opportunity Fund II.

Motion by Sgt. Clay Safford, second by Jeannett Cudmore

Final Resolution: Motion Carries

Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

Motion 3: I move to approve Jeff Seibel's recommendation to commit 1.5% (1.35MM) to GS Petershill IV fund (from Cash & Equities).

Motion by Jeannett Cudmore, second by Sgt. Clay Safford

Final Resolution: Motion Carries

Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

Motion 4: I move to approve Jeff Seibel's recommendation to commit 1.5% (1.35MM) to HarbourVest Partners Co-Investment Fund V and to commit 1.0% (900k) to Elliott Co-Investment Fund (from Cash and Equities).

Motion by Jeannett Cudmore, second by Sgt. Clay Safford

Final Resolution: Motion Carries

Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

D. Wells Fargo - Revenue Share Payments

Catherine Pratson received a letter from Wells Fargo on June 26 stating they had discovered a system coding error which resulted in Wells Fargo receiving revenue share payments from certain non-propriety mutual funds between November 2010 and April 2016 with interest. Wells Fargo has calculated \$44,778.11 as the amount due to the Plan. Before accepting the payment, detail supporting the calculation has been requested and Jeff Seibel will review this information and report back to the Board.

5. COMMITTEE REPORTS

A. Administrator's Report

Motion 1: I move to approve the administrator's report as presented.

Motion by Jeannett Cudmore, second by Sgt. Shawn Moses.

Final Resolution: Motion Carries

Yea: Jeannett Cudmore, Sgt. Shawn Moses, Sgt. Clay Safford

6. PUBLIC COMMENTS

A. Public Comments

Captain James K. Raley, retired Sheriff's Office Assistant Sheriff asked the Board to consider giving the Sheriff's Office Retirement Plan retirees a pay increase. Mr. Raley commented that there have been three or four adjustments to the Sheriff's Office pay scale since he retired in 1999. Mr. Raley acknowledged that the SORP retirees get a 3% COLA each July 1st, however the average annual income to support 2 adults (one working) and one child living in St. Mary's County is \$45,000 (source www.livingwage.mit). In addition, the cost of living percentage is 118.6% compared to the national average of 100% (source www.bestplaces.net). Catherine Pratson thanked Mr. Raley for attending the meeting and asked if he would send a written letter to the SORP Chair, Dr. Rebecca Bridgett detailing his request.

7. ADJOURN

A. Adjourn