

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
March 26, 2009**

Members Present: John W. Savich, County Administrator
Elaine M. Kramer, Chief Financial Officer
Daniel L. Morris, Citizen Member
Captain Terry L. Black

Members Absent: Sergeant Edward B. Evans

Others Present: Susan Sabo, Plan Administrator
Karen Gates, Benefits Coordinator
Drew Romans, Morgan Stanley

CALL TO ORDER

The meeting was called to order at approximately 2:15 p.m.

ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented by John Savich.

APPROVAL OF MINUTES

Dan Morris made a motion, second by Elaine Kramer, to approve the minutes from the meeting of January 22, 2009. Motion carried.

PRESENTATION TO DEE SNYDER

John Savich presented Dee Snyder with a plaque from the Sheriff's Office in appreciation of her hard work and deduction. Dee Snyder retired as the Benefits Coordinator on December 31, 2008.

MORGAN STANLEY PRESENTATION BY DREW ROMANS

Drew Romans gave a final investment performance report for the 4th quarter of 2008. There were no changes since the preliminary report was presented at the January 22, 2009 meeting. Since inception, we are continuously beating by wide margin the policy allocation index.

Mr. Romans presented the 2009 YTD Plan results. Morgan Stanley is maintaining that the Board take no action at this time. Morgan Stanley will continue to take a conservative stance with the Plan's portfolio and recommends no reallocation at this time. Mr. Roman distributed the Plan's performance as of February 28, 2009. Mr. Roman stated that the total value of the portfolio was down 5.15%. The associated blended index was down 17%. Mr. Roman stated that the solid results of the portfolio put the Plan as one of the top performers in the County. Mr. Roman stated that YTD as of today, we are positive.

Mr. Romans discussed the Plan's current watch list policy and Morgan Stanley's proposed changes to the policy. The current structure reviews performance vs. the stated benchmark to determine whether a manager is on watch and a candidate for replacement. The proposed language builds upon the current structure, wherein quarterly performance vs. the stated benchmark is compared. The proposed policy is designed to be proactive. Members reviewed the Manager Watch List. It was noted that Highland and Virtus were placed on the Manager Watch List and will be discussed at the next meeting.

John Savich requested a motion to adopt Morgan Stanley's proposed language for the Watch List/ Underperforming Manager Policy. Elaine Kramer moved that we revise our Investment Policy Statement under Section 6, Watch List Policy, to be consistent with the recommendation of Morgan Stanley proposed language. Seconded by Dan Morris. All in favor of motion.

TERM LIMITS

The Board discussed the topic of term limits for the citizen member and the two Sheriff's Office representatives. The Board concluded that it would like to consider 3 year elected terms for the Sheriff's Office representatives and two 3-year terms for the citizen representative. Ms. Sabo presented draft language for the Plan Document for review. No action will be taken at this meeting. The Board will review Exhibit "A" and discuss at next meeting.

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

01/28/09 - Morgan Stanley for management fees for the period of 1/1/09 to 3/31/09	\$16,782.80
02/24/09 - Bolton Partners, Inc. for research on transfers and retirement calculations	\$ 250.00
03/10/09 – Bolton Partners, Inc. for retirement calculation	\$ 180.00
02/18/09 – RCM&D (Chubb Insurance) for Fiduciary Liability Policy	\$ 7,273.00
02/23/09 – Trophies by Design, plaque for Dee Snyder	\$ 26.95
03/25/09 – Karpinski, Colaresi & Karp – status report, letter to client re:Earhart	\$ 53.55

NEXT MEETING

The next meeting will be held on April 23, 2009. There will not be a meeting in May.

ADJORNMENT

The meeting adjourned at approximately 3:36 p.m.

Respectfully submitted,

Karen Gates
Benefits Coordinator

APPROVED:

John W. Savich
Chair