

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
March 27, 2008**

Members Present: John W. Savich, County Administrator
Daniel L. Morris, Citizen Member
Lt. Terry L. Black

Absent: Elaine M. Kramer, Chief Financial Officer
Sr.DFC William E. Raddatz

Others Present: Susan Sabo, Plan Administrator
Dee Snyder, Benefits Coordinator
Colin Keohan, Deputy County Attorney

CALL TO ORDER

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

ACCEPTANCE OF THE AGENDA

Dan Morris made a motion, seconded by Terry Black, to accept the agenda as presented. Motion carried.

APPROVAL OF MINUTES

Terry Black made a motion, seconded by Dan Morris, to approve the minutes from the meeting of 02-28-08. Motion carried.

UPDATE ON ACCRUAL RATE CHANGES

Sue Sabo reported that the Board of County Commissioners has approved the change of the accrual rate from 2% to 2.5% and the employee contribution increase from 6% to 8% of base pay for the Fiscal Year 2009 budget effective July 1, 2008. The change will not be made retroactive for the 10 years requested. Ms. Sabo will request approval for the plan amendment to incorporate the changes by the end of May. Terry Black reported that he has heard complaints from a number of plan members with 20 years or more of service who do not feel that they would realize much of a benefit by the increased contribution rate for just a few more years of service, and the question has been raised as to whether those members could possibly be exempt from increasing their contributions from 6% to 8%. The question will be placed on the agenda for the April meeting for review and discussion.

DISABILITY RETIREMENT CHANGES

Sue Sabo presented two charts outlining the current process for evaluating disability retirement and the proposed process to use if the disability changes are implemented. Ms. Sabo reported that she had consulted with the plan actuary Tom Lowman regarding projected costs to change non-catastrophic disability benefits

from 33-1/3% to 50% of average salary. Mr. Lowman informed Ms. Sabo that it would not be possible to establish a cost factor until after the change has been implemented and a history has been built for some period of time. Ms. Sabo had also consulted with the plan attorney Mary Claire Chesshire regarding the proposed change, and Ms. Chesshire reported no legal issues with making the change. Ms. Sabo then offered a suggested motion to change the definition of non-catastrophic disability from 33-1/3% to 50% and to change the definition of catastrophic disability to say that the benefit would only be considered catastrophic if the disabled participant were approved for Social Security disability benefits. Dan Morris offered to make the suggested motion, but Terry Black declined to second the motion stating that he would prefer to consult with plan members before agreeing to the motion. The motion was not completed.

FIDUCIARY INSURANCE ISSUE

Dee Snyder reported that during the process of renewing the fiduciary insurance for the Board of Trustees (currently being renewed on February 16 each year), she was informed that the insurer (Traveler's Insurance) was concerned that the plan funding level was in the 60 percentile range. They would prefer that the funding be in the 80 percentile range, and they are informing us that they may not be willing to renew the coverage in 2009 if the funding does not improve with the next actuarial valuation. They have offered to review the next valuation as soon as it is completed and decide whether they find the funding level acceptable. If they do not, it will be necessary to hurriedly try to solicit a new insurer. Ms. Snyder consulted with the plan attorney regarding the degree of importance in having fiduciary insurance and was told that it is not necessary to maintain a qualified plan, but it is highly recommended as a protection for the Board.

CLOSED SESSION

At 2:55 p.m., Terry Black made a motion, seconded by Dan Morris, to enter a closed session to discuss an issue pertaining to a personnel matter. Motion carried. At 3:00 p.m., Dan Morris made a motion, seconded by Terry Black, to reopen the meeting. Motion carried.

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

- 1-31-08 - Bolton Partners for actuarial services through 2-29-08 - \$480.00
- 2-15&3-17-08 – Whiteford, Taylor & Preston for legal services through 2-29-08 - \$1,788.00
- 3-10-08 – BB&T Insurance for fiduciary insurance from 2-16-08 to 2-16-09 - \$8,712.00
- 3-10-08 – Post Newsweek Media, Inc. – Public Hearing Ad for 7th Amendment - \$476.86

REQUEST FOR RETIREE DATA

John Savich asked Sue Sabo and Dee Snyder to bring a report to the next meeting to update Board Members on how many retirees are currently receiving benefits in whatever type of benefit and the monthly cost of the benefits.

COMMENTS REGARDING RETIREE BENEFITS

Dan Morris offered comments in sympathy to the high cost of living for plan retirees and inquired as to

whether there might be some type of relief that could be offered. However, he did not wish to make the issue an agenda item for a future meeting.

NEXT MEETING

The next meeting is scheduled for April 24, 2008. Jeff Seibel is scheduled to report on the first quarter investment returns.

ADJORNMENT

The meeting adjourned at approximately 3:12 p.m.

Respectfully submitted,

APPROVED:

Dee Snyder
Recorder

John W. Savich
Chair