

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
October 23, 2008**

Members Present: John W. Savich, County Administrator
Elaine M. Kramer, Chief Financial Officer
Daniel L. Morris, Citizen Member
Lt. Terry L. Black
Cpl. Edward B. Evans

Others Present: Susan Sabo, Plan Administrator
Dee Snyder, Benefits Coordinator
Jeff Seibel, Morgan Stanley
Tom Lowman, Bolton Partners
Mark Kelbaugh, Bolton Partners

CALL TO ORDER

The meeting was called to order at approximately 2: 08 p.m.

ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented.

APPROVAL OF MINUTES

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

INVESTMENT REPORT/MORGAN STANLEY

Jeff Seibel from Morgan Stanley gave the investment performance report for the third quarter of 2008. The combined account experienced a loss of 9.88% for the quarter. The year-to-date return is a minus 11.19%. The beginning market value was \$31,292,859. Contributions were \$2,199,645 and withdrawals were \$1,470,906 with a net of \$728,739. Losses were \$3,233,937. The ending market value was \$28,787,661. Mr. Seibel and the Board Members discussed whether there should be any changes made to the Investment Policy due to declining investment returns. Mr. Seibel will send some suggested changes to Sue Sabo who will disseminate to the Board Members.

2008 VALUATION REPORT

Tom Lowman and Mark Kelbaugh from Bolton Partners, Inc. presented a review of the 2008 Valuation Report draft. The valuation normally done every two years would not be completed again until 2010. Mr. Lowman suggested that the Board may wish to conduct a special valuation in 2009 due to the declines in asset values. The determination could

be made after the June 30, 2009 asset values are known. The total recommended employer contribution rate for the plan year ending June 30, 2010 is 36.7% of covered payroll in addition to the employee contribution of 8% of pay. The employer contribution from the prior valuation was 27.5%. The actuarial value of assets on 7-1-08 was \$31,714,844. The actuarial accrued liability was \$60,049,310 with the unfunded portion at \$28,334,466 or a funding ratio of 52.8%.

FIDUCIARY INSURANCE

As requested during the last meeting, the Board Members were given a brief written report on the history of the fiduciary insurance and a letter from Plan Attorney Mary Claire Chesshire outlining the advantages of having liability insurance for the Board Members and recommendations on how to convince the insurance broker that the Board Members are an insurable risk. Actuary Tom Lowman offered to provide a letter explaining why their firm did not believe that the asset funding level presented a serious insurance risk. During the discussion, Elaine Kramer presented the thought that the Tri-County Purchasing Co-op Group might be a possible resource for purchasing a group fiduciary insurance. Sue Sabo will assume responsibility for presenting the latest Valuation along with letters from Tom Lowman and Mary Claire Chesshire to the fiduciary insurance broker to determine whether they will agree to renew the fiduciary insurance in February 2009.

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

9-12-08 & 10-14-08 – Whiteford, Taylor & Preston for legal services through 9-30-08 - \$930.00

9-10-08 – Karpinski, Colaresi & Karp – legal services through 8-12-08 for Earhart Hearing - \$214.20.

9-18-08 & 10-22-08 - Bolton Partners, Inc. for actuarial services though 9-30-08 - \$6,715.

NEXT MEETING

Due to conflicting schedules, there will not be a meeting in November; however, a special meeting date of December 4, 2008 has been set as an alternative date.

ADJORNMENT

The meeting adjourned at approximately 3:50 p.m.

Respectfully submitted,

APPROVED:

Dee Snyder
Recorder

John W. Savich
Chair