

**Sheriff's Office Retirement Plan
Retirement Plan Committee Meeting
Thursday, October 10, 2013
Government Building Conference Room
2:00 p.m. – 3:30 p.m.**

The meeting of the Retirement Plan Committee for the Sheriff's Office Retirement Plan was called to order at 2:04 p.m. by Mark Belton.

Committee Members Present

Mark Belton, Chair
Sgt. Robert Kiesel, Vice Chair
Capt. Jon Norris
Stephen Brayman, Secretary
David Eicholtz

Staff

Elaine Pollard, Recording Secretary
Megan Donnich

Other Participants

Tom Lowman of Bolton Partners

I. Approval of Minutes from the Committee Meeting August 8, 2013

The Committee reviewed the minutes from the August 8, 2013 meeting. Steve Brayman moved to approve the minutes. Sgt. Kiesel seconded the motion. Dave Eicholtz abstained; the motion passed.

II. Oath of Office

Elaine Pollard distributed the Oath of Office, Code of Ethics, and Code of Civility to Dave Eicholtz, and led him through the Oath of Office. Mr. Eicholtz signed the acknowledgement form indicating he had received the documents and taken the Oath of Office.

III. Actuarial Review

Tom Lowman reviewed his approach to meet the new GASB 67 standards. Mr. Lowman informed the Committee that nothing has changed from a funding perspective, but the standards are a change in the balance sheet.

Mr. Lowman submitted three alternatives, and proposed alternative 1 as it is the quickest alternative in terms of setting up.

The Committee's consensus was to table the discussion until it can be determined which alternative the Charles County Pension Plan follows. Dave Eicholtz will speak to the Chief of Accounting, and bring the item up at the next meeting.

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The Committee discussed Tom Lowman's request to increase the actuarial fees by 6%. Mr. Lowman provided a letter to the previous Director of Fiscal and Administrative Services dated March 5, 2009 which detailed the last change in actuarial fees to the Plan.

Steve Brayman moved for the Committee to approve increasing Tom Lowman's fees by 6%, with invoicing continuing on a quarterly basis. Dave Eicholtz seconded the motion; the motion passed unanimously.

The Committee discussed the previous request to add Qualified Domestic Relations Orders (QDROs) to the annual statements. Tom Lowman provided the Committee with a sample QDRO statement and a brief overview of how QDROs are processed. The Committee discussed that participants receive a yearly statement which shows the benefit at normal retirement and a final analysis at time of retirement. It was estimated that there are five people that have QDROs.

The Department of Human Resources can provide retirement estimates, but cannot calculate estimates with QDROs. It was also noted that the number of estimate requests has increased significantly. It was noted that many other jurisdictions provide estimates at a minimum of once per year.

The Committee discussed the feasibility of charging participants for estimates.

Dave Eicholtz moved that the Committee authorize charging participants a suggested fee of \$600 for estimates. There was not a second to the motion, and the motion failed. Capt. Norris asked that the Committee table the discussion until the next meeting to allow him time to speak to the Sheriff about the issue.

The Committee discussed the COLA. Tom Lowman informed the Committee that the Plan could be amended so that any negatives will be recovered before the COLA can go up. Mr. Lowman reminded the Committee that the Plan is capped at 4%, and cannot increase by more than that amount.

Steve Brayman requested that the item be tabled until the next meeting to allow the Committee to come to a consensus, and to develop specific language to recommend to the Commissioners. Sgt. Kiesel indicated that he would like to speak to retirees. It was also discussed that such a change might affect other pension plans. Mr. Lowman stated that the fee to study this amendment would be \$350.

The Committee discussed various risks and benefits of the DROP including interest rates.

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IV. Pension Reform

The Committee discussed the request to study benefit reductions for future sworn employees, namely:

- The accrual rate to 2.75 for years 1-20 (currently 3% for years 1-20; 2% for years 20+)
- The maximum benefit to 75% (currently 80%)
- Vesting to 10 years (currently 5 years)

There was some discussion as to what budget the study would come from.

Sgt. Kiesel moved that Bolton Partners commission the study at a cost of \$4,000. Steve Brayman seconded the motion. The motion passed 4:1.

V. New Business

Megan Donnack distributed the estimated DROP amounts for FY15-FY19 per a previous request from the previous Director of Fiscal and Administrative Services.

VI. Public Comment

The Committee received public comment on the following:

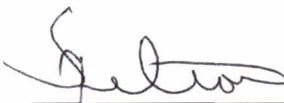
- A retiree thanked the Committee for discussing the COLA;
- Retirees do not have concerns with the COLA going to 0%, and the Plan recouping the negative losses;
- Whether benefit reductions for new employees would affect the Plan or the Sheriff's Office;
- Retirees feel that there has not been transparency with regard to retirees, and they would still like representation on the Board. The Retiree's Association is in the process of submitting a letter to the Commissioners;
- A retiree asked for clarification on some of the DROP administrative procedures.

There being no further new business, the meeting adjourned at 3:53 p.m.

Submitted for Approval by:

Approved by:

Stephen A. Brayman
Secretary



Mark Belton, Chair
Retirement Plan Committee

Approved by Retirement Plan Committee: _____

12/17/13
(Date)