

**Town of Canton
Pension Committee
Minutes of Regular Meeting of Wednesday, May 14, 2008**

The regular meeting of the Pension Committee was convened by Vice Chairman Joe Boures at 7:14pm. In attendance were members, Ken Griffin and Joe Vacca. Absent were Dan Towle and Mark Daley. Also in attendance were Finance Director Amy O'Toole, Chris Kachmar from Fiduciary Investment Advisors (FIA), Amy Humphrey from The Hartford and Steven Feigelis from ICMA.

The Election of Officers was tabled.

Amy O'Toole explained that the 457 Plan Investment Options need to be reviewed annually and both The Hartford and ICMA are here to do presentations tonight on them. Steve Feigelis from ICMA handed out the Annual Service Plan for the Town of Canton ICMA 457 Plan. He explained the contents of the package and explained that the Analysis of fund performance (p. 31-34) will help with the committees' fiduciary responsibility. He went on to explain that the Town of Canton uses the standard Blue lineup of which Model portfolios are a part. He noted no changes that he is proposing to the fund line up. There are 9 participants with a balance of \$594,667 as of 12/31/07. He went on to explain that there is a .55 Administration fee which is included in the fee exhibit on p. 44.

Amy Humphrey the handed out a Town of Canton Investment Review along with a Retirement Plan Review. Amy explained The Hartford's Due Diligence Process and noted that all funds are monitored quarterly with the investment managers. She then noted that all plans are individualized and there are several changes she would recommend on the Town of Canton 457 Plan to decrease the fund selection from 48 to 34. There are 23 participants with approximately \$1,300,000 in the plan. Amy explained that all notifications of the changes will be sent out by the Hartford at least 30 days prior to the change. The committee was concerned what effect these changes would have on the employees. Amy explained that there are some funds that don't have anyone in them and in total about \$190,000 in funds would be reallocated to similar type investments. Amy offered to run adhoc reports to determine the effect on the 23 individuals in the plan at this time. The committee asked her to do this and get it to Amy O'Toole.

MOTION: Ken Griffin moved to approve the fund changes recommended by the Hartford be instituted once, Amy O'Toole completes the due diligence on the individuals that would be affected by the changes that the Hartford recommends. Seconded by Joe Vacca. Unanimously approved.

Amy O'Toole asked that the Defined Contribution Trustee decision be added to the agenda.

MOTION: Joe Vacca moved to add the Defined Contribution Trustee decision to the agenda.. Seconded by Ken Griffin. Unanimously approved.

Amy O'Toole explained that the transition to The Hartford for administration of our Defined Contribution 414h Plan requires us to decide if the Pension Committee members will be the

Trustee or if we would like to appoint State Street as the Trustee for a sum of \$500. She explained that Liz at Murtha Cullina recommended appointing the financial institution as approximately 90% of the plans do this. She then went on to explain that Liz said you can't just appoint the Pension Committee. If the Pension Committee was to be the Trustees, they would each individually be liable. Amy Humphrey noted that she is still waiting for the paperwork for Jonathan Luiz and must get paperwork very soon to stay on schedule for a July 1st change date.

MOTION: Joe Boures moved to appoint State Street as the Trustee of the Defined Contribution Plan 414h that is administered by The Hartford. Seconded by Joe Vacca.
Unanimously approved.

Amy Humphrey and Steve Feigelis both left the meeting.

Chris from FIA then provided an update on the 1st Quarter economic review noting that the capital markets were weak. Both US Equities and International Equities were down for the quarter. April was a little better.

FIA then turned to a discussion of the DB plans. They noted that the 1st Quarter balances were presented. Data for 1st Quarter was reviewed briefly with the note that FIA believes that Western Asset Core's significant decline in Qtr and YTD were only temporary and noted that the Fund has seen no changes in managers or discipline. FIA felt that there was not a need to put them Watch Status. The committee was concerned about Western Asset Core and after much discussion the committee made the decision to place Western Asset Core on WATCH.

The Defined Contribution Plan investment performance was not discussed because it is in the process of transitioning to The Hartford and most investment options will be changing.

The approval of the minutes of November 15, 2007 were tabled.

MOTION: Joe Boures moved to accept the minutes of the February 28, 2008 Special Meeting .
Seconded by Ken Griffin. Unanimously approved.

There being no further business to come before the committee, the meeting adjourned at 9:00 p.m.

The next meeting will be held Wednesday August 13, 2008 at 7:00pm at the Community Center.

Respectfully submitted,

Amy O'Toole
Finance Officer/Treasurer