

**Town of Canton
Pension Committee
Minutes of Special Meeting for Thursday, August 28, 2008**

The special meeting of the Pension Committee was convened by Chairman Dan Towle at 7:04pm. In attendance were members, Mark Daley, Joe Boures and Joe Vacca. Absent was Ken Griffin. Also in attendance were Finance Director Amy O'Toole, Chris Kachmar from Fiduciary Investment Advisors (FIA), Tim Ryor from Hooker and Holcombe

The Election of Officers was addressed and Joe Boures was nominated as Chairman and Joe Vacca was nominated as Vice Chairman.

MOTION: Dan Towle moved to appoint Joe Boures the Chairman for a period of one year and Joe Vacca as Vice Chairman for a period of one year. Seconded by Mark Daley. Unanimously approved.

Tim Ryor from Hooker and Holcombe handed out a package with proposed Actuarial Assumption and Method Changes. After much discussion the committee decided to accept the recommendations of Hooker and Holcombe with the exception of the resetting of the amortization period of the unfunded accrued liability.

MOTION: Dan Towle made a motion to accept the changes to the Pension Valuation Assumptions based on the recommendation of Tim Ryor, Hooker and Holcombe. The Assumptions will be changed as follows:

1. Lower the investment return assumption to 7.5% from 8.0%. This was also endorsed by our investment advisor Chris Kachmar from FIA.
2. Increase the severance load assumption to 12.5% from 7.0%. This change is necessary to account for the actual cost to the pension due to the severance payments being included in the pension payment calculation.
3. Update of the mortality table from the 1983 GAM to the RP-2000 table. There is only a nominal cost due to this change and it brings the information more current.

Seconded by Mark Daly. Unanimously approved.

To lessen the impact of these changes which are approximately \$135,000, Tim Ryor suggested we reset the amortization period of the unfunded accrued liability back to 20 years from 17 years. The pension committee chose not to reset the period as this is a closed plan.

These changes will be implemented in the January 1, 2008 Valuation and will impact the ARC (Annual Required Contribution) for the 2009-10 Budget.

Chris from FIA then provided an update on the 2nd Quarter economic review noting that the capital markets were weak. Both US Equities and International Equities were down for the quarter. Summer has been worse.

FIA then turned to a discussion of the DB plans. They noted that the 2nd Quarter balances were presented. Chris stated that he felt the allocation was okay as was the fund line up. Data for 2nd Quarter was reviewed with the handout being provided relating to Western Asset Core Plus Fund. FIA believes that Western Asset Core Plus' Fund 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 they had to place them on Watch Status due to a year of under performing. The committee was concerned about Western Asset Core Plus Fund and after much discussion the committee made the decision to stay with Western Asset Core Plus Fund but to have FIA bring information on other investment options for replacement to the next quarterly meeting.

The Defined Contribution Plan investment performance was not discussed because it transitioned to The Hartford in August and most of the funds are now Target Date Funds.

MOTION: Dan Towle moved to accept the minutes of the November 15, 2007 Regular Meeting . Seconded by Mark Daley. Unanimously approved.

The approval of the minutes of May 14, 2008 Regular Meeting were tabled.

There being no further business to come before the committee, the meeting adjourned at 8:45 p.m.

The next meeting will be held Wednesday November 12, 2008 at 7:00pm at the Community Center.

Respectfully submitted,

Amy O'Toole
Finance Officer/Treasurer