

**Town of Canton
Pension Committee
Minutes of Regular Meeting for Wednesday, November 12, 2008**

The special meeting of the Pension Committee was convened by Chairman Joe Boures at 7:12pm. In attendance were members, Mark Daley, Dan Towle, Joe Boures (via telephone), and Ken Griffin. Joe Vacca was absent. Also in attendance were Finance Director Amy O'Toole, Chris Kachmar from Fiduciary Investment Advisors (FIA), Tim Ryor from Hooker and Holcombe.

Chris from FIA then provided an update on the 3rd Quarter. YTD results are not good noting that both equities and bonds are performing badly.

FIA then turned to a discussion of the DB plans. Chris distributed an analysis on the Current Perspectives on Fixed Income Markets along with options for replacing the Western Asset Core Plus Fund, as requested by the committee in August. 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 leave them on Watch Status due to a 15 month period of under performing. There was a discussion about the options to replace the fund. After much discussion, a decision was made to make the following motion.

MOTION: Transfer 100% of the allocation currently in Western Asset Core Plus Fund and split it 50% to each of Harbor Bond Institutional and Vanguard Total Bond Market Index-Adm in the fixed income assets class. Made by Dan Towle and 2nd by Mark Daley. Unanimously approved.

Chris then discussed the class weightings due to the performance of the equities we are currently overweighted in the fixed income fund. A motion was made to rebalance the portfolio.

MOTION: Accept the recommendation of FIA and move \$620,000 from the fixed income funds to the equity funds. Made by Ken Griffin and 2nd by Dan Towle. Unanimously approved

Chris mentioned that the committee might want to make a change to the C & S International Realty and more information would be provided at the next 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.

Tim Ryor from Hooker and Holcombe handed out an analysis of the January 1, 2008 Valuations. Amy O'Toole handed out the Volunteer Fire/EMS Valuation hard copy that had been previously e-mailed. It was noted that The Town of Canton Defined Benefit Plan was 75% funded as of valuation date but with the current losses our assets are currently \$9,500,000 and we have fallen to under 60% funded. The effect of the asset smoothing was discussed but these losses will have an impact on the 2010-2011 ARC.

Joe Boures left the meeting at 8:50 p.m.

Amy O'Toole handed out hard copies of the analysis of Defined Benefit and Defined Contribution Plan amendments required by the IRS Regulation changes obtained from Murtha Cullina (previously e-mailed) and a restated Defined Contribution Plan Document provided by the Hartford.

After a discussion, the committee requested that the Town Attorney merge the Defined Benefit Plans into one restated plan document with all the required IRS changes and provide a letter stating that the changes are just relating to the Required IRS changes.

They also asked that the Town Attorney review the Hartford Defined Contribution Plan Document to verify that the plan is substantially the same and provide a letter stating that the only changes are those that are required by the IRS Regulation changes.

The approval of the minutes of May 14, 2008 Regular Meeting were tabled.
The approval of the minutes of August 28, 2008 Special Meeting were tabled.

The schedule of next year meeting dates was discussed. The 2nd Wednesday in November will be a holiday next year so the meeting will be held on the 3rd Wednesday.

MOTION: Accept the Meeting Schedule as presented. Made by Ken Griffin and 2nd by Mark Daley. Unanimously approved

There being no further business to come before the committee, the meeting adjourned at 9:10 p.m.

The next meeting will be held Wednesday February 11, 2009 at 7:00pm at the Community Center.

Respectfully submitted,

Amy O'Toole
Finance Officer/Treasurer