

**Town of Canton
Pension Committee
Minutes of Special Meeting of Wednesday, May 23, 2007**

The special meeting of the Pension Committee was convened by Chairman Dan Towle at 7:09pm. In attendance were members Joe Boures, Jon Webb, Joe Vacca and Mark Daley (arrived 7:20pm) as well as Finance Director Amy O'Toole. Chris Kachmar and Ryan Gardner were present from Fiduciary Investment Advisors (FIA).

FIA kicked off the meeting with an update on the 1st Quarter economic review. The noted that the 1st Quarter balances were presented but many investments had been changed to the recommendations from the original kick-off meeting. The change over took more time than originally anticipated and all items are almost complete. For a variety of reasons including lack of viable, immediate alternatives, USI is being retained for recording keeping and administrative services on the Defined Contribution Plan. Reliance Trust will remain custodian for the Town Defined Benefit Plan and for the Volunteer Fire Fighter and Ambulance Personnel Retirement Plan.

FIA then turned to a discussion of the DB plans. Data for 1st Quarter was reviewed briefly with the note that First Eagle Overseas was put on watch. The investment was sold since March 31st so there isn't any need for the committee to take action. The most noteworthy items is in the fees with the changes implemented by FIA. The fees in the old portfolio structure were approximately \$128,000/year with the new portfolio structure they will be approximately \$57,000/year.

There was a discussion that the Volunteer Fire Fighter and Ambulance Personnel Retirement Plan assets as reported include both the Defined Contribution and the Defined Benefit Plan Assets. Chris Kachmar did not think that breaking them out would be a difficult task. Amy O'Toole asked that this be accomplished by June 30th as the Auditor's requested this last year.

The Defined Contribution Plan was then discussed by Chris Kachmar, FIA. It was noted that the T. Rowe Price Equity Fund was added as a selection. Notification has not yet gone out to the participants for either this addition or the addition of the Fidelity Freedom Funds that were added last fall. Chris said that USI is working on setting up employee meetings. Chris noted that the AF Europacific Growth Fund and the First Eagle Overseas Funds have both been put on watch by FIA, one for performance and one for the Manager leaving. No action taken at this time.

There was a lengthy discussion on whether changes can be made to the Defined Contribution Plan as it stands now. The preliminary information appears to indicate that the Plan must remain mandatory and also no additional pretax contributions are allowed. We are waiting for the legal opinion from the Town's New Town Counsel on this matter.

The committee was then made aware that we will need to change our default investment from the Morley Stable Value Fund to another option. Ryan from FIA told the committee that the default will not allowed to be the Morley Stable Value Fund by June 30, 2007. He stated that Target Date funds are being made the default for many plans.

MOTION: Joe Boures moved to make the default investment option to be the appropriate Fidelity Freedom Fund based on age of the employee. Seconded by Joe Vacca. Unanimously approved.

The Committee then asked why they hadn't received the DC and DB Investment Policies (including the Firefighters) with the changes. FIA said that all the changes were made and it was an oversight that they were not provided to the Committee. Chris said he would make sure that they were given to the committee. This item was tabled until the next meeting.

MOTION: Mark Daley moved to accept the minutes of August 9, 2006 Regular Meeting. Seconded by Joe Boures. Unanimously approved.

MOTION: Jon Webb moved to accept the minutes of the February 15, 2007 Regular Meeting. Seconded by Joe Boures. Unanimously approved.

Amy told the committee members that she was completing a Fiduciary Liability Insurance Application as recommended by our new Agent of Record, Webster Insurance. There was then a discussion on the need for a Fiduciary Liability Insurance Policy and what the difference is between this and a D & O Policy and whether the Committee members would be covered under the D & O Policy. Amy to follow-up with Webster Insurance.

There being no further business to come before the committee, the meeting adjourned at 8:420p.m.

The next meeting will be held Wednesday August 8, 2007 at 7:00pm at the Community Center.

Respectfully submitted,

Amy O'Toole
Finance Officer/Treasurer