

Town of Canton
Pension Committee
Minutes of Special Meeting of Thursday, September 21, 2006

The special meeting of the Pension Committee was convened by Chairman Dan Towle at 5:24 p.m. In attendance were members Dan Towle, Joe Boures, Jon Webb (arrived at 5:35 p.m.), Joe Vacca (arrived at 5:43 p.m.), and Finance Officer/Treasurer Amy O'Toole (arrived at 5:30 p.m.), CAO Paul Fetherston and Administrative Services Coordinator Jonathon Luiz. Member Mark Daley was absent.

Mark Wetzel from Fiduciary Investment Advisors (FIA) reviewed the areas of concern in Norwich and Groton; For the City of Norwich 12(b)(1) fees custodian banks charged; UBS never received 12(b)(1) fees so there were none to refund; clients were not overcharged; custodian bank missed some other payments; UBS should have caught it, didn't receive any additional funds; believes competitor is behind this – accounting error; no malfeasance.

Mr. Wetzel went on to explain that the City of Groton terminated UBS; Groton has credit, FIA has no access to the records, UBS cut a check to Groton for \$49,000 Groton says it should be \$62,000 issue not with FIA; Mayor of Groton has stated that it is a UBS issue on FIA; terminated UBS after Wetzel left – not a client of FIA.

Mr. Wetzel went on to discuss the Federal Investigation- It is about a Rhode Island UBS Broker, not involved or target.

Mr. Wetzel went on to discuss the lawsuit mentioned in the paper. It was a suit by a New York Businessman- revised Pension Plan, Invested \$100 million personally with UBS; treated as business client; sued by contingency lawyer on his behalf claiming \$5 million loss; UBS settled for \$35,000; withdrawn with prejudice; took it to NASD; coming off record next month; in queue for expungement. He stated that no client has left FIA because of claims.

The recommendation stands to recommend the hiring of Fiduciary Investment Advisors for the Investment Advisory services. Paul Fetherston will forward the contract to the pension committee and Town Attorney for review.

Presentations were made by
Hooker and Holcombe
Milliman, Inc.
Segal

The evaluation scores were accumulated and a motion was made.

MOTION: Dan Towle moved to recommend the hiring of Milliman, Inc. subject to fees no higher than \$18,000 and reference checks. If a fee agreement can not be reached with Milliman, Inc. the recommendation is to higher Hooker & Holcombe at the proposed fee subject to reference checks. Seconded by Jon Webb. Unanimously approved.

There being no further business to come before the committee, the meeting adjourned at 8:50 p.m. The next meeting of the Pension Committee is the regular meeting on Wednesday, November 8, 2006 at 7:00 p.m. at the Community Center.

Respectfully submitted,

Amy C. O'Toole
Finance Officer/Treasurer