

PENSION BOARD MEETING

May 12, 2009

Present: Michael Charland, Chairman; Robert Wright; Ross Murray; Elaine Hammers; Mark Manton

Also present: Chris Kachmar, FIA; Ron Schlee, Hooker & Holcombe

Meeting was called to order at 7:40 p.m. by Chairman Mike Charland.

Chris Kachmar gave a brief review of what has happened during the first quarter of 2009. Sectors were negative for the quarter. Technology was the sole sector that produced positive returns. Despite strong performance in March, financials were down almost 27%. Asset backed securities, high yield and mortgage backed securities delivered strong results.

Total portfolio is \$13,357,954 as of March 31, 2009; however, since that time we could probably add on another \$750,000-\$800,000 to what was originally stated.

Wilmington Trust has been notified of FIA's role as investment consultant. Wachovia has opened an account for us. Transfer from Wilmington to Wachovia to begin once resolution to add them as trustee is approved (this to be done at this meeting). Two months of payments will be left behind with Wilmington to be used for payouts until the transition is complete. We are on track for Wachovia to take over administration of pension payments in the early fall of 2009 if not sooner.

The Board reviewed the resolutions to be adopted by the Town Council to remove current Trustee of the Pension Plan and to appoint Wachovia Bank, National Association as the trustee of the Retirement Plan. This is to take effect upon the removal of the current trustee as the trustee of the Retirement Plan.

Motion made by Robert Wright to approve resolution as presented and recommend to the Town Council that the resolutions be adopted; seconded by Elaine Hammers. Motion carried unanimously.

Ron Schlee presented the following three scenarios on funding of the pension. 1) Ongoing...this is no change in the plan and that new hires continue to enter plan and earn benefits; 2) Soft Freeze...current employees continue to earn benefits and new employees do not become members of Pension Plan; 3) Hard Freeze...current employees do not earn additional pension benefits and pay and service after freeze date are not included in calculation of pension benefits. All of these plans would need to be negotiated with the unions. Discussion followed on the scenarios if we were to continue putting in an

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additional \$200,000/ year; \$1,000,000/year, \$3,000,000. Ron to do another scenario using \$2,000,000.

Next meeting: July 21, 2009. Chris Kachmar and Ron Schlee to be present.

Next meeting under new business: Discuss having an audit done on pension participation and administration of the plan document.

Elaine Hammers moved to adjourn; seconded by Mark Manton.

Meeting adjourned at 9:10 p.m.

Respectfully submitted,

Gail Bokine, Clerk