

**Note:** These minutes from the July 31, 2017, Meeting were approved and executed at the August 8, 2017, regular Meeting of the Board of Trustees.

**Board of Trustees  
July 31, 2017**

**The Public Minutes**

**New Hampshire Retirement System  
54 Regional Drive  
Concord, New Hampshire**

*Trustees:* Dick Gustafson, Ph.D., *Chair*; Tonya Angwin; John Beardmore; Bill Dwyer; Bill Hart; Stephen Marro; Germano Martins; David McCrillis; Don Roy; and, George Walker. Maureen Kelliher, *via telephone*. Julia Griffin, *absent*.

*Staff:* George Lagos, *Executive Director*; Heather Fritzky, *Director of Finance*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Nancy Miller, *Director of Member Services*; Frank Clough, *Director of Information Technology*; Cecile Merrill, *Project Manager*; Nancy Cone, *Internal Auditor*; Mark Cavanaugh, Esq., *Associate Counsel and Compliance Officer*; Carolyn Johnson, Esq., *Hearings Examiner*; Marty Karlon, *Public Information Officer*; and Shannan Hudgins, *Administrative Coordinator*.

*Guest:* Cameron Shilling, Esq., *McLane Middleton*

Chair Gustafson called the July 31, 2017, Meeting of the NHRS Board of Trustees to order at 1:01 p.m. Having established a quorum, Chair Gustafson called for a Staff update on Employer Outreach.

*Executive Director* George Lagos provided an update on the employer outreach initiative and commented on his recent appearance before the Bow Selectmen on Tuesday, August 18, 2017, stating his educational presentation had been well received. Noting that he would appear before the Salem Board of Selectmen that evening, Mr. Lagos commented that he was looking forward to seeing if the reception and questions were in line with the Bow presentation.

Chair Gustafson next requested a Decennial Commission update from Marty Karlon, *Public Information Officer*, who presented the current slate of Commission members. Of the seventeen seats on the Commission, ten appointments had been made, nine of which were either current or former legislators. Mr. Karlon explained that two active member seats for both Group I and Group II, two expert seats, and one municipal/school employer seat were yet to be filled. He stated that the Commission had to convene 45 days after a Chair was appointed and that the report was due on December 1st.

Mr. Lagos presented an overview of a data security incident which came to management's attention of Friday, July 21<sup>st</sup>. On that date, an NHRS employee identified a number of electronic deposit change requests which named Green Dot

Bank as a depository institution. She brought the matter to management's attention and it was quickly determined that the transaction requests were, indeed, unauthorized. He detailed the expedited NHRS Staff response in reaching out to affected retirees, retention of legal counsel, notice to the cyber insurance carrier and selection of a system security firm to undertake a forensic investigation. In light of the notification to state and federal law enforcement and various legal issues inherent in the matter, Chair Gustafson then requested a motion to confer with Atty. Cameron Shilling, of the McLane Middleton law firm.

On a motion by Trustee Walker, seconded by Trustee Dwyer, the Board unanimously voted to temporarily adjourn the meeting for the purpose of consulting with legal counsel under RSA 91-A:2, I(b).

On a motion by Trustee Hart, seconded by Trustee Roy, the Board unanimously voted to reconvene the Board meeting.

During a brief Checkpoint discussion, Chair Gustafson announced that he would assume the Chair of the Legislative Committee.

On a motion by Trustee Hart, seconded by Trustee Beardmore, the meeting adjourned at approximately 2:10 p.m.

*Respectfully submitted,*  
*Shannan Hudgins*