

NHRS Board of Trustees

Minutes – June 10, 2025

Note: These minutes from the June 10, 2025, Public Session were approved and executed at the August 12, 2025, Board of Trustees meeting.

Board of Trustees

June 10, 2025

Public Minutes

**New Hampshire Retirement System
54 Regional Drive
Concord, New Hampshire 03301**

Participating: *Trustees Maureen Kelliher, Chair; Jon Frederick, Sue Hannan, Jason Henry, Robert Maloney, Andrew Martineau, Leah McKenna, Ken Merrifield, Monica Mezzapelle, Paul Provost, Joshua Quigley, and Steve Saltzman (remotely).*

Because some Trustees were participating remotely, all votes were by roll call.

Absent: *Don Roy.*

Staff: *Jan Goodwin, Executive Director; Mark Cavanaugh, Deputy Counsel and Compliance Officer; Rosamond Cain, Director of Human Resources (HR); Rick Fabrizio, Director of Communications & Legislative Affairs; Raynald Leveque, Chief Investment Officer (CIO); Nancy Miller, Director of Member Services; Marie Mullen, Director of Finance; Diana Crichton, Hearings Examiner; Mariel Holdredge, Executive Assistant; and Karen Nixon, Employer Reporting Manager.*

Guests*: *David Kelly: J.P. Morgan; Tony Pietro, Joe Davenport, and Christian Nye: The Townsend Group.*

** Participating remotely.*

Chair Maureen Kelliher called the June 10, 2025, regular meeting of the NHRS Board of Trustees to order at 9:30 a.m.

A quorum was established and Chair Kelliher called for a vote to approve the minutes of the April 8, 2025, Board meeting. On a motion by Trustee Henry, seconded by Trustee Frederick, the Board voted to approve the April 8, 2025, meeting minutes and the non-public meeting minutes, with Trustee Mezzapelle abstaining. Trustee Saltzman joined the meeting remotely after the vote.

Chair Kelliher then turned to Trustee Mezzapelle to begin the standing committee reports. She reported that the Audit Committee met on April 14 and June 9, 2025, at which the Committee reviewed internal and external audit updates, closed a long-standing audit item, and approved the FY 26 Internal Audit Plan. Director Mullen reported that the NHRS' external auditor, Plante Moran, formally launched the FY 25 Audit, and she provided updates

to the Committee on Finance's progress addressing the FY 24 audit findings and corrective action plan.

Next, Trustee Quigley began the Ad Hoc Real Estate Committee report, noting that the Committee met on May 22, 2025. Chair Kelliher then entertained a motion to enter into a non-public session under RSA 91-A:3, II(c) to discuss matters which, if discussed in public, would likely affect adversely the reputation of any person, other than a member of the public body itself.

On a motion by Trustee Quigley, seconded by Trustee Henry, the Board voted to enter into a non-public session. On a motion by Trustee Quigley, seconded by Trustee Maloney, the Board voted to conclude the non-public session. No action was taken in the non-public session. On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to seal the minutes of the non-public session.

Chair Kelliher then turned to CIO Raynald Leveque, who introduced guest speaker Dr. David Kelly, Global Strategist at J.P. Morgan Asset Management, who provided the Board with a market and economic update in light of recent volatility.

Following the presentation, Trustee Quigley resumed the Ad Hoc Real Estate Committee report, noting that the Committee also met on June 5, 2025, to review staff evaluations of nine responses to the request for qualifications for architectural services, including four finalist interviews, and reference checks on two firms. Based on this process, the Committee recommended the Board award the contract to Lavallee Brensinger Architects (LBA).

On a motion by Trustee Maloney, seconded by Trustee Hannan, the Board voted to accept the recommendation of the Ad Hoc Real Estate Committee to authorize staff to negotiate terms with LBA.

Trustee Provost reported on behalf of the Governance Committee Chair, noting that the Committee met on June 4, 2025, with four members participating and that he served as Acting Chair in Trustee Roy's absence. He reviewed staff recommendations related to the issuance of a request for proposals (RFP) for actuarial consulting services, the selection of external counsel for fiduciary, tax, benefits and legislative matters, and appointments for legal services as NH Counsel.

On a motion by Trustee Quigley, seconded by Trustee Provost, the Board voted to accept the recommendation of the Governance Committee to authorize staff to issue an RFP for actuarial services. Trustee Maloney was not present at the time of the vote.

Trustee Provost then reported that the Committee recommended to the Board that it vote to select Groom Law Group and Ice Miller to serve as outside legal counsel for fiduciary, tax, benefits, and legislative matters.

On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to accept the recommendation of the Governance Committee to authorize staff to negotiate terms for Fiduciary, Tax, Benefits and Legislative Counsel with Groom Law Group and Ice Miller.

Trustee Provost concluded the report with the Committee's recommendations to the Board that it vote to appoint Sulloway and Hollis, P.L.L.C., as NH Counsel for personnel matters, and Foley Law Office as NH Counsel for administrative and litigation matters; and that staff issue a revised RFP to for NH Counsel for general corporate, real estate and litigation needs.

On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to authorize staff to negotiate terms with Sulloway and Foley; and to issue a new RFP for NH Counsel for general corporate, real estate and litigation matters.

Trustee Provost then began his report on the May 13, 2025, Independent Investment Committee (IIC, Committee) meeting, at which five members participated, with one vacant position. The Investments Team presented an update on investment returns and holdings and reported on the team's investment activities and Work Plan.

Trustee Provost invited CIO Raynald Leveque to provide the remainder of the Committee report. Mr. Leveque referenced guest economist Dr. David Kelly's presentation as a contextual backdrop before reviewing investment performance as of April 30, 2025. Mr. Leveque discussed the impact of recent market volatility on Plan performance, emphasizing the importance of diversification and noting that while public equities underperformed in April, fixed income helped stabilize returns. He also reviewed the portfolio's asset allocation and rebalancing activity, highlighting continued efforts to reduce equity exposure and currency risk while increasing fixed income and infrastructure allocations. As of April 30, 2025, the Plan's assets total \$12.6 billion.

Trustee Merrifield reported on the Legislative Committee, which had not met since the last Board meeting. He updated the Board that the Senate passed both House Bill (HB) 1 and HB 2, with the latter including several significant NHRS-related provisions. Of the 17 NHRS-related bills tracked this session, 14 have been tabled, retained, or voted inexpedient to legislate, with only HB 1, HB 2, and HB 778 advancing.

Trustee Frederick then delivered an update on the Benefits Committee, noting it met twice since the last Board meeting, on May 6, 2025, and June 3, 2025, and approved five disability applications and eight disability applications, respectively. In addition, two rule waiver requests were reviewed and recommended for approval by the full Board.

On a motion by Trustee Frederick, seconded by Trustee Henry, the Board voted to accept the recommendation of the Benefits Committee to approve the Rule Waiver Request in the matter of SC. On a motion by Trustee McKenna, seconded by Trustee Frederick, the Board voted unanimously to accept the recommendation of the Benefits Committee to approve the Rule Waiver Request in the matter of AD.

Next, Trustee Hannan gave the PPCC report, which met on May 6, 2025, and received a staffing and recruitment update from HR. The Committee discussed removing Deputy Director title for the Chief Legal Counsel position. The Committee also inquired about progress at the new building, requested a tour for the full Board, and proposed a memorial honoring the late Tim Crutchfield at the site. Trustee Hannan then asked to enter into a non-public session to discuss employee compensation under RSA 91-A:3, II(a).

On a motion by Trustee Hannan, seconded by Trustee Henry, the Board voted to enter into a non-public session. On a motion by Trustee Hannan, seconded by Trustee Henry, the Board voted to conclude the non-public session. No action was taken in the non-public session.

Executive Director Jan Goodwin began her operating report by highlighting strong agency performance, with key performance measure (KPM) achievement rates of 98.6% in April and 95.6% in May. She noted that pending legislation related to the budget and potential restoration of Group II benefits could significantly impact NHRS operations, requiring major

staff effort and reprogramming that may delay progress on other organizational goals. She added that member, retiree, and employer feedback remain positive, with improvements to employer reporting receiving particular recognition.

Ms. Goodwin then presented the finalized version of the FYs 26-28 Strategic Plan. She thanked Trustees who provided input on the Preserve, Achieve, Avoid (PAA) framework, which staff incorporated into the plan. Ms. Goodwin discussed key aspects in which the Strategic Plan reflects Board and staff priorities, and she highlighted the four main goals and strategies.

On a motion by Trustee Henry, seconded by Trustee Frederick, the Board voted to approve the FY 26-28 Three-Year Strategic Plan as presented.

Executive Director Goodwin turned the floor over to Director of Finance Marie Mullen, who explained the rationale for staff's request to ratify the pre-purchase of 1,000 discounted development hours from Levi, Ray and Shoup (LRS). The hours are necessary to implement employer reporting enhancements requested by the New Hampshire Association of School Business Officials (NHASBO) in time for June employer reporting. Ms. Mullen clarified that staff opted to purchase the full 1,000-hours block to secure a discounted rate.

On a motion by Trustee McKenna, seconded by Trustee Quigley, the Board voted to ratify an emergency contract for IT Services.

Ms. Goodwin added that staff elected not to pursue a billing credit from LRS for prior delays, citing the vendor's responsiveness and willingness to perform services without charge.

The Board then discussed the potential need to revise the procurement policy relating to emergency contracts to accommodate the bi-monthly Board meeting schedule. Chair Kelliher entertained a motion to delegate such authority to the Governance Committee and revise its charter accordingly, with the requirement that any approvals be disclosed to and ratified by the full Board.

On a motion by Trustee Provost, seconded by Trustee Henry, the Board opened discussion on delegating approval authority to the Governance Committee in situations where waiting for the next bi-monthly Board meeting could cause undue delays, including whether to involve the Board Chair in such approvals and whether to establish a spending cap. Trustee Henry moved to table the motion, seconded by Trustee Hannan. The Board voted to table the motion and requested that staff present this to the Governance Committee for recommendation to the full Board.

Director of Member Services Nancy Miller reported on the successful close of the July retirement filing period and the coordinated efforts between Member Services and the Contact Center to support members during that time. She also discussed ongoing work to process over 600 retirement applications, support employers transitioning to new health insurance vendors, and implement improvements to Contact Center operations and performance measurement.

Trustee Maloney excused himself from the meeting at this time and was subsequently absent for the remainder of the session.

Director of Finance Marie Mullen reported that NHRS continues to operate within its budget for FY 25, with expected variances due to timing and one-time expenses. She noted that cash

flow remains in line with projections and year-to-date financial performance reflects anticipated trends.

Ms. Mullen then presented the proposed FY 26 Trust Fund Budget, which aligns with NHRS' organizational and investment strategic plans and reflects a reduction from the prior year, primarily due to lower external management fees and the absence of one-time building costs.

On a motion by Trustee Henry, seconded by Trustee Hannan, the Board voted to approve the FY 26 Trust Fund Budget.

Employer Reporting Manager Karen Nixon then provided an update on improvements made to employer reporting processes, including streamlining payment posting, enhancing data visibility, and implementing penalties for late reporting. She highlighted the implementation of an Employer Relationship Manager model, increased on-time reporting and payments, and a significant reduction in reconciliation backlogs. To conclude the Finance operating report, Ms. Nixon and Ms. Mullen credited cross-functional collaboration between departments for driving these improvements. Executive Director Goodwin emphasized that recent enhancements addressed longstanding challenges stemming from the Pension Gold system transition, particularly the complexities of exception clearing, and underscored the organization's renewed focus on supporting employers' needs through flexibility and responsive system updates.

Director of HR Rosamond Cain began her department's operating report with the announcement of several key hires, including the incoming Head of Private Markets and Chief Information Technology Officer, as well as progress in hiring for Member Services, Finance, Legal departments. She noted the completion of the 2025 Employee Survey, with communication identified as a recurring challenge, and shared that HR continues to focus on improving internal communication, updating training materials and position descriptions post-PGV3, and preparing an updated employee handbook. HR also completed the implementation of electronic onboarding and met all KPMs for the past two months.

Deputy Counsel and Compliance Officer Mark Cavanaugh began Legal's operating report with an update that the IRS fully waived previously assessed penalties related to alleged failure to file a required informational returns for tax withholding in the 2023 and 2024 taxable years. He also discussed legal concerns stemming from changes in retiree health coverage due to new third-party insurance arrangements, which may conflict with statutory requirements regarding retiree participation in employer health plans. Staff continues to work with affected employers to find compliant solutions that preserve retiree subsidies.

Director of Communications & Legislative Affairs Rick Fabrizio reported that the PIO team supported high-priority messaging related to employer reporting and *My Account*, hosted four employer listening sessions, participated in nine member education events, and met all KPMs for April and May. Upcoming efforts include continued legislative monitoring, development of customer service training, and additional member outreach events.

Executive Director Goodwin presented the IT operating report, noting the team's continued focus on cybersecurity training, vendor coordination for 80 Commercial Street, and preparing system enhancements related to employer and teacher contracts for the July reporting period, while commending the team's adaptability and performance during the extended director vacancy.

CIO Raynald Leveque closed out the department operating reports with an update that the

Investments Team met seven of seven KPMs in April and six of seven KPMs in May and continues to focus on reducing external fees, enhancing internal efficiencies, and improving reporting and audit coordination. He noted continued execution of the Strategic Plan, ongoing manager evaluations and renewals, and previewed the upcoming CEM benchmarking report for Board review.

Attorney Cavanaugh next presented the Consent Agenda. On a motion by Trustee Mezzapelle, seconded by Trustee Hannan, the Board voted to approve the Consent Agenda.

Chair Kelliher then invited Trustee McKenna to report on her recent educational seminar participation. Trustee McKenna shared that she attended the NCPERS Trustee Educational Seminar in Denver, CO, where she gained valuable insights into pension governance and was able to directly compare best practices with NHRS operations. She expressed appreciation for the opportunity and noted the quality and usefulness of the training materials provided.

Ms. Goodwin provided an update on Action Items from the April 8, 2025, Board meeting, reporting that all have been completed.

With no further business to discuss in the meeting, on a motion by Trustee Quigley, seconded by Trustee Henry, the Board voted unanimously to adjourn the meeting at 12:09 p.m.

Respectfully submitted,

Mariel Holdrege,
Executive Assistant