

Note: The minutes from the December 13, 2011, regular meeting were approved and executed at the January 10, 2012, regular Meeting of the Board of Trustees.

**Regular Meeting
Board of Trustees
December 13, 2011**

Approved Public Minutes

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

Trustees: Trustees: Lisa Shapiro, Ph.D., Chair, presiding, Danny O'Brien, Vice Chair, Dean Crombie, Dick Gustafson, Ph.D., Keith Hickey, Kate McGovern, Ph.D., Brian Morrissey, Cathy Provencher, Don Roy, and Jack Wozmak. Tara Reardon, absent.

Staff: Kim France, Interim Executive Director; Larry Johansen, Director of Investments; Jack Dianis, Director of Finance; Tim Crutchfield, Esq., Chief Legal Counsel; Nancy Miller, Director of Member Services; Denise Call, Director of Employer Services; John Browne, Internal Auditor; Carolyn Johnson, Esq., Hearings Examiner; Marty Karlon, Public Information Officer; Kristie Kathan, Human Resources Coordinator; and Shannan Hudgins, Administrative Coordinator.

Guests: David Kausch, Gabriel Roeder Smith & Company.

The Chair called the regular meeting of the NHRS Board of Trustees to order at 9:09 a.m. On a motion by Trustee McGovern, seconded by Trustee Roy, the public and non-public minutes of the November 8, 2011 regular Board meeting were approved unanimously.

On a motion by Trustee Hickey, seconded by Trustee Gustafson, the Consent Agenda was unanimously approved with the exceptions of the Disability Application Recommendation for D.E., the Administrative Recommendations of N. Crawford, J. Richardson, and S. Sweitzer, and the Administrative Reconsideration of M. McGovern.

On a motion by Trustee Hickey, seconded by Trustee O'Brien, the Board voted to enter into non-public session under RSA 91-A:3, II(c) to discuss a disability application, as follows:

Ayes: Shapiro, O'Brien, Crombie, McGovern, Wozmak, Gustafson, Sosnoff, Roy, Morrissey, Hickey and Provencher.

Nays: None.

On a motion by Trustee Hickey, seconded by Trustee O'Brien, the Board voted to conclude the non-public session.

After clarifying that the type of disability application for D.E. was accidental not ordinary, on a motion by Trustee Hickey, seconded by Trustee Morrissey, the Board unanimously upheld the Hearings Examiner's recommendation denying D.E. accidental disability retirement.

The Board discussed each Administrative Recommendation individually and took the following actions:

On a motion by Trustee O'Brien, seconded by Trustee Gustafson, the Administrative Recommendation of N. Crawford was tabled for further review.

On a motion by Trustee O'Brien, seconded by Trustee McGovern, the Board unanimously voted to oppose the Hearings Examiner's recommendation and, therefore, allow J. Richardson's purchase out-of-state service credit to go forward based on the unique facts of this case.

On a motion by Trustee O'Brien, seconded by Trustee Hickey, the Board unanimously voted to oppose the Hearings Examiner's recommendation and, therefore, the \$568.20 interest penalty paid by SAU 88 in Lebanon with be retained by NHRS.

At 9:52 a.m., Trustee McGovern recused herself and departed the public meeting in anticipation of the Board's review of the Reconsideration Recommendation on a matter pertaining to her. Following a brief review of the facts presented and the change in applicable law pertaining to the additional contributions program, on a motion by Trustee Provencher, seconded by Trustee Hickey, the Board unanimously voted to uphold the Hearings Examiner's recommendation that the petitioner was not eligible to make additional contributions.

The Chair next asked Audit Committee Chair Cathy Provencher to present the discussion of the Audit Committee that morning. Trustee Provencher stated that in accordance with RSA 100:15, VIA, the Audit Committee respectfully requested that the Board accept and release of the audited Comprehensive Annual Financial Report (CAFR). Trustee O'Brien seconded the motion, and the Board unanimously approved the

CAFR. In her comments, Trustee Provencher made special note that for the first time in her experience with the NHRS audit since 1987, the Retirement System had received no findings rising to the level requiring a management letter. She noted that it was quite an accomplishment and Staff should be congratulated.

Chair Shapiro then stated she would entertain a motion to approve and accept the Comprehensive Annual Investment Report for Fiscal Year 2011 as prepared and approved by the Independent Investment Committee. Moved by Trustee Provencher, seconded by Trustee Morrissey, the motion passed unanimously.

She then requested the legal update on fiduciary insurance from Atty. Tim Crutchfield, who reported that he had received quotes for primary coverage from Chubb and excess liability insurance from Allied World Assurance Co. He reported he expected to have more quotes for the January meeting, at which time the Board would need to take action on a chosen insurer.

Chair Shapiro entertained discussion on Trustee Crombie's travel request to the Opal Financial Group's Public Funds Summit, January 10-12, 2012, in Scottsdale, Arizona. On a motion by Trustee O'Brien, seconded by Trustee Hickey, the request was unanimously approved the Board.

Trustee Hickey asked that the Chair discuss her response to the letter she, and every trustee, had received from the New Hampshire Retirement Security Coalition dated December 1, 2011, with specific requests of the NHRS Board relating to the creation of a defined contribution plan. Chair Shapiro stated that on Friday when she opened her board materials and read the letter, she had immediately called Ms. France, Trustee Hickey and Trustee Reardon to set up a conference call for Friday. Noting that the defined contribution plan was not on the Agenda, the group (without Trustee Reardon) discussed and drafted a response to the letter that was signed by Dr. Shapiro and sent out by Ms. France.

The Board discussed the ideal process for Staff appropriately managing correspondence to Trustees, responses from the Chair individually, as well as generic acknowledgment by Staff of correspondence received, with action taken by the full Board at its next regular meeting.

In addressing the proposed defined contribution plan, Chair Shapiro stated that she expected the January Board meeting to provide Trustees extensive information, vetted by the Legislative Committee, and that the topic would be thoroughly explored.

NHRS Board of Trustees
December 13, 2011

On a motion by Trustee Hickey, seconded by Trustee Crombie, the regular meeting adjourned at 10:16 a.m.

Respectfully submitted,
Shannan Hudgins