

April 3, 2018 NHRS Board of Trustees, Governance Committee

NOTE: These minutes from the April 3, 2018 Governance Committee meeting were approved at the May 8, 2018 Committee meeting.

**Governance Committee
Board of Trustees
New Hampshire Retirement System
54 Regional Drive
Concord, NH 03301**

April 3, 2018 Public Minutes

Governance Committee Members: Trustees Don Roy and Dick Gustafson. *Telephonically present:* Trustees Bill Dwyer; and David McCrillis.

Staff: George Lagos, *Executive Director;* Tim Crutchfield, *Chief Legal Counsel;* Mark Cavanaugh, Esq., *Associate Counsel and Compliance Officer;* Carolyn Johnson, *Hearings Examiner;* Larry Johansen, *Director of Investments;* Heather Fritzky, *Director of Finance;* Nancy Miller, *Director of Member Services;* and Margaret Astles, *Executive Assistant.*

Chair Roy called the Governance Committee meeting to order at 11:01 a.m.

On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee unanimously approved the February 9, 2018 Governance Committee meeting minutes.

Chief Legal Counsel Crutchfield updated the Committee on suggested edits to the draft Board self-evaluation policy following Committee's comments from its February 9, 2018 meeting. Responding to Committee questions on the draft policy, Executive Director Lagos explained that the Board could conduct a self-evaluation more often than every three years if it so desires. The Committee will review the updated version of the draft policy at its next meeting.

Mr. Crutchfield then introduced the annual review of the fee schedule for Right-to-Know document requests, noting that the review was a best practice measure. The review included comparing the NHRS fee schedule with the copying costs charged by a number of state agencies. He noted that the NHRS has received very few requests for hard copies as most documents are sent electronically at no charge. The Committee discussed with staff that the current fee schedule charges \$1.50 per CD, plus postage, but that new computers do not utilize CDs but instead use flash drives.

On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee voted unanimously to amend the NHRS fee schedule by eliminating the cost for CDs and replacing it with charging \$10.00 for a flash drive.

Associate Counsel and Compliance Officer Cavanaugh next reported that he had recently completed the annual VCP policy review and verified that there were no compliance issues.

Director of Finance Fritzky introduced some proposed rule revisions under Ret. 303 for review and discussion. The proposed revisions would extend the current employer contribution payment due date by ten calendar days. Presently, the payroll data reporting and payment due dates are both on the 15th of every month, which presents administrative challenges for both the employers and the system staff in terms of reconciling errors in a timely manner. The proposed revisions in Ret. 303 will be wrapped into a number of proposed revisions for all Ret. 300 and 400 rules which will be submitted for consideration after the interim rules are re-adopted.

Next, Executive Director Lagos reviewed the PASE Proposal to upgrade from PGV2 to PGV3, as was previously presented to the Audit Committee at its March 20, 2018 meeting. He reviewed the original project plan, the extensive due diligence which had been undertaken, the LRS proposal and benefits of the newer version and the costs for the project. There was some discussion around the timing of the project in relation to the state's budget process.

On a motion by Trustee Dwyer, seconded by Trustee McCrillis, the Committee voted unanimously to recommend to the full Board that it approve staff's recommendation to move forward with upgrading from PensionGold Version 2 to PensionGold Version 3, as presented, subject to successful contract negotiations.

The next Governance Committee meeting will be after the May 8, 2018 Board of Trustees' meeting. On a motion by Trustee Gustafson, seconded by Trustee Dwyer, the Committee unanimously voted to adjourn at 11:54 a.m.

Respectfully submitted,

Margaret M. Astles