

Note: These minutes from the January 14, 2020 Governance Committee meeting were approved at the February 11, 2020 Committee meeting.

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

January 14, 2020
Public Minutes

Governance Committee Members present: Trustees Don Roy, Chair; Richard Gustafson, Bill Dwyer, Bob Maloney and Sue Hannan.

Staff: George Lagos, *Executive Director*; Tim Crutchfield, *Chief Legal Counsel*; Mark Cavanaugh, *Associate Counsel & Compliance Officer*; Larry Johansen, *Director of Investments*; Gerard Murphy, *Director of Finance*; and Margaret Astles, *Executive Assistant*.

Trustee Roy called the meeting to order at 12:20 pm.

Having established a quorum, on a motion by Trustee Maloney, seconded by Trustee Gustafson, the Committee voted to approve the minutes of the December 6, 2019 Governance Committee meeting. Abstention: Trustee Hannan.

Chair Roy introduced the discussion regarding the Actuarial Funding Policy revisions. Director of Finance Gerard Murphy explained that at its December 10, 2019 meeting, the Board unanimously voted to engage GRS to initiate an actuarial experience study for the four-year period ending with the FY 2019 Actuarial Valuation, in accordance with the provisions of RSA 100-A:14, IX, subject to contract negotiations. As a result, the Board also referred to the Audit and Governance Committees the possibility of revising the Actuarial Funding Policy, specifically related to setting the policy to require actuarial experience studies every four years, so the Board would improve the timeliness of setting actuarial assumptions. This change would ensure that these studies would be conducted in conjunction with every other rate-setting actuarial valuation and eliminate the 6-year lag between the update of assumptions, which happens under the current policy when the 5-year experience study period ends in an even year. The change would allow NHRS to remain in compliance with RSA 100-A: 14, IX, which requires an actuarial experience study at least every five years. The Committee anticipates acting on the recommendation for approval at its February meeting.

Chair Roy turned the Committee's attention to the NH Legal Counsel RFP. Chief Legal Counsel Tim Crutchfield reported that although only three RFP responses were received, those responses were from the incumbent providers and staff was very satisfied with their work over the past five years. In addition, staff was able to secure fee concessions from two of the firms, while the third agreed to maintain rates without any increase.

On a motion by Trustee Dwyer, seconded by Trustee Maloney, the Committee voted unanimously to recommend to the full Board that it authorize staff to enter into agreements with Attorney Peter Foley for administrative matters, Sulloway & Hollis firm for labor and employment matters, and the McLane, Middleton firm for litigation matters, subject to successful engagement negotiations.

Chair Roy noted that the next meeting of the Governance Committee would follow the Board of Trustees meeting on February 11, 2020.

With no further business to be discussed, on a motion by Trustee Gustafson, seconded by Trustee Hannan, the Committee voted unanimously to adjourn the meeting.

Respectfully submitted,

Margaret M. Astles
Executive Assistant