

NHRS Board of Trustees, Governance Committee  
March 11, 2014

**NOTE:** These minutes from the March 11, 2014, Governance Committee meeting were approved at the May 13, 2014 Committee meeting.

**Governance Committee  
Board of Trustees  
March 11, 2014**

**Public Minutes**

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

*Committee Members:* Don Roy, *Chair*; Dick Gustafson, Ph.D.; Dean Crombie; David McCrillis; and Guy Scaife.

*Staff:* George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Mark Cavanaugh, Esq., *Associate Counsel and Compliance Officer*; Carolyn Johnson, *Hearings Examiner*; Shannan Hudgins, *Administrative Coordinator*.

Chair Roy called the meeting to order at approximately 12:30p.m. On a motion by Trustee Crombie, seconded by Trustee McCrillis, the minutes from the February 11, 2014, Committee meeting were approved unanimously.

Atty. Cavanaugh provided a brief IRS Cycle C update, noting that NHRS had submitted a determination letter in December 2013 and had received an acknowledgement six weeks later. An additional-information request received in late February was specific to any amendments to the VCP policy and a litigation summary detailing updates occurring after December 2013. Atty. Crutchfield noted there was not a timeframe for final response, and because all the requests had been routine, nothing adverse was expected nor was there any further action to be taken.

In preparation for the five scheduled presentations in response to the RFP for external local counsel, Atty. Crutchfield provided a verbal outline of the legal RFP process to date. He noted that Groom Law Group had been retained for fiduciary and tax matters in the spring of 2013, and Foster Pepper had been retained as investment counsel in the fall of 2013. He stated that local counsel would be retained for a five-year term and that all five respondents were appearing today before the Committee. He anticipated a non-public session following the final presenter.

Atty. Peter Foley first addressed the Committee, reviewing his tenure as NHRS counsel and his work representing the System in disability and administrative appeals for over twenty years. He maintains a solo practice, is committed to NHRS and stated that his knowledge base built over many years provided a wealth of expertise specific to New Hampshire's largest public pension and the protection of both the assets of the trust and the beneficiaries of those assets.

Atty. Andrew Schulman, of Getman, Schulthess, & Steere, next addressed the Committee. Atty. Schulman provided an overview of his legal practice, specifically litigation, and his representation of NHRS in trial and appellate matters beginning in 2007. He provided details about his firm, stating that Atty. Clara Lyons was the only attorney with whom he consulted on System matters. Atty. Schulman expressed his continuing interest in representing the System in complex litigation.

Attorneys Edward Kaplan, Sarah Murdough, and Kate Deforest of Sulloway & Hollis presented their experience as general labor counsel for NHRS. Atty. Kaplan discussed the two collective bargaining agreements he had managed for the System, as well as the PELRB application in the fall of 2013. He briefly discussed the real estate transactions overseen by his partner Peter Imse, and he highlighted the firm's representation of NHRS to the NH Supreme Court on a Right-to-Know suit filed by the Manchester Union Leader. Atty. Kaplan emphasized the broad experience of the firm's attorneys and their prompt response record.

Three attorneys from Hinkley, Allen & Snyder provided a firm overview for the Committee. Attorneys Chris Carter, Susan Lehman, and Tracey Vitols presented the area of law they practiced and their respective expertise in litigation, employment law, and employee benefits practice. Atty. Lehman noted that 150 attorneys were employed in multiple cities in New England as well as New York City. Atty. Vitols described past work with NHRS on a specific employee benefit issue. Hinkley, Allen & Snyder represented a number of municipal employers, and also worked with the Rhode Island Retirement System, including assisting the State Treasurer in designing and implementing the state's recent pension changes.

The presentation from McLane, Graf, Raulerson & Middleton began with opening statements from Atty. Dick Samuels, Managing Partner, who described McLane as the state's largest firm with 90 attorneys, but also a very specialized firm. Focusing their remarks on the firm's work with companies and their relationship with government, Attorneys John Rich, Linda Johnson, and Beth Deragon discussed practice areas and relevant expertise each could offer to NHRS. Atty. Johnson considered her work as an "employment law partner" in matters of employee relations and risk management. The panel confirmed that McLane represented public employers, not public employees, and then described the firm's vetting procedures for any potential conflict-of-interest concerns.

Following the conclusion of the firm presentations, on a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee entered into non-public session under RSA 91-A:3, II(c) to discuss a matter, which if discussed in public, could adversely affect the reputation of someone other than a member of the public body, on a roll call vote, as follows:

*Ayes:* Trustees Roy, Gustafson, Crombie, McCrillis, and Scaife.

*Nays:* None.

On a motion by Trustee Crombie, seconded by Trustee Scaife, the Committee unanimously voted to conclude the non-public session.

On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee unanimously voted to recommend to the full Board that it authorize staff to enter into agreements with: Attorney Peter Foley for administrative matters; Attorney Schulman for litigation matters; Sulloway & Hollis for a one-year extension to its current contract, with a review at that time; and the McLane Law Firm on an as-needed basis, subject to contract and legal review.

As a final meeting topic, Atty. Cavanaugh relayed a discussion he had with attorneys at the Groom Law Group concerning IRS issues related to unwinding HB2, noting that preemptive preparation of a remedy in the face of an HB2 unwind decision was the focus of the discussion. He and Atty. Crutchfield would update the Committee with any developments.

On a motion by Trustee Gustafson, seconded by Trustee Crombie, the meeting adjourned at approximately 2:55 p.m.

*Respectfully submitted,*  
*Shannan Hudgins*