

NOTE: These minutes from the October 28, 2014, Governance Committee meeting were approved and executed at the November 12, 2014 Committee meeting.

**Governance Committees
Board of Trustees
October 28, 2014**

The Public Minutes

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

Governance Committee Members: Don Roy, Chair, present; Dean Crombie; Dick Gustafson, Ph.D.; David McCrillis, telephonically.

Staff: George Lagos, Executive Director; Tim Crutchfield, Esq., Chief Legal Counsel; Larry Johansen, Director of Investments; Nancy Miller, Director of Member Services; Mark Cavanaugh, Esq., Associate Counsel and Compliance Officer; Shannan Hudgins, Administrative Coordinator.

Committee Chair Roy called the Governance Committee Meeting to order at 2:02 p.m. On a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee unanimously approved the minutes from the September 9, 2014 Governance Committee meeting.

On a motion by Trustee McCrillis, seconded by Trustee Gustafson, the Committee unanimously approved the minutes from the September 30, 2014, joint meeting with the Audit Committee

The Committee briefly reviewed the revised Service Purchase Policy, confirming that it was the identical policy to that presented and discussed at the October 14, 2014 Board of Trustees meeting. To follow appropriate protocol, on a motion by Trustee Gustafson, seconded by Trustee McCrillis, the Committee unanimously voted to rescind the Governance Committee's recommendation of the prior proposed version of the Service Purchase Policy that was acted upon at the joint meeting of the Audit and Governance Committees on September 30, 2014. On a motion by Trustee McCrillis, seconded by Trustee Gustafson, the Committee unanimously approved the revised version of the Service Purchase Policy as prepared by Gabriel Roeder Smith (GRS) on October 9, 2014.

Trustee Crombie joined the meeting telephonically at 2:07 p.m.

A review and explanation of the Actuarial Standards Board (ASB) recent recommendations on various public pension issues was introduced by Executive Director George Lagos, and Director of Investments Larry Johansen provided a brief profile of the ASB and its most recent request for comment. Three national public pension fund organizations (NASRA, CEPERS, and NCTR)

NHRS Board of Trustees, Governance Committee
October 28, 2014

had sought NHRS support in their group letter addressing concerns with the ASB-proposed change in standards for public pension actuaries. Mr. Lagos was seeking Committee support and endorsement to the full Board for him to sign the letter on behalf of NHRS. On a motion by Trustee Gustafson, seconded by Trustee Roy, the Committee unanimously voted to recommend to the full Board that it authorize and designate the Executive Director to endorse a draft letter to the Actuarial Standards Board in response to a Request for Comments as proposed by NASRA, NCPERS, and NCTR.

The Committee then discussed the most recent Surry Village Charter School Proposal of Amended Retirement Plan as a requirement for employer withdrawal from NHRS. Chief Legal Counsel Tim Crutchfield stated that a conference call would be scheduled with GRS to review the plan and its statutory compliance for withdrawal from NHRS. In response to a query about the Committee's role in reviewing the proposal in conjunction with the Audit Committee, Atty. Crutchfield stated that compliance with the statutory withdrawal provisions of RSA 100-A was an appropriate matter for review by the Governance Committee. Mr. Johansen also noted that the review was appropriate in that both the Audit Committee and the Governance Committee had previously reviewed and acted upon the Board's Employer Withdrawal Policy.

The Committee scheduled its next meeting to immediately follow the Board of Trustees meeting on Wednesday, November 12, 2014.

On a motion by Trustee McCrillis, seconded by Trustee Gustafson, the Governance Committee unanimously voted to adjourn at approximately 2:22 p.m.

*Respectfully submitted,
Shannan Hudgins*