

Note: The public minutes from the December 5, 2011, Legislative Committee meeting were approved and executed at the December 12, 2011, meeting.

**Legislative Committee
of the
Board of Trustees
December 5, 2011**

APPROVED PUBLIC MINUTES

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

Committee Members: Tara Reardon, *Chair*; Dr. Dick Gustafson; Dr. Kate McGovern; Jack Wozmak.

Staff: Kim France; Larry Johansen; Jack Dianis; Tim Crutchfield; Nancy Miller; Marty Karlon; Bill Spead; and Shannan Hudgins.

Guests: David Kausch; Heidi Barry; Randall Dziubek, Gabriel Roeder Smith & Company, *via telephone*.

Chair Reardon called the meeting to order at 2:03 p.m., stating that she would entertain a motion on the November 7, 2011, Committee minutes. On a motion from Trustee Gustafson, seconded by Trustee McGovern, the minutes were unanimously approved.

Chair Reardon next asked Ms. France to discuss the Gabriel Roeder Smith & Company (GRS) Supplemental Actuarial Valuation on LRS 12-2876.1, the proposed defined contribution (DC) plan requested by the Legislative Committee at its November meeting. Referencing the copy of the DC valuation in the meeting materials, Ms. France asked David Kausch to lead the discussion. Beginning with page three of the Supplemental Valuation, Mr. Kausch systematically discussed each element of the report. He emphasized the additional required employer contributions that would be applied to the UAAL of the NHRS, and he noted that the Teachers' account would experience the greatest shortfall. He explained the normal cost rate of new employees, stating that employers would slowly experience cost savings over 26 years. Mr.

Kausch also stated that a shortfall in any year would appear the following year and that all shortfalls would eventually be paid. Trustee McGovern requested a chart that provided costs over 26 years, with projections for both proposed and current plans.

Following a lengthy discussion that included funding, the rate of return, and the possibility of changing investment strategy, Mr. Johansen asked for an order-of-magnitude report from GRS for the December 12, 2011 Committee meeting. Specifically addressing investment strategies, Mr. Kausch stated that typically the rate of return was lower in DC plans and affected the members most.

Ms. France next discussed the Legislative Tracker and the details in anticipation of the 2012 session. Staff were working with legislators on technical corrections to HB 2, and with the systems vendor on the in-house spiking estimator. In her update on HB 2 implementation, Ms. France reminded the Committee that the work required to hit the January 1, 2012 deadline was unprecedented.

On a motion by Trustee Wozmak, seconded by Trustee Gustafson, the Committee unanimously voted to temporarily adjourn the meeting to consult with legal counsel under RSA 91-A:2, I(a).

On a motion by Trustee McGovern, seconded by Trustee Wozmak, the Committee unanimously voted to reconvene the meeting.

On a motion by Trustee Gustafson, seconded by Trustee McGovern, the Committee unanimously voted to recommend to the full Board that it waive the attorney-client privilege of the December 2, 1011 Groom Law Group memorandum.

Chair Reardon facilitated a brief discussion to determine strategies and opportunities to share information and data with policy makers.

On a motion by Trustee Wozmak, seconded by Trustee McGovern, the meeting was adjourned at approximately 3:36 p.m.

Respectfully submitted,
Shannan Hudgins