

Note: These public minutes from the January 30, 2014 Legislative Committee meeting were approved and executed at the March 28, 2014 Committee meeting.

**Legislative Committee
of the
Board of Trustees
January 30, 2014**

THE PUBLIC MINUTES

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

Committee Members: Hershel Sosnoff, *Chair*; Dick Gustafson, Ph.D., and, Germano Martins. Guy Scaife, *telephonically*. Jack Wozmak, *telephonically @ 1:30 p.m.*

Staff: George Lagos, *Executive Director*; Jack Dianis, *Director of Finance and Staff Liaison*; Tim Crutchfield, *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Nancy Miller, *Director of Member Services*; Mark Cavanaugh, *Regulatory Compliance Officer*; Marty Karlon, *Public Information Officer*; Denise Call, *Director of Employer and Retiree Services*; Carolyn Johnson, *Hearings Examiner*; Shannan Hudgins, *Administrative Coordinator*.

Chair Sosnoff called the meeting to order at 1:03 p.m. and requested approval of minutes from the November 6, 2013 Committee meeting. On a motion by Trustee Scaife, seconded by Trustee Martins, the minutes were approved.

Chair Sosnoff requested an update on the NHRS Legislative Agenda, and Mr. Karlon presented a review of Legislative action on the bills noted on the 2014 Legislative Tracker. Beginning with the Senate bills, Mr. Karlon stated that hearings had not occurred for either SB395 or SB364. He focused his remarks on SB364, which presented many technical issues and mechanical defects. He addressed the system's responsibility to appear before any committees as an honest fact broker, explaining how the system operated and any anticipated increased costs in administration triggered by proposed legislation. SB 339, which was the affinity credit card bill, had been presented at a public hearing at which Commissioner Hodgdon had testified to the declining popularity of affinity cards.

The Committee then discussed the House bills focused on housekeeping measures for the system. HB1494 was an omnibus bill that would require information from the system's consulting actuaries, Gabriel Roeder Smith &

Company. Discussion on HB1617 was focused on privacy concerns and the controls which would be placed on NHRS employee access to confidential information. Mr. Karlon noted the Secretary of State personnel could track file access and noted that inappropriate use of Division of Vital Records information was a Class B felony. Both circumstances served as significant deterrents to information misuse by system employees.

Mr. Karlon stated that staff were closely monitoring HB1101, the recoupment bill that had been reviewed with the bill sponsor over a number of months in the fall of 2013. A lengthy discussion followed on current statutory framework and the Board's recoupment policy and practices. The Legislative Committee noted that it was supportive of the current recoupment structure in 100-A which seemed to work well and afforded the opportunity to use judgment in the disposition of recoupment matters.

Trustee Gustafson excused himself at 1:50 p.m.

Mr. Karlon continued with brief commentary on the remaining House bills. A general discussion between staff and Trustees about Extra and Special Duty Pay (ESDP) followed. It was observed that multiple interpretations of ESDP by employers could trigger unintended consequences for members, both in terms of eligibility and at the time of retirement.

On a motion by Trustee Martins, seconded by Trustee Wozmak, the meeting adjourned at approximately 2:03 p.m.

Respectfully submitted,
Shannan Hudgins