

NHRS Board of Trustees, Governance Committee
July 9, 2013

NOTE: These minutes from the July 9, 2013, Governance Committee meeting were approved and executed at the August 13, 2013 committee meeting.

**Governance Committee
Board of Trustees
July 9, 2013**

The Public Minutes

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

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

Staff: George Lagos, *Executive Director*; Tim Crutchfield, Esq., *Chief Legal Counsel*; Larry Johansen, *Director of Investments*; Mark Cavanaugh, Esq., *Regulatory Compliance Officer*; Shannan Hudgins, *Administrative Coordinator*.

Trustees: Germano Martins.

Chair Roy called the meeting to order at approximately 1:02 p.m. On a motion by Trustee Crombie, seconded by Trustee Scaife, the minutes from the June 11, 2013, Committee meeting were approved.

Atty. Cavanaugh presented an update on the draft of the Office of Foreign Assets Control (OFAC) compliance policy he had prepared for Committee review. He stated that as Regulatory Compliance Officer, he would serve as the OFAC Compliance Officer overseeing the development of operational procedures to implement the policy. Following a brief discussion, Atty. Cavanaugh closed his remarks by stating that if approved for consideration and subsequently adopted by the Board of Trustees, the OFAC would become part of the Governance Manual and, therefore, subject to annual review.

On a motion by Trustee McCrillis, seconded by Trustee Crombie, the Committee unanimously voted to recommend that the full Board adopt the OFAC Policy as presented.

Atty. Crutchfield offered an update on the request-for-proposals (RFP) for legal counsel for investments, acknowledging that thirteen proposals had been received by the June 28th deadline. The staff review team, Mr. Lagos, Mr. Johansen, Atty. Crutchfield, Atty. Cavanaugh, and Atty. Johnson, would review and score the proposals and then prepare recommendations for the Committee's review. He anticipated presenting the list of recommended firms for Governance Committee interviews at the September meeting. Responding to a question, Atty. Crutchfield confirmed that \$300,000 was budgeted in FY 2013 for investment counsel.

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Atty. Cavanaugh reported that the review of the Governance Manual was proceeding in two phases. The first phase involved reformatting all portions of the document to a uniform style, transferring all variable information to the appendices, and adding new policies that had been adopted by the Board. This phase had been completed and was under review by Mr. Lagos and Atty. Crutchfield. The second phase would encompass substantive alterations and revisions, including consideration of recommendations from the outside consultant, Nancy Williams.

Atty. Crutchfield noted that the anticipated investigative policy for review of disability cases discussed earlier in the day at the Board meeting would be reviewed by the Benefits Committee, then forwarded to the Governance Committee for review and consideration.

Trustee Roy scheduled the next Governance Committee to follow the August 13, 2013, Board of Trustees meeting.

On a motion by Trustee Scaife, seconded by Trustee McCrillis, the meeting adjourned at approximately 1:22 p.m.

Respectfully submitted,
Shannan Hudgins