

MINUTES OF THE MEETING OF THE
COMPENSATION REVIEW COMMITTEE OF THE
BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

JUNE 30, 2020

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1500
HONOLULU, HAWAII 96813

Trustees present:
(City Financial Tower
by teleconference)

Mr. Jerome Rauckhorst, Chair
Mr. Vincent Barfield, Vice Chair
Dr. Genevieve Ley
Mr. Wesley Machida

Staff present:
(City Financial Tower
by teleconference)

Mr. Thomas Williams, Executive Director
Ms. Dale Kehau Kanae, Recording Secretary

Attorney present:
(by teleconference)

Mr. Ivan Torigoe, Deputy Attorney General

QUORUM/CALL TO ORDER

A quorum being present (Chair Rauckhorst, Vice Chair Barfield, Trustees Ley and Machida), Chair Rauckhorst called the Compensation Review Committee (Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 1:02 p.m.

On a motion made by Vice Chair Barfield, seconded by Trustee Machida, and unanimously carried, to be able to hold a meeting closed to the public and allow Trustees to participate by teleconference or other remote meeting technology, pursuant to the Governor of the State of Hawaii's Ninth Supplementary Proclamation dated June 10, 2020, in order to implement social distancing measures.

PUBLIC COMMENT

Chair Rauckhorst called for public comment. There were no members of the public present by teleconference, therefore no public comments. There was also no public testimony received by e-mail for this Committee meeting.

REVIEW THE ACTIVITIES
AND TIMELINE FOR THE
COMMITTEE TO
COMPLETE ITS
EVALUATIONS OF THE
EXECUTIVE DIRECTOR,
DEPUTY EXECUTIVE
DIRECTOR, CHIEF
INVESTMENT OFFICER,
AND INVESTMENT
OFFICERS

Chair Rauckhorst discussed with the Committee the purpose of the meeting and reviewed the activities on the revised Compensation Review Committee 2020 Timeline (Timeline) to complete its evaluations for the Executive Director (ED), Deputy Executive Director (DED), Chief Investment Officer (CIO), and Investment Officers (IO). Chair Rauckhorst noted that evaluations of Branch Chiefs (BC) and a Succession Plan was added to the Timeline. Chair Rauckhorst also mentioned that based on recent approval by the Legislature of public worker pay raises, the Committee should consider adding compensation to one of the upcoming agendas for discussion.

ED Thomas Williams discussed with the Committee its past procedures regarding performance evaluations and noted that BC's have been added and will be reported similar to the IO's to the Committee, as well as the ED, DED, and CIO. By doing this, the Committee would have a more complete perspective of ERS Management.

The Committee discussed the need for structural balance between accounting, operations, investments, as well as administration, and the need to consider

positions that are civil services vs. exempt. Some position classifications are determined by Hawaii Revised Statutes and would need to go through a reform process through the Legislature to change. It was suggested that we work towards autonomy.

**APPROVAL OF MINUTES
- MAY 4, 2020**

On a motion made by Vice Chair Barfield, seconded by Trustee Machida, and unanimously carried, the Committee approved the minutes for the May 4, 2020, meeting as presented.

**ENTER EXECUTIVE
SESSION**

On a motion made by Vice Chair Barfield, seconded by Trustee Machida, and unanimously carried, the Committee entered into Executive Session at 1:33 p.m.

(Public participation concluded by ending the teleconference link. ED Williams and Recording Secretary (RS) Dale Kehau Kanae were excused and Committee members and Deputy Attorney General Ivan Torigoe remained in the meeting.)

EXECUTIVE SESSION

- Pursuant to HRS§ 92-5(a)(2) and (4), to discuss evaluation, goals, objectives, and responses to 360° Questionnaires for Employees' Retirement System's exempt staff, where matters affecting privacy will be involved, and to consult with the Board's attorneys on questions and issues pertaining to the Committee's powers, duties, privileges, immunities, and liabilities; appropriate action.

**EXECUTIVE SESSION,
PURSUANT TO HRS§ 92-5(a)(2)
AND (4), TO DISCUSS
EVALUATION, GOALS,
OBJECTIVES, AND RESPONSES
TO 360° QUESTIONNAIRES FOR
EMPLOYEES' RETIREMENT
SYSTEM'S EXEMPT STAFF,
WHERE MATTERS AFFECTING
PRIVACY WILL BE INVOLVED,
AND TO CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE
COMMITTEE'S POWERS,
DUTIES, PRIVILEGES,
IMMUNITIES, AND
LIABILITIES; APPROPRIATE
ACTION**

(ED Williams and RS Kanae re-entered the meeting at 1:45 p.m.)

**APPROVAL OF EXECUTIVE
SESSION MINUTES
- MAY 4, 2020**

EXIT EXECUTIVE SESSION

On a motion made by Trustee Machida, seconded by Vice Chair Barfield, and unanimously carried the Committee exited Executive Session at 2:53 p.m.

ADJOURNMENT

On a motion made by Trustee Machida, seconded by Vice Chair Barfield, and unanimously carried, Chair Rauckhorst adjourned the meeting at 2:53 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik