

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

MAY 4, 2020

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
HONOLULU, HAWAII 96813

Trustees present: Mr. Jerome Rauckhorst, Chair
(by teleconference) Mr. Vincent Barfield, Vice Chair
Dr. Genevieve Ley
Mr. Wesley Machida

Staff present: Mr. Thomas Williams, Executive Director
(City Financial Tower Ms. Kanoë Margol, Deputy Executive Director
by teleconference) Ms. Dale Kehau Kanae, Recording Secretary

Staff present: Ms. Elizabeth Burton, Chief Investment Officer
(by teleconference)

Attorney present: Mr. Ivan Torigoe, Deputy Attorney General
(by teleconference)

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 1:07 p.m.

On a motion made by Trustee Machida, seconded by Trustee Ley, 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 Supplementary Proclamations dated March 16, and April 25, 2020, in order to implement social distancing measures.

PUBLIC COMMENT

Chair Rauckhorst called for public comment. There were no members of the public present, 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 AND
RECOMMENDATIONS
REGARDING
COMPENSATION FOR THE
EXECUTIVE DIRECTOR,
DEPUTY EXECUTIVE
DIRECTOR, CHIEF
INVESTMENT OFFICER,
AND INVESTMENT

Chair Rauckhorst discussed with the Committee the purpose of the meeting was to review the activities and the Compensation Review Committee 2020 Timeline (Timeline) to complete its evaluations and recommendations regarding compensation for the Executive Director (ED), Deputy Executive Director (DED), Chief Investment Officer (CIO), and Investment Officers (IO).

ED Thomas Williams discussed with the Committee its past procedures regarding performance evaluations and compensation recommendations for the ED, DED, CIO, and IO's. As discussed in past meetings and reflected in the updated Timeline, the only change to the procedures is that the IOs performance evaluation will be done by the CIO and ED with evaluation summaries and compensation recommendations to be submitted to the

OFFICERS

Committee. The Committee will continue to evaluate the performance of the ED, DED, and CIO and provide compensation recommendations to the Board, to include the IOs, with the exception of the DED recognizing it is a civil service position. ED Williams suggested to the Committee that due to the current COVID-19 pandemic conditions, further modifications be made to the Timeline to allow for extra time to complete face-to-face evaluations of the IOs. The Committee agreed to modifications to allow extra time be added to the Timeline as discussed and also requested review of Succession Plan Updates for presentation to the Board.

The Committee also discussed approval procedures regarding compensation stating that approval is given by the Board, followed by the Department of Budget & Finance Director, and indirectly by the Legislature as part of Budget & Finance Department’s budget. The Committee also discussed compensation in general, and decided at this time, due to the State’s financial condition, it would be premature to discuss increasing compensation.

Chair Rauckhorst discussed with the Committee the status of his 360° Survey stating that he is on track and will be meeting to discuss it with the ED, DED, and CIO and will be reporting the Survey results at the next Committee meeting.

APPROVAL OF MINUTES
- MARCH 23, 2020

On a motion made by Vice Chair Barfield, seconded by Trustee Ley, and unanimously carried, the Committee approved the minutes for the March 23, 2020, meeting as presented.

ENTER EXECUTIVE
SESSION

On a motion made by Vice Chair Barfield, seconded by Trustee Ley, and unanimously carried, the Committee entered into Executive Session at 1:54 p.m.

EXECUTIVE SESSION

- Pursuant to HRS§ 92-5(a)(2) and (4), to discuss evaluation, goals, objectives, and compensation 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
COMPENSATION 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

APPROVAL OF EXECUTIVE
SESSION MINUTES
– MARCH 23, 2020

EXIT EXECUTIVE SESSION

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried the Committee exited Executive Session at 1:56 p.m.

ADJOURNMENT

On a motion made by Trustee Machida, seconded by Vice Chair Barfield, and unanimously carried, Chair Rauckhorst adjourned the meeting at 1:57 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik