

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

NOVEMBER 20, 2020

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

Trustees present: Mr. Jerome Rauckhorst, Chair  
(City Financial Tower Mr. Vincent Barfield, Vice Chair  
by teleconference) Mr. Wesley Machida

Trustees present: Dr. Genevieve Ley  
(by teleconference)

Staff present: Mr. Thomas Williams, Executive Director  
(City Financial Tower Ms. Kanoë Margol, Deputy Executive Director  
by teleconference) Ms. Elizabeth Burton, Chief Investment Officer (by teleconference)  
Ms. Dale Kehau Kanae, Recording Secretary  
Ms. Lori Kim, Secretary

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

Public present: Mr. Maja Ben Saed  
(by teleconference) One unidentified participant

QUORUM/CALL TO ORDER A quorum being present (Chair Rauckhorst, Vice Chair Barfield, Trustees Ley and Machida), Chair Rauckhorst called the Compensation Review Committee (CR Committee or Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 9:02 a.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 Fourteenth Proclamation related to the COVID-19 Emergency, dated October 13, 2020, in order to implement social distancing measures.

PUBLIC COMMENT Chair Rauckhorst called for public comment. Although there were two (2) members of the public present by teleconference, there was no public comment. There was also no public testimony received for this Committee meeting.

Chair Rauckhorst discussed the agenda of the meeting and announced that he would start with the approval of the minutes and go into Executive Session to discuss agenda items.

APPROVAL OF MINUTES On a motion made by Vice Chair Barfield, seconded by Trustee Machida, and  
- AUGUST 18, 2020 unanimously carried, the Committee approved the Minutes of August 18, 2020, as presented.

ENTER EXECUTIVE  
SESSION

On a motion made by Trustee Machida, seconded by Vice Chair Barfield, and unanimously carried, the Committee entered into Executive Session at 9:07 a.m.

(Public participation concluded by ending the teleconference link.)

Before discussion of the items in Executive Session, the Committee clarified and agreed, to the extent possible, items should be discussed in public session unless considered confidential.

REVIEW THE  
COMPENSATION REVIEW  
COMMITTEE  
(COMMITTEE) CHARTER,  
DISCUSS POSSIBLE  
COMMITTEE NAME  
CHANGE, REVIEW 2020  
COMMITTEE ACTIVITIES  
AND DISCUSS  
COMMITTEE GOALS FOR  
2021

EXECUTIVE SESSION

- Pursuant to HRS§ 92-5(a)(2) and (4), to discuss performance goals and objectives, success indicators and succession planning for Employees' Retirement System's exempt and non-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  
PERFORMANCE GOALS AND  
OBJECTIVES, SUCCESS  
INDICATORS AND  
SUCCESSION PLANNING FOR  
EMPLOYEES' RETIREMENT  
SYSTEM'S EXEMPT AND  
NON-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  
CONFIDENTIAL  
SUPPLEMENTAL  
EXECUTIVE SESSION  
MINUTES

– AUGUST 4, 2020

APPROVAL OF  
EXECUTIVE SESSION  
MINUTES

– AUGUST 18, 2020

EXIT EXECUTIVE SESSION

On a motion made by Vice Chair Barfield, seconded by Trustee Machida, and unanimously carried the Committee exited Executive Session at 10:04 a.m.

REVIEW THE  
COMPENSATION REVIEW  
COMMITTEE  
(COMMITTEE) CHARTER,  
DISCUSS POSSIBLE  
COMMITTEE NAME  
CHANGE, REVIEW 2020  
COMMITTEE ACTIVITIES  
AND DISCUSS  
COMMITTEE GOALS FOR  
2021

Chair Rauckhorst continued the discussion with the Committee on the revision of the Charter and change in the Committee’s name. The Committee suggested some of the members with the assistance of ED Williams, review the Charter, in particular the Purpose. With regard to the name change, the Committee suggested adding the words Human Resources. The Committee decided that a small group of the members comprised of Chair Rauckhorst, Vice Chair Barfield, and ED Williams will work on revising the Charter to include the name change.

DISCUSS AND IDENTIFY  
RECOMMENDATIONS FOR  
COMPENSATION  
ADJUSTMENTS AND  
TIMING OF  
COMPENSATION STUDY

Chair Rauckhorst and the Committee discussed compensation for exempt employees and it was stated that compensation for exempt employees would follow the civil service increases that were to be retroactive to July 1, 2020. There was some confusion as to whether or not the Board approved the compensation adjustments, however, it was noted that the Committee approved it at its last CRC meeting of August 18, 2020. DAG Torigoe will check the Confidential Executive Session minutes and advise ED Williams of the outcome so that compensation adjustments can be made.

With regard to the timing of the Compensation Study, ED Williams discussed that because of the State fiscal situation, it is not likely that ERS will be able to proceed, however he will continue to work on it starting possibly in January 2021.

ADJOURNMENT

On a motion made by Trustee Machida, seconded by Vice Chair Barfield, and unanimously carried, Chair Rauckhorst adjourned the meeting at 10:32 a.m.

**REDACTED SIGNATURE**

Thomas Williams  
Executive Director

TW:dkik