

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

DECEMBER 14, 2020

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

Trustees present:
(by teleconference) Mr. Emmit Kane, Chair
Mr. Jerome Rauckhorst, Vice Chair
Mr. Vincent Barfield
Dr. Catherine Chan
Mr. Craig Hirai
Dr. Genevieve Ley
Mr. Wesley Machida
Mr. Bennett Yap

Staff present:
(City Financial tower
by teleconference) Mr. Thomas Williams, Executive Director
Ms. Kanoë Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Ms. Shanna Sakagawa, Program Specialist
Mr. Larry Wolfe, Accounting Manager
Mr. Keith Miyamoto, Information Services Manager
Ms. Sandra Staub, Information Services, Applications Supervisor
Ms. Elizabeth Burton, Chief Investment Officer
Mr. Aaron Au, Investment Officer – Illiquid Markets
Mr. Anthony Goo, Investment Officer – Liquid Markets
Mr. David Okamoto, Investment Officer – Credit Markets
Mr. Ian Wetzel, Investment Officer
Mr. Andrew Chen, Investment Specialist
Ms. Gerri Konishi, Member Home Loan Assistant (audio only)
Ms. Diana Gomes, Secretary
Ms. Dale Kehau Kanae, Recording Secretary
Ms. Lori Kim, Secretary

Attorneys present:
(by teleconference) Mr. Ivan Torigoe, Deputy Attorney General
Ms. Elmira Tsang, Deputy Attorney General (audio only)
Ms. Diane Wong, Deputy Attorney General

Public present:
(by teleconference) Mr. Riley Fujisaki, Staff, House Finance Committee
Ms. Moya Gray
Mr. Greg Kull
Mr. Brenton Lee
Mr. Barry Livingston
Mr. Drew LoRusso
Budget1 – Nikki
Mr. Colin Peros
Mr. Maja Ben Saed
Ms. Christy Yoshizawa

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Ley, Machida, and Yap), Chair Kane called the regular meeting of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 9:02 a.m.

QUORUM/CALL TO ORDER
(CONT'D)

On a motion made by Vice Chair Rauckhorst, 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 Sixteenth Supplementary Proclamation Related to the COVID-19 Emergency, dated November 23, 2020, in order to implement social distancing measures.

PUBLIC COMMENT

Chair Kane called for public comment. There were ten (10) members of the public present by teleconference, however, none of the public present had any public comments. There was also no public written testimony received for this meeting.

(Trustee Hirai joined the meeting by teleconference)

DISCUSSION OF 2021 ERS
BOARD OF TRUSTEES
MEETINGS, ELECTION OF
OFFICERS, AND
COMMITTEE
ASSIGNMENTS

Chair Kane discussed with the Board the proposed 2021 Board of Trustees Meeting Schedule as presented and explained that this year would be a transition year for the Committees with the potential for Board Meetings to become lighter and to be held quarterly starting in 2022. Chair Kane also proposed that the 2020 Board Officers, Committee Assignments, Committee Chairs and Vice Chairs remain the same for 2021. Chair Kane polled each Board member and all Board members agreed with his proposal.

REPORTS BY COMMITTEE
CHAIRS:
ADMINISTRATIVE &
AUDIT COMMITTEE,
COMPENSATION REVIEW
COMMITTEE,
GOVERNANCE POLICY
COMMITTEE,
LEGISLATIVE
COMMITTEE,
INVESTMENT
COMMITTEE, AND
KAANAPALI AD HOC
COMMITTEE

Chair Kane requested reports from the Committee Chairs:

Administrative & Audit Committee Chair Ley did not have any report, however noted that the next meeting would be in January.

Compensation Review Committee Chair Rauckhorst did not have any report.

Governance Policy Committee Chair Kane did not have any report.

Legislative Committee Chair Chan did not have any report.

Chair Kane noted that the Investment and Kaanapali AD Hoc Committees reports would be covered in the Investment Committee Meeting.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Machida, seconded by Trustee Yap, and unanimously carried, the Board entered into Executive Session at 9:10 a.m.

(Public participation was ended by closing the link to the meeting)

EXECUTIVE SESSION

- Pursuant to HRS § 92-5(a)(4), and (a)(6) to consider and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to V10 and Oracle Financial Upgrade/Migration to the Cloud; report and update.
- Pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and status with respect to securities litigation claims; for appropriate action.
- Pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, with respect to potential securities litigation; for appropriate action.

EXECUTIVE SESSION,
PURSUANT TO HRS § 92-5(a)(4),
AND (a)(6), TO CONSIDER AND
CONSULT WITH THE BOARD'S
ATTORNEYS ON QUESTIONS

AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, AND TO CONSIDER SENSITIVE MATTERS RELATED TO V10 AND ORACLE FINANCIAL UPGRADE/MIGRATION TO THE CLOUD; REPORT AND UPDATE

EXECUTIVE SESSION, PURSUANT TO HRS § 92-5(a)(4), TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, AND STATUS WITH RESPECT TO SECURITIES LITIGATION CLAIMS; FOR APPROPRIATE ACTION

EXECUTIVE SESSION, PURSUANT TO HRS § 92-5(a)(4) TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, WITH RESPECT TO POTENTIAL SECURITIES LITIGATION; FOR APPROPRIATE ACTION

APPROVAL OF EXECUTIVE SESSION CONFIDENTIAL SUPPLEMENTAL MINUTES – SEPTEMBER 14, 2020

APPROVAL OF EXECUTIVE SESSION MINUTES – SEPTEMBER 14, 2020

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Yap, and unanimously carried, the Board exited Executive Session at 9:35 a.m.

APPROVAL OF MINUTES – SEPTEMBER 14, 2020

On a motion made by Trustee Ley, seconded by Trustee Yap, and unanimously carried, the Board approved the Minutes of September 14, 2020, as presented.

ADJOURNMENT

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Machida, and unanimously carried, Chair Kane adjourned the meeting at 9:36 a.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik