

MINUTES OF THE MEETING OF THE  
ADMINISTRATIVE AND AUDIT COMMITTEE OF THE BOARD OF TRUSTEES OF THE  
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

OCTOBER 12, 2022

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

Trustees present: Mr. Bennett Yap, Chair\*  
(by teleconference) Mr. Lance Mizumoto, Vice Chair\*  
Mr. Craig Hirai\*  
Mr. Emmitt Kane\*

Staff present: Mr. Thomas Williams, Executive Director\*  
(City Financial Tower Ms. Kanoë Margol, Deputy Executive Director\*  
by teleconference) Mr. Kona Mann, Chief Compliance Officer  
Mr. Bart Asato, Program Specialist  
Ms. Shanna Sakagawa, Program Specialist  
Mr. James Greubel, Program Specialist  
Mr. Howard Hodel, Acting Chief Investment Officer  
Mr. Larry Wolfe, Accounting Manager  
Ms. Dale Kehau Kanae, Recording Secretary\*  
Ms. Lori Kim, Secretary\*  
Ms. Andrea Gasper, Secretary\*

Attorney present: Ms. Lori Tanigawa, Deputy Attorney General\*  
(by teleconference) Ms. Diane Wong, Deputy Attorney General\*

Guests present: Mr. Mark McComb, KPMG LLP  
(by teleconference) Ms. Jennifer Sasaki, KPMG LLP  
Mr. Orlando Torres, KPMG LLP  
Ms. Lauren Kawajiri, Administrative Deputy Auditor, Office of the Auditor

Public present: Mr. Kevin Balaod, With Intelligence  
(by teleconference)

\*Attended Executive Session

QUORUM/CALL TO ORDER

A quorum being present (Chair Yap, Vice Chair Mizumoto, and Trustee Hirai), Chair Yap called the meeting of the Administrative and Audit Committee (Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 1:01 p.m. and identified the Trustees present and had them confirm that they are the only ones present at their remote location and that no one else was able to listen in on their teleconference while attending the meeting.

On a motion made by Vice Chair Mizumoto, seconded by Trustee Hirai, and unanimously carried, the Committee voted to hold a meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to the HRS § 92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Chair Yap called for public comment. There was one (1) member of the public present by teleconference, however, no public comment. There was also no written public testimony received for this Committee meeting.

(Trustee Kane entered the meeting at 1:05 p.m. by joining the teleconference.)

DRAFT AUDITOR'S REPORT  
AND FINANCIAL  
STATEMENTS OF THE  
EMPLOYEES' RETIREMENT  
SYSTEM

KPMG LLP's (KPMG) Mark McComb and Jennifer Sasaki entered the room and Orlando Torres entered the meeting by teleconference and presented an oral and written report to the Committee regarding the Draft Auditor's Report and Financial Statements of the Employees' Retirement System.

Messrs. McComb, Torres, and Ms. Sasaki discussed with the Committee KPMG's Audit results, draft Financial Statements, draft Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, an ACF Opinion, and an ICOFR Opinion for the year ending June 30, 2021, including a discussion of findings and issues from the audit.

On a motion made by Vice Chair Mizumoto, seconded by Trustee Kane, and unanimously carried, the Committee voted to accept for a recommendation to the Board for approval, KPMG's draft Audit of the Financial Statements, draft Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, as of and for the year ended June 30, 2021, substantively and in the form presented.

(After their presentation, Mr. McComb and Ms. Sasaki left the meeting by exiting the room, and Mr. Torres left the meeting by ending his teleconference. Ms. Kawajiri also left the meeting by ending her teleconference.)

TRUSTEE CATHERINE  
CHAN'S REQUEST FOR  
REMOVAL OF THE LAST  
FOUR DIGITS OF AN ERS  
MEMBERS SOCIAL  
SECURITY NUMBER  
REQUIRED ON THE BOARD  
CANDIDATE PETITION FORM

Executive Director (ED) Thomas Williams and Program Specialist (PS) Bart Asato discussed with the Committee Trustee Catherine Chan's Request for Removal of the Last Four Digits of an ERS Members Social Security Number Required on the Board Candidate Petition Form.

ED Williams and PS Asato explained that the requirement of the last four digits of an ERS members social security number is outlined in the Hawaii Administrative Rules, Title 6, Chapter 24, Section 3, Number 2 and that any changes would require an amendment to the Administrative Rules.

The Committee suggested staff explore other replacement options and consider researching what other agencies utilize. The Committee also requested staff discuss with Trustee Chan the cost vs. benefit of other options and report any possible alternatives to the Committee for further consideration. Chair Yap suggested the possibility of an ERS membership number for future consideration.

APPROVAL OF MINUTES  
- JUNE 29, 2022

On a motion made by Vice Chair Mizumoto, seconded by Trustee Kane, and unanimously carried, the Committee approved the minutes of the June 29, 2022, meeting as presented.

(Chair Yap identified attendees of the Executive Session, Committee members Chair Yap, Vice Chair Mizumoto, Trustees Hirai and Kane, and ERS staff Executive Director (ED) Thomas Williams, Deputy

Executive Director Kanoe Margol, Recording Secretary Dale Kehau Kanae and Secretaries Lori Kim and Andrea Gasper; and Deputy Attorneys General Lori Tanigawa and Diane Wong.

Chair Yap provided the reason to enter into Executive Session: Executive Session, pursuant to HRS § 92-5 (a)(4) and (8), to consult with the Board's attorney on questions and issues pertaining to the Committee's powers, duties, and privileges, immunities, and liabilities and to make a decision on the approval of executive session minutes that must be kept confidential pursuant to HRS § 92F-13(1) and (4), and § 92F-14(b)(6).

**ENTER EXECUTIVE SESSION**

On a motion made by Vice Chair Mizumoto, seconded by Trustee Kane, and unanimously carried, the Committee entered into Executive Session at 1:41 p.m.

(Chair Yap requested and all attendees confirmed that no other persons were in their rooms or able to listen in on their audio or audiovisual connection while they were on the teleconference. Board Secretary Dale Kehau Kanae also confirmed that no unauthorized persons were in the conference room or able to listen in by audio or audiovisual connection while on the teleconference. Attendees are noted with an asterisk on these minutes and listed on the Executive Session Minutes.)

(Public participation concluded by ending the teleconference link.)

**APPROVAL OF EXECUTIVE  
SESSION MINUTES  
- JUNE 29, 2022**

**EXIT EXECUTIVE SESSION**

On a motion made by Vice Chair Mizumoto, seconded by Trustee Kane, and unanimously carried, the Committee exited Executive Session at 1:42 p.m.

**ADJOURNMENT**

On a motion made by Vice Chair Mizumoto, seconded by Trustee Kane, and unanimously carried, Chair Yap adjourned the meeting at 1:43 p.m.

**REDACTED SIGNATURE**

Thomas Williams  
Executive Director

TW:dkik