

MINUTES OF THE MEETING OF THE
GOVERNANCE POLICY COMMITTEE OF THE BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

MAY 9, 2022

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

Trustees present:
(by teleconference)

Mr. Vincent Barfield, Committee Chair and
Chair of the Board of Trustees*
Dr. Genevieve Ley Committee Vice Chair and
Chair of the Human Resources Committee*
Dr. Catherine Chan, Chair of the Investment Committee*
Mr. Emmit Kane, Chair of the Legislative Committee*
Mr. Bennett Yap, Chair of the Administrative & Audit Committee*

Staff present:
(City Financial Tower
by teleconference)

Mr. Thomas Williams, Executive Director*
Ms. Kanoe Margol, Deputy Executive Director*
Mr. Kona Mann, Chief Compliance Officer
Ms. Elizabeth Burton, Chief Investment Officer*
Ms. Dale Kehau Kanae, Recording Secretary*
Ms. Lori Kim, Secretary*
Ms. Andrea Gasper, Secretary

Attorneys present:
(by teleconference)

Ms. Lori Tanigawa, Deputy Attorney General*
Mr. Ivan Torigoe, Deputy Attorney General*
Ms. Diane Wong, Deputy Attorney General

*Attended Executive Session

QUORUM/CALL TO
ORDER

A quorum being present (Chair Barfield, Committee Vice Chair/Human Resources (HR) Chair Ley, Investment Committee (IC) Chair Chan, and Administrative & Audit Committee (AAC) Chair Yap), Chair Barfield called the meeting of the Governance Policy Committee (Committee) of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 1:30 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 AAC Chair Yap, seconded by Vice Chair/HR Chair Ley, 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.

(Legislative Committee (LC) Chair Kane entered the meeting by joining the teleconference at 1:32 p.m.)

PUBLIC COMMENT

Chair Barfield called for public comment. There were no members of the public present in person or by teleconference, therefore no public comment. There was also no written public testimony received for this Committee meeting.

REPORT BY THE
GOVERNANCE POLICY
COMMITTEE CHAIR

DISCUSSION OF AND
PROPOSED
RESOLUTION FOR
DELEGATION OF
AUTHORITY TO THE
EXECUTIVE
DIRECTOR, DEPUTY
EXECUTIVE
DIRECTOR, AND CHIEF
INVESTMENT OFFICER
SPECIFIED CONTRACT
SIGNING AUTHORITY
ON BEHALF OF THE
EMPLOYEES'
RETIREMENT SYSTEM
OF THE STATE OF
HAWAII

DISCUSSION OF
BOARD SKILLS AND
EXPERIENCE FOR
PROSPECTIVE NEW
TRUSTEES.

REPORT BY THE
ADMINISTRATIVE &
AUDIT COMMITTEE
CHAIR

REPORT BY THE
~~COMPENSATION REVIEW~~
HUMAN RESOURCES
COMMITTEE CHAIR

REPORT BY THE
INVESTMENT
COMMITTEE CHAIR

REPORT BY THE
LEGISLATIVE
COMMITTEE CHAIR

APPROVAL OF MINUTES
– MARCH 28, 2022

Chair Barfield discussed with the Committee the Resolution for Delegation of Authority to the Executive Director, Deputy Executive Director, and Chief Investment Officer specified contract signing authority on behalf of the Employees' Retirement System.

Executive Director (ED) Williams shared with the Committee that he worked collaboratively with Deputy Attorney General (DAG) Ivan Torigoe on the Resolution that included a Delegation of Contract Signing Authority and discussed it in detail.

After discussion, on a motion made by Vice Chair/HR Chair Ley, seconded by IC Chair Chan, and unanimously carried, the Committee accepted the Resolution including a Delegation of Contract Signing Authority as presented to be forwarded to the Board for final approval. A copy of the Resolution and Delegation of Contract Signing Authority is attached to these minutes for clarification.

The Committee requested a reporting mechanism to the Board regarding executed contracts, however, ED Williams commented that these would only be contracts, agreements, or other instruments approved by the Board.

Chair Barfield then discussed with the Committee Board Skills and Experience for Prospective New Trustees.

The Committee suggested potential skills and experience for prospective Trustees would be helpful in the legal, investment, and information technology and cyber security fields. The Committee also suggested looking at the Strategic Plan and Internal Audit Report deficits for skill set priorities. The Committee questioned if there should be a standard or outline of qualifications for Trustees being voted in. ED Williams will research and have a presentation prepared for the Chair as a discussion for the Governance Committee report at the next Board meeting.

AAC Chair Yap reported that the Committee did not meet and that there was nothing to report.

Vice Chair/HRC Chair Ley requested to defer her report in Executive Session.

IC Chair Chan reported to the Committee that there was nothing to report.

LC Chair Kane reported to the Committee that the Legislative session has ended and a report by Program Specialist Bart Asato will be reported in the next Board meeting on May 10, 2022.

Chair Barfield requested edits to the minutes as noted on page 2, REPORT BY THE GOVERNANCE POLICY COMMITTEE CHAIR:

APPROVAL OF MINUTES –
MARCH 28, 2022 (CONT'D)

“Board Chair Barfield discussed that a new Committee Chair and Vice Chair needed to be elected and ~~suggested~~ recommended that the Board Chair and Vice Chair also serve as the Governance Policy Committee Chair and Vice Chair, respectively. There were no objections by the Committee members to the ~~suggestion~~ recommendation.

On a motion made by IC Chair Chan, seconded by Vice Chair HRC Chair Ley, and unanimously carried, the Committee approved, with the noted suggested corrections, the Minutes of the March 28, 2022, meeting as presented.

(Chair Barfield identified attendees of the Executive Session, Committee members Chair Barfield, Vice Chair Ley, Trustees Chan, Kane, and Yap; ERS staff ED Williams, Deputy Executive Director Kanoe Margol, Chief Investment Officer Elizabeth Burton, Recording Secretary Dale Kehau Kanae and Secretary Lori Kim; DAGs Lori Tanigawa and Ivan Torigoe. All other attendees were excused. All attendees affirmed 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.)

ENTER EXECUTIVE
SESSION

On a motion made by Vice Chair/HRC Chair Ley, seconded by AAC Chair Yap, and unanimously carried, the Committee entered into Executive Session at 1:59 p.m.

REPORT BY THE
~~COMPENSATION REVIEW~~
HUMAN RESOURCES
COMMITTEE CHAIR

(Trustee Kane exited the meeting at 2:30 p.m. by ending his teleconference.)

APPROVAL OF EXECUTIVE
SESSION MINUTES
– MARCH 28, 2022

EXIT EXECUTIVE SESSION

On a motion made by AAC Chair Yap, seconded by Vice Chair/HRC Chair Ley, and unanimously carried the Committee exited Executive Session at 2:33 p.m.

ADJOURNMENT

On a motion made by AAC Chair Yap, seconded by Vice Chair/HRC Chair Ley, and unanimously carried, Chair Barfield adjourned the meeting at 2:34 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik