

MINUTES OF THE MEETING OF THE
HUMAN RESOURCES COMMITTEE OF THE
BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

APRIL 6, 2023

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

Trustees present: Dr. Genevieve Ley, Chair*
(by teleconference) Mr. Vincent Barfield, Vice Chair*
Dr. Catherine Chan*

Trustee absent: Mr. Luis Salaveria

Staff present: Mr. Thomas Williams, Executive Director*
(City Financial Tower Ms. Kanoe Margol, Deputy Executive Director*
by teleconference) Ms. Kristin Varela, Chief Investment Officer*
Ms. Dale Kehau Kanae, Recording Secretary*
Ms. Lori Kim, Secretary*
Ms. Andrea Gasper, Secretary

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

*Attended Executive Session

QUORUM/CALL TO
ORDER

A quorum being present (Chair Ley, Vice Chair Barfield, and Trustee Chan), Chair Ley called the Human Resources Committee (HR Committee or 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. 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 Trustee Chan, seconded by Vice Chair Barfield, 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 HRS § 92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Chair Ley 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.

REVIEW THE ACTIVITIES
AND TIMELINE OF THE
HUMAN RESOURCES
COMMITTEE

Chair Ley presented for discussion, by the Committee, the activities and timeline of the Human Resources Committee. Chair Ley discussed the activities of the next scheduled meetings and requested an additional meeting prior to the May 8, 2023, Board meeting in order secure the necessary approvals to meet Budget & Finance's June deadline to become effective July 1, 2023. The Committee agreed to meet on May 4, 2023, at 1:00 p.m.

DISCUSS THE
COMPENSATION PLAN

Chair Ley presented for review and discussion, by the Committee, the Compensation Plan. Chair Ley shared with the Committee ERS managements concerns with the hiring and retention of employees within the various Branches. Various hiring options were discussed and Chair Ley would like to

focus on not only exempt investment positions but also non-exempt positions within the ERS. The Committee suggested the Executive Director (ED) take steps to review not only the Branch Chief positions but all position descriptions to be able to adjust salaries to the appropriate compensation levels. The Committee will support management's efforts.

APPROVAL OF MINUTES
– FEBRUARY 6, 2023

On a motion made by Vice Chair Barfield, seconded by Trustee Chan, and unanimously carried, the Committee approved the Minutes of the February 6, 2023, meeting as presented.

PUBLIC COMMENT

Chair Ley called for public comment. There were no members of the public present in person or by teleconference, therefore no public comment.

(Chair Ley identified attendees of the Executive Session, Committee members Chair Ley, Vice Chair Barfield, and Trustee Chan; ERS staff ED Thomas Williams, Deputy Executive Director Kanoe Margol, Chief Investment Officer Kristin Varela, Secretaries Dale Kehau Kanae and Lori Kim; and Deputy Attorney General (DAG) Lori Tanigawa. 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.

Chair Ley provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS § 92-5(a)(2) and (4), to discuss the Compensation Study of Chapter 76, HRS exempt staff, the Executive Director, Chief Investment Officer, Deputy Chief Investment Officers, and Investment Officers, and non-exempt staff, the Deputy Executive Director, Branch Chiefs, and Investment Specialist of the Employees' Retirement System, and to evaluate such staff and discuss the performance evaluations, goals, objectives 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, and to make a decision on the approval of executive session and confidential executive session minutes which are confidential under state law.

The Board Secretary Dale Kehau Kanae 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.)

ENTER EXECUTIVE
SESSION

On a motion made by Vice Chair Barfield, seconded by Trustee Chan, and unanimously carried, the Committee entered into Executive Session at 1:44 p.m.

(Public participation concluded by ending the teleconference link.)

EXECUTIVE SESSION

- Pursuant to HRS§ 92-5(a)(2) and (4), to discuss the Compensation Study of Chapter 76, HRS exempt staff of the Employees' Retirement System, the Executive Director, Chief Investment Officer, Deputy Chief Investment Officers, and Investment Officers, and to evaluate such staff, as may be necessary, 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.
- Pursuant to HRS§ 92-5(a)(2) and (4), to discuss the Compensation Study of Chapter 76, HRS non-exempt staff of the Employees' Retirement System, the Deputy Executive Director, Branch Chiefs, and Investment Specialist, and to discuss their performance evaluations, goals, and objectives, 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 THE COMPENSATION STUDY OF CHAPTER 76, HRS EXEMPT STAFF OF THE EMPLOYEES' RETIREMENT SYSTEM, THE EXECUTIVE DIRECTOR, CHIEF INVESTMENT OFFICER, DEPUTY CHIEF INVESTMENT OFFICERS, AND INVESTMENT OFFICERS, AND TO EVALUATE SUCH STAFF, AS MAY BE NECESSARY, 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 THE COMPENSATION STUDY OF CHAPTER 76, HRS NON-EXEMPT STAFF OF THE EMPLOYEES' RETIREMENT SYSTEM, THE DEPUTY EXECUTIVE DIRECTOR, BRANCH CHIEFS, AND INVESTMENT SPECIALIST, AND TO DISCUSS THEIR PERFORMANCE EVALUATION, GOALS, AND OBJECTIVES, 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
– FEBRUARY 6, 2023

APPROVAL OF CONFIDENTIAL EXECUTIVE SESSION MINUTES
– FEBRUARY 6, 2023

EXIT EXECUTIVE SESSION

On a motion made by Vice Chair Barfield, seconded by Trustee Chan, and unanimously carried, the Committee exited Executive Session at 2:26 p.m.

ADJOURNMENT

On a motion made by Vice Chair Barfield, seconded by Trustee Chan, and unanimously carried, Chair Ley adjourned the meeting at 2:27 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik