

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

AUGUST 21, 2023

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

Trustees present:  
(by teleconference) Dr. Genevieve Ley, Chair\*  
Mr. Bennett Yap, Vice Chair\*  
Mr. Vincent Barfield\*  
Dr. Catherine Chan\*  
Mr. Emmit Kane\*  
Mr. Lance Mizumoto\*

Trustee absent: Mr. Luis Salaveria\*

Staff present:  
(City Financial Tower  
by teleconference) Mr. Thomas Williams, Executive Director\*  
Ms. Kanoe Margol, Deputy Executive Director\*  
Mr. Kona Mann, Chief Compliance Officer\*  
Mr. Bart Asato, Program Specialist\*  
Mr. James Greubel, Program Specialist\*  
Ms. Shanna Sakagawa, Program Specialist\*  
Ms. Kristin Varela, Chief Investment Officer\*  
Mr. Anthony Goo, Deputy Chief Investment Officer\*  
Mr. Aaron Au, Investment Officer – Private Equity\*  
Ms. Christine Chang, Investment Officer – Liquid Diversifying Strategies\*  
Mr. David Okamoto, Investment Officer – Credit Markets\*  
Mr. Ian Wetzel, Investment Officer – Real Assets\*  
Mr. Andrew Chen, Investment Specialist\*  
Ms. Gerri Konishi, Member Home Loan Assistant\*  
Ms. Dale Kehau Kanae, Recording Secretary\*  
Ms. Andrea Gasper, Secretary\*  
Ms. Diana Gomes, Secretary\*

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

Guests present:  
(by teleconference) Ms. Mary Bates, Meketa Investment Group, Inc.\*  
Mr. Colin Bebee, Meketa Investment Group, Inc.\*

\*Attended Executive Session.

QUORUM/CALL TO ORDER

A quorum being present (Chair Ley, Vice Chair Yap, Trustees Barfield, Chan, Kane, and Mizumoto), Chair Ley called the special meeting of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 11:45 a.m. and requested each Trustee identify themselves and confirm that they are the only ones present at their remote location while attending the meeting. Each of the Trustees present confirmed same.

On a motion made by Trustee Chan, seconded by Trustee Barfield, and unanimously carried, to be able 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 was no public present in person or by teleconference, therefore no public comment. Also, no written testimony was received for this meeting.

Chair Ley announced that agenda items would be taken out of order due to Quorum concerns and started with Executive Session Items 2, 3, then 1.

Chair Ley identified all the participants in Executive Session, the Board, staff members, Deputy Attorneys general, and Guests are identified with an asterisk on these minutes and listed on the Executive Session Minutes.

Chair Ley provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS §88-27.5(a)(1) and HRS §92-5(a)(4) and (8), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that requires the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information; and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities; and to consider information that must be kept confidential pursuant to State law with respect to Financing of the Employees' Retirement System's Investment Summit; the Credit Strategic Plan Deferred from the Employees' Retirement System's Special Board Meeting of July 26, 2023; and an Update on Ongoing Litigation.

## ENTER EXECUTIVE SESSION

On a motion made by Trustee Chan, seconded by Vice Chair Yap, and unanimously carried, the Board entered into Executive Session at 11:47 a.m.

(Public participation concluded by ending the teleconference link.)

All attendees participating by teleconference affirmed that no other persons were in their rooms or able to listen in on their audio or audiovisual connection. Recording Secretary Dale Kehau Kanae confirmed that no unauthorized persons were in the conference room or able to listen in via audio or audiovisual connection while on the teleconference.

## 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 Financing of the Employees' Retirement System's Investment Summit.
- Pursuant to HRS §88-27.5(a)(1) and HRS §92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that requires the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and 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 the Credit Strategic Plan Deferred from the Employees' Retirement System's Special Board Meeting of July 26, 2023.
- Pursuant to HRS §92-5(a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and 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 Update on Ongoing Litigation, and to take appropriate action as may be necessary.

## EXECUTIVE SESSION, PURSUANT TO HRS §88- 27.5(a)(1) AND HRS §92-5(a)(4) TO CONDUCT DISCUSSIONS AND DELIBERATIONS RELATING TO, AND IF APPROPRIATE, TO MAKE A

DECISION ON INVESTMENTS  
OR PROSPECTIVE  
INVESTMENTS BY THE  
SYSTEM THAT REQUIRES  
THE CONSIDERATION OF  
INFORMATION OR RECORDS  
THAT ARE EXEMPT FROM  
DISCLOSURE UNDER HRS  
CHAPTER 92F, INCLUDING  
INFORMATION AND  
RECORDS THAT ARE  
PROPRIETARY  
INFORMATION OR  
CONFIDENTIAL BUSINESS  
INFORMATION, AND 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 THE CREDIT  
STRATEGIC PLAN DEFERRED  
FROM THE EMPLOYEES'  
RETIREMENT SYSTEM'S  
SPECIAL BOARD MEETING  
OF JULY 26, 2023

EXECUTIVE SESSION  
PURSUANT TO HRS §92-  
5(a)(4) AND (8), TO CONSIDER  
INFORMATION THAT MUST  
BE KEPT CONFIDENTIAL  
PURSUANT TO STATE LAW,  
AND 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 UPDATE ON  
ONGOING LITIGATION, AND  
TO TAKE APPROPRIATE  
ACTION AS MAY BE  
NECESSARY

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 FINANCING OF  
THE EMPLOYEES'  
RETIREMENT SYSTEM'S  
INVESTMENT SUMMIT

## EXIT EXECUTIVE SESSION

On a motion made by Trustee Kane, seconded by Trustee Barfield, and unanimously carried, the Board exited Executive Session at 12:07 p.m.

Chair Ley announced that while in Executive Session, the Board discussed and approved the adoption of the Credit Strategic Plan as submitted; the Board also discussed an Update on Ongoing Litigation regarding a service-connected disability retirement case and authorized the Department of the Attorney General to file a cross-appeal on ERS's behalf, if necessary; and finally, the Board discussed Financing of the Employees' Retirement System's Investment Summit.

## DISCUSS UPDATING THE TRUSTEE ELECTION PROCESS

Chair Ley presented to the Board and Discussed Updating the Trustee Election Process and stated that it needs to be revised. Chair Ley shared with the Board the challenges she recently encountered to be re-elected and discussed the steps of the current process referenced in the Hawaii Administrative Rules (HAR) Title 6, Chapter 24, Election and Members and Retiree of the System to the Board of Trustees. Chair Ley asked the Board and ERS staff what needs to be done to update the process with regard to forms, identifying information, and the voting processes.

Trustee Chan also shared with the Board her challenges she faced during her re-election process and suggested changes such as on-line voting and having forms accessible that can be downloaded. Trustee Chan specifically requested focusing on a replacement of the identifying information for members, the last 4 digits of the social security number.

ED Williams shared with the Board the election process based on the Hawaii Administrative Rules and possible options, however, he stated that the Hawaii Administrative Rules would need to be amended before any changes could be made.

Trustee Kane, Chair of the Administrative and Audit Committee suggested that the Administrative and Audit Committee follow-up on this matter and that the Legislative Committee might also possibly be involved.

On a motion made by Trustee Chan, seconded by Vice Chair Yap, and unanimously carried, the Board approved the Updating of the Trustee Election Process be referred to the Administrative and Audit Committee for further action.

## PUBLIC COMMENT

Chair Ley called for public comment. There was no public present in person or by teleconference, therefore no public comment.

## DISCUSS OTHER POSSIBLE OPTIONS FOR RETIREMENT BENEFITS

Chair Ley discussed with the Board Other Possible Options for Retirement Benefits and also shared the challenges faced with hiring and retaining employees across the State. Chair Ley mentioned that although no changes can be made until ERS is fully funded, she asked the Board for suggested possible options for making retirement benefits more attractive such as reducing the vesting period from 10- to five-years, allowing 90-day and emergency hires to be able to apply their employment time towards service credit once they become a permanent employee.

Vice Chair Yap and Trustee Kane voiced that ways to recruit, retain, and offer better benefits should be made by employers through contract negotiations with Unions and legislation and ERS's role is to implement and administer retirement benefits. Vice Chair Yap and Trustee Kane shared that the Unions have a process on how to suggest ways to improve any benefits.

ED Williams shared with the Board that some retirement plans are returning from a 10- to a 5-year vesting period and Gabriel Roeder and Smith will be doing a presentation at the next Board meeting sharing that information. He further shared that the Honolulu City & County may be introducing legislation reverting the vesting period from 10- to 5-years.

**ADJOURNMENT**

On a motion made by Trustee Chan, seconded by Trustee Mizumoto, and unanimously carried, Chair Ley adjourned the meeting at 12:46 p.m.

**REDACTED SIGNATURE**

Thomas Williams  
Executive Director

TW:dkik