

Board Packet List of Documents

Human Resources Committee Meeting

Feb 19, 2025

- Meeting Agenda

- New Business
 - 1 2025 Board of Trustees Officers and Committee Assignments (Draft).
 - 2 Human Resources Committee Charter
 3. Timeline of the Human Resources Committee

- APPROVAL OF MINUTES – May 6, 2025

Board Packet Documents are available for public for inspection on the Employees' Retirement System's Website: <https://ers.ehawaii.gov/board-and-committee-agendas-and-meeting-packets>; and in the Employees' Retirement System's Office, 201 Merchant Street, Suite 1400, Honolulu, HI 96813

NOTICE OF REGULAR MEETING

AGENCY: Human Resources Committee of the Board of Trustees of the Employees' Retirement System of the State of Hawaii

DATE: Wednesday, February 19, 2025, 2:00 p.m.

PLACE: City Financial Tower, 201 Merchant Street, Suite 1200, Honolulu, Hawaii 96813

The meeting will be conducted pursuant to HRS §92-3.7, under which Members of the Board of Trustees may participate via interactive conference technology; and members of the public may also participate via interactive conference technology or in person at the meeting place stated above.

Members of the public may also attend the meeting and provide testimony in person or by teleconference, either audio or video, at the following link or phone number:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_M2I5OTk3NmEtNzY2MC00ZWVhLWIwZmYtODY5NWlwZjY2YzNh%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%228f795840-377f-479d-bb5d-6ec41c4a01bc%22%7d

Or join by entering meeting ID: 281 362 775 226

Passcode: aU2uw7LY

Individuals testifying at the meeting are requested to limit their testimony to three (3) minutes or an amount of time otherwise designated by the Chairperson.

Or +1 808-829-4853 United States, Honolulu (Toll)

Conference ID: 729 654 68#

In the event audiovisual communication cannot be maintained with participating Trustees and quorum is lost, the meeting shall be automatically recessed for up to 30 minutes, during which time, an attempt to restore audiovisual communication will be made. If such attempt is unsuccessful, all Trustees, members of the public, staff and other interested individuals may continue to participate in the meeting via telephone using the above-listed telephone and conference ID numbers, whereby audio-only communication will be established for all participants and the meeting will continue. If reconvening the meeting is not possible because neither audiovisual nor audio-only communication can be re-established, the meeting will be terminated.

AGENDA

QUORUM/CALL TO ORDER

PUBLIC COMMENT

Members of the public may submit written testimony on these agenda items via e-mail or postal mail with receipt recommended by 4:30 p.m. on Tuesday, February 18, 2025, in order to ensure it is distributed in time for consideration. Please address written testimony if by e-mail to: dale.kanae@hawaii.gov or by postal mail to: Employees' Retirement System of the State of Hawaii, Human Resources Committee, 201 Merchant Street, Suite 1400, Honolulu, HI 96813.

NEW BUSINESS

1. Discussion and Election of Chair and Vice Chair of the Human Resources Committee.
2. Review and Discuss the Human Resources Committee Charter to Include Human Resources Committee Performance Assessment.
3. Review the Activities and Timeline of the Human Resources Committee.
4. Discuss the Compensation Plan.

5. Discuss the Recruitment, Process, and Timeline for Executive Leadership Search.

Pursuant to HRS § 92-5(a)(4), the Board of Trustees may enter into Executive Session 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 these matters.

APPROVAL OF MINUTES – May 6, 2024

EXECUTIVE SESSION

1. Executive Session, pursuant to HRS §§ 92-5(a)(2), (3) and (4), to consider the hire, evaluation, dismissal, or discipline of employee(s), where consideration of matters affecting privacy will be involved; to deliberate concerning the authority of persons designated by the Board to conduct labor negotiations; 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 recruitment and evaluation of executive leadership and management staff.
2. Executive Session, pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of May 6, 2024.
3. Executive Session, pursuant to HRS §92-5(a)(8), to Review and Approve Confidential Executive Session Minutes of May 6, 2024.

ADJOURNMENT

If you require auxiliary aid/service or other accommodation due to a disability, please contact Dale Kehau Kanae at (808) 586-1706 or dale.kanae@hawaii.gov as soon as possible, preferably by Friday, February 14, 2025, and the ERS will try to obtain the auxiliary aid/service or accommodation, but cannot guarantee that the request will be fulfilled.

Upon request, this notice can be made available in large print.

2025
BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

OFFICERS & COMMITTEE ASSIGNMENTS

BOARD MEMBERS

Emmit Kane, Chair
Lance Mizumoto, Vice Chair
Vincent (Vince) Barfield
Catherine Chan
Genevieve (Genny) Gines Ley
David Louie
Luis Salaveria
Bennett Yap

ADMINISTRATIVE & AUDIT COMMITTEE (1/31/24)

Catherine Chan, Chair
Vincent (Vince) Barfield, Vice Chair
Genevieve (Genny) Gines Ley
Luis Salaveria

HUMAN RESOURCES COMMITTEE (2/12/24)

Vincent (Vince) Barfield, Chair
Genevieve (Genny) Gines Ley, Vice Chair
Catherine Chan
~~Luis Salaveria~~ David Louie

INVESTMENT COMMITTEE (2/20/24)

Lance Mizumoto, Chair
Bennett Yap, Vice Chair
Vincent (Vince) Barfield
Emmit Kane

LEGISLATIVE COMMITTEE (2/2/24)

Bennett Yap, Chair
Genevieve (Genny) Gines Ley, Vice Chair
Lance Mizumoto
~~Luis Salaveria~~ David Louie

GOVERNANCE POLICY COMMITTEE

Emmit Kane, Chair
(Board Chair)
Lance Mizumoto, Vice Chair
*(Board Vice Chair &
Investment Committee Chair)*
Vincent (Vince) Barfield
(Human Resources Committee Chair)
Catherine Chan
(Administrative & Audit Committee Chair)
Bennett Yap
(Legislative Committee Chair)

2024 Chair and Vice Chairs noted until selection for 2025.

Draft: Jan 13, 2025

Accepted:



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

I. PURPOSE

The Human Resources Committee (“Committee”) of the Employees’ Retirement System (“ERS”) of the State of Hawaii is a committee of the Board of Trustees (“Board”). Its primary function is to provide oversight of Human Resources Management and to determine and recommend compensation for executive and exempt positions in the ERS for Board approval based on annual performance assessments.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of no more than four (4) trustees. The members of the Committee shall be appointed by the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall meet at least one (1) time a year at such times and places as it deems necessary to fulfill its responsibilities. After each meeting, the Committee shall report to the Board regarding its actions and recommendations. The Committee may invite ERS officers and employees to its meetings as it deems appropriate. Except as otherwise directed by the Committee, the Executive Director, Deputy Executive Director, the Chief Investment Officer, and exempt Investment Office staff shall not be present at Committee meetings at which their compensation or performance is discussed or determined.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

IV. AUTHORITY AND RESPONSIBILITIES

The Committee shall elect from its members a Chairperson and Vice Chairperson. The Committee shall have the following authority and responsibilities:

- To oversee the Executive Director's execution of the human resources management function within the State's policy framework and Budget & Finance's directives and guidance.
- To review, approve, and monitor, the annual goals and objectives of the Executive Director, Deputy Executive Director, and Chief Investment Officer as adopted by the Board. Successful accomplishment of the goals and objectives shall be the basis of compensation recommendations for the Executive Director and the Chief Investment Officer.
- Evaluate at least annually the Executive Director's, Deputy Executive Director's, and Chief Investment Officer's performance relative to the goals and objectives of their positions and those of the ERS.
- The Committee shall make recommendations to the Board regarding the compensation of the Executive Director and Chief Investment Officer.
- The Committee shall consult with the Executive Director on the goals and objectives applicable to the Deputy Executive Director, Chief Investment Officer, and exempt Investment Office staff.
- To review at least annually the Executive Director's and Chief Investment Officer's performance evaluations of exempt Investment Office staff's goals and objectives of staff's positions and those of the ERS.
- The Committee shall consult with the Executive Director and Chief Investment Officer regarding compensation recommendations for exempt Investment Office staff. The Committee shall make recommendations to the Board regarding the compensation of exempt Investment Office staff.
- To review with the Executive Director the implementation of performance goals and Committee recommendations at mid-year.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

- To review and make recommendations to the Board regarding the adoption, amendment, or termination of employment agreements and severance arrangements or plans, including any benefits to be provided in connection with the appointment of the Executive Director and Chief Investment Officer. To develop and recommend to the Board for approval a succession plan ("Succession Plan"), to review the Succession Plan periodically with the Executive Director, to develop and evaluate potential candidates for the Executive Director, Deputy Executive Director, and Chief Investment Officer positions, and to recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.
- To review the Training and Development Plan annually with the Executive Director and report on plan implementation to the Board.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of each compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of legal counsel and other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its legal counsel and other advisors. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant(s), legal counsel, or other advisors, and the authority granted in this Part V shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER

VI. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it deems appropriate.

Adopted and Approved by the Board of Trustees: April 10, 2017, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

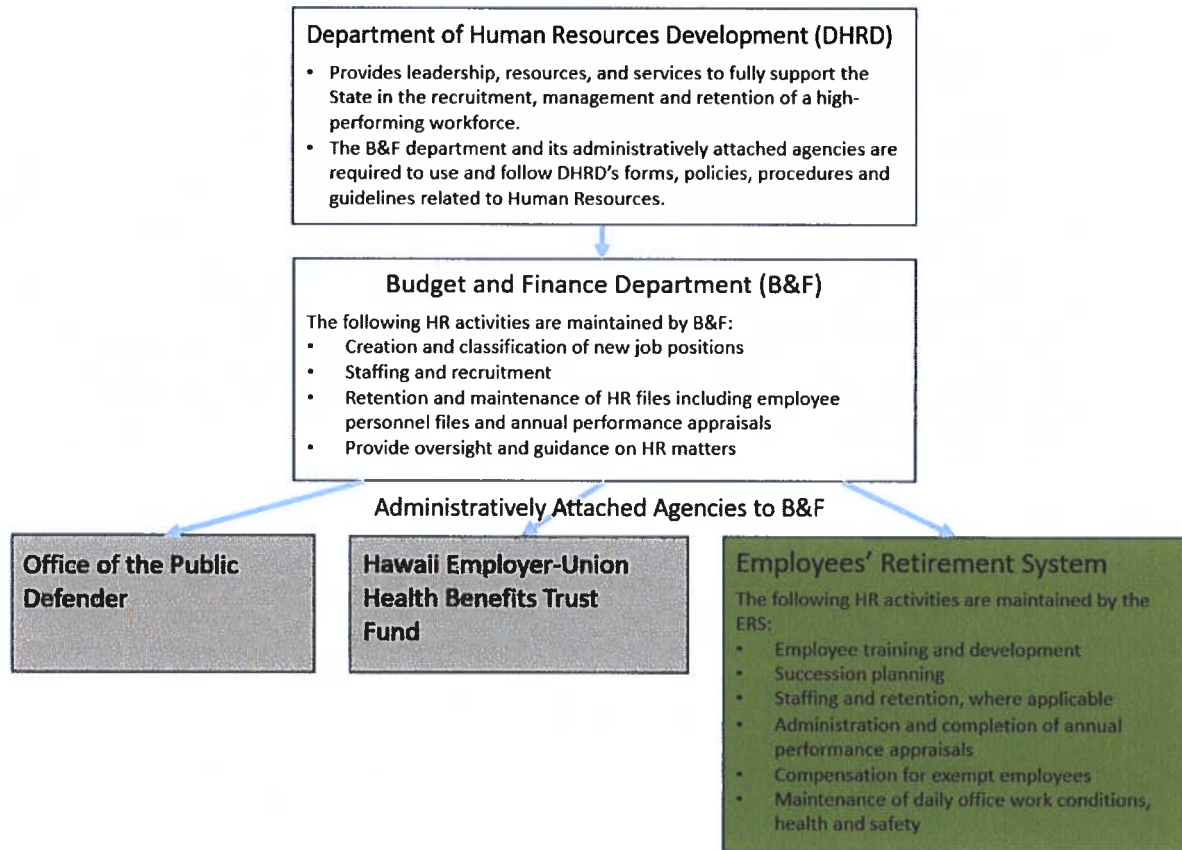
Revised and Accepted by the Compensation Review/Human Resources Committee: March 23, 2020, February 25, 2021, February 10, 2022, February 6, 2023, February 12, 2024, February 19, 2025

Attached for Reference:

Page 2, Human Resources Personnel Development and Retention Review, Internal Audit Report, September 2020, Report No.: STA011-XX-XX

The Performance Appraisal System is the annual employee review process required by the State of Hawaii (Section 76-41, Hawaii Revised Statutes). The purpose of the system is to evaluate the performance of employees in the civil service system and to improve employee performance. The ERS' managers and supervisors are responsible for performing and completing annual reviews of their staff member. Once completed, the employee performance appraisal forms are submitted to B&F. B&F is responsible for the tracking, collection and file maintenance of the performance appraisal form. Copies of each performance appraisal are provided to the ERS and individual employees. This process is the primary performance management tool used by the ERS to provide periodic feedback to its employees.

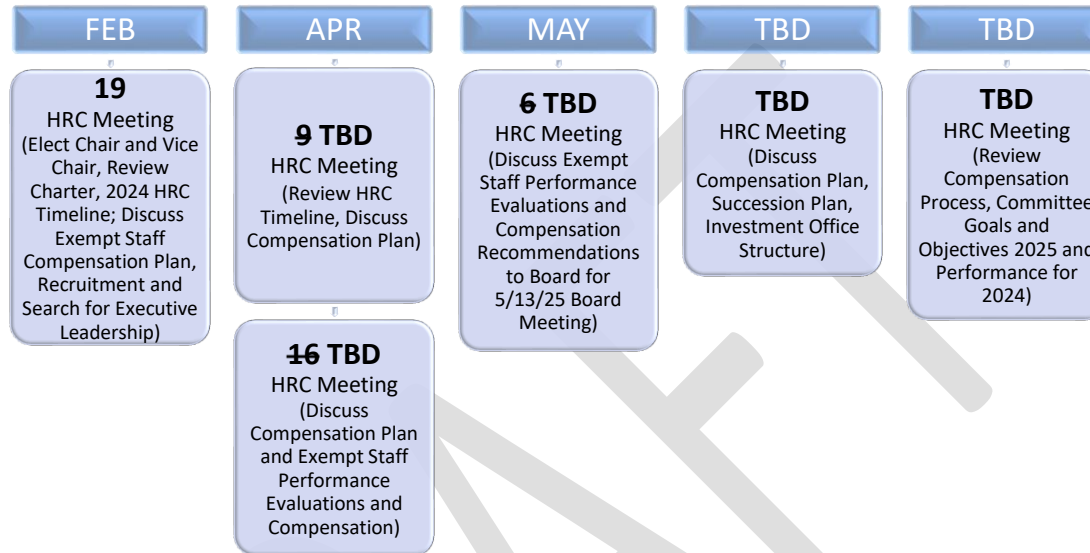
Human Resources Role Hierarchy for the Employees' Retirement System



The updated ERS Strategic Plan includes certain strategic HR initiatives. One of the Plan's Objectives is to "Maintain Plan Sustainability" and it includes the strategic initiative to "Optimize Operational Effectiveness." The measures and targets related to this initiative include:

- Develop, implement and maintain new and ongoing comprehensive staff training plan
 - Make job appropriate training available to all staff
- Institute an annual staff resources assessment, including a succession plan to maintain operational effectiveness
 - Assess staff resources annually, including a succession plan by FY 2020, updated annually

HUMAN RESOURCES COMMITTEE 2025 TIMELINE



Committee:

- Review Committee Charter, Update Timeline (by first meeting)
- Review all performance evaluations (ED, CIO, DCIO, IOs) and submit compensation recommendations to Board (May meeting)
- Develop long-term Compensation Plan (may include exempt award-based compensation)
- Review Succession Plan (may include staff development)
- Review Investment Office Structure
- Review the Compensation Process, and Committee Goals and Objectives for the next year

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

MAY 6, 2024

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

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

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

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

*Attended Executive Session

QUORUM/CALL TO
ORDER

A quorum being present (Chair Barfield, Vice Chair Ley, and Trustees Chan and Salaveria), Chair Barfield 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 2:00 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 Salaveria, seconded by Vice 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 HRS §92-3.7, with at least one meeting location open to the public that has audiovisual connection.

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.

REVIEW THE ACTIVITIES
AND TIMELINE OF THE
HUMAN RESOURCES
COMMITTEE

Chair Barfield presented for discussion, by the Committee, the updated activities and timeline of the Human Resources Committee. The Committee had no further revisions.

DISCUSS THE EXEMPT
STAFF COMPENSATION
PLAN

Chair Barfield discussed with the Committee the updated Exempt Staff Compensation Plan and asked if there were any further questions or concerns. Chair Barfield stated that details regarding compensation would be discussed in Executive Session. The Committee had no further questions or concerns related to the Plan.

APPROVAL OF MINUTES
– APRIL 9, 2024
– APRIL 16, 2024

On a motion made by Vice Chair Ley, seconded by Trustee Salaveria, and unanimously carried, the Committee approved the Minutes of the April 9, 2024, and April 16, 2024, meetings as presented.

PUBLIC COMMENT

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

(Chair Barfield identified attendees of the Executive Session, Committee members Chair Barfield, Vice Chair Ley, and Trustees Chan and Salaveria; ERS staff, Executive Director Thomas Williams, Chief Investment Officer Kristin Varela; 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 Barfield provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS §92-5(a)(2), (4), and (8), to discuss the performance evaluations, goals, objectives, and compensation recommendations of Chapter 76, HRS exempt Executive Director, Chief Investment Officer, Deputy Chief Investment Officer, and Investment Officers, 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 deliberate and make a decision on the approval of Executive Session Minutes which are confidential under state law.

Before exiting the meeting 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. DAG Tanigawa was the notetaker of the remainder of the meeting. 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 Ley, seconded by Trustee Chan, and unanimously carried, the Committee entered into Executive Session at 2:06 p.m.

(Public participation concluded by ending the teleconference link.)

EXECUTIVE SESSION

- Pursuant to HRS §92-5(a)(2) and (4), to discuss the performance evaluation and compensation recommendations of Chapter 76, HRS exempt Deputy Chief Investment Officer and Investment Officers of the Employees' Retirement System, 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 performance evaluation, goals, objectives and compensation recommendations of Chapter 76, HRS exempt Chief Investment Officer of the Employees' Retirement System, 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 performance evaluation, goals, objectives and compensation recommendations of Chapter 76, HRS exempt Executive Director of the Employees' Retirement System, 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)(8), to Review and Approve Executive Session Minutes of April 9, 2024, and April 16, 2024.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Confidential Executive Session Minutes of April 16, 2024.

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(2)
AND (4), TO DISCUSS THE
PERFORMANCE
EVALUATION AND
COMPENSATION
RECOMMENDATIONS OF
CHAPTER 76, HRS EXEMPT
DEPUTY CHIEF INVESTMENT
OFFICER AND INVESTMENT
OFFICERS OF THE
EMPLOYEES' RETIREMENT
SYSTEM, 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
PERFORMANCE
EVALUATION, GOALS,
OBJECTIVES AND
COMPENSATION
RECOMMENDATIONS OF
CHAPTER 76, HRS EXEMPT
CHIEF INVESTMENT OFFICER
OF THE EMPLOYEES'
RETIREMENT SYSTEM,
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
PERFORMANCE
EVALUATION, GOALS,
OBJECTIVES AND
COMPENSATION
RECOMMENDATIONS OF
CHAPTER 76, HRS EXEMPT
EXECUTIVE DIRECTOR OF
THE EMPLOYEES'

RETIREMENT SYSTEM,
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)(8), REVIEW AND
APPROVE EXECUTIVE
SESSION MINUTES OF
APRIL 9, 2024, AND APRIL 16,
2024

EXECUTIVE SESSION,
PURSUANT TO HRS §92-
5(a)(8), REVIEW AND
APPROVE CONFIDENTIAL
EXECUTIVE SESSION
MINUTES OF APRIL 16, 2024

EXIT EXECUTIVE
SESSION

On a motion made by Trustee Salaveria, seconded by Trustee Chan, and unanimously carried, the Committee exited Executive Session at 3:21 p.m.

Chair Barfield announced that while in Executive Session, the Committee discussed the performance evaluations of the Investment staff, agreed to recommend to the full Board salary increases for the Investment staff, discussed the performance evaluations of CIO Varela and ED Williams, and approved Executive Session Minutes and Confidential Executive Session Minutes.

On a motion made by Trustee Salaveria, seconded by Trustee Chan, and unanimously carried, the Committee recommended salary increases of 6.8% (\$25,000) for ED Williams and 10% (\$ 33,000) for CIO Varela, subject to an adjustment to ensure that it is divisible by 24 for payroll purposes, and to be presented to the Board for final approval.

ADJOURNMENT

On a motion made by Trustee Salaveria, seconded by Trustee Chan, and unanimously carried, Chair Barfield adjourned the meeting at 3:23 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik