

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

FEBRUARY 19, 2025

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

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

Trustee absent: Dr. Catherine Chan*

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

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 Trustee Louie), 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 Vice Chair Ley, seconded by Trustee Louie, 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.

DISCUSSION AND
ELECTION OF CHAIR
AND VICE CHAIR OF THE
HUMAN RESOURCES
COMMITTEE

Chair Barfield presented for discussion, by the Committee, the election of Chair and Vice Chair of the Human Resources Committee. Trustee Ley nominated Chair Barfield to remain as Chair and she would remain as Vice Chair of the Committee.

On a motion made by Vice Chair Ley, seconded by Trustee Louie, and unanimously carried the Committee approved Chair Barfield as Chair and Trustee Ley as Vice Chair.

REVIEW AND DISCUSS
THE HUMAN RESOURCES
COMMITTEE CHARTER
TO INCLUDE HUMAN
RESOURCES COMMITTEE
PERFORMANCE
ASSESSMENT

Chair Barfield presented for review, discussion, and approval by the Committee, the Human Resources Committee Charter to Include Human Resources Committee Performance Assessment.

The Committee had no changes to the Charter and Chair Barfield reviewed the Committees activities of 2024 noting that succession planning for executive and senior management, and review of the annual training and development plan were still pending and will be worked on this year. Otherwise, the performance for 2024 was satisfactory.

On a motion made by Vice Chair Ley, seconded by Trustee Louie, and unanimously carried, the Committee accepted the Human Resources Committee Charter as presented with no changes, and the Committee Performance Assessment for 2024 that will be presented to the Board for approval at its next meeting. (The Charter is attached to these minutes for clarification.)

REVIEW THE ACTIVITIES
AND TIMELINE OF THE
HUMAN RESOURCES
COMMITTEE

Chair Barfield presented for discussion, by the Committee, the activities and timeline of the Human Resources Committee. Chair Barfield advised the Committee that several meetings will need to be scheduled and topics could be revised, otherwise there were no changes to the timeline.

DISCUSS THE
COMPENSATION PLAN

Chair Barfield discussed with the Committee, the Compensation Plan stating that an update will be done using data provided from various sources as in previous years to support the determination of compensation increases to the Board. A plan will be provided, by staff, to the Committee at the first meeting in April. A survey update is also planned for next year.

DISCUSS THE
RECRUITMENT,
PROCESS, AND TIMELINE
FOR EXECUTIVE
LEADERSHIP SEARCH

Chair Barfield discussed with the Committee that this agenda item will be discussed in detail in Executive Session.

APPROVAL OF MINUTES
– MAY 6, 2024

On a motion made by Vice Chair Ley, seconded by Trustee Louie, and unanimously carried, the Committee approved the Minutes of May 6, 2024, meeting 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 all the participants in Executive Session, the Board, ERS Staff, Deputy Attorney General are identified with an asterisk on these minutes and listed on the Executive Session Minutes.

Chair Barfield provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS §92-5(a)(2), (3), (4), and (8), 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; and to make a decision on the approval of Executive Session and Confidential Executive Session Minutes of May 6, 2024, 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 Louie, and unanimously carried, the Committee entered into Executive Session at 2:20 p.m.

(Public participation concluded by ending the teleconference link.)

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.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of May 6, 2024.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Confidential Executive Session Minutes of May 6, 2024.

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

EXECUTIVE SESSION,
PURSUANT TO HRS §92-
5(a)(8), REVIEW AND
APPROVE EXECUTIVE
SESSION MINUTES OF
MAY 6, 2024

EXECUTIVE SESSION,
PURSUANT TO HRS §92-
5(a)(8), REVIEW AND
APPROVE CONFIDENTIAL

EXECUTIVE SESSION
MINUTES OF MAY 6, 2024

EXIT EXECUTIVE
SESSION

On a motion made by Vice Chair Ley, seconded by Trustee Louie, and unanimously carried, the Committee exited Executive Session at 2:59 p.m.

Chair Barfield announced that while in Executive Session, the Committee discussed the executive search process, approved the Executive Session Minutes and Confidential Executive Session Minutes of May 6, 2024.

ADJOURNMENT

On a motion made by Vice Chair Ley, seconded by Trustee Louie, and unanimously carried, Chair Barfield adjourned the meeting at 3:00 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik



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

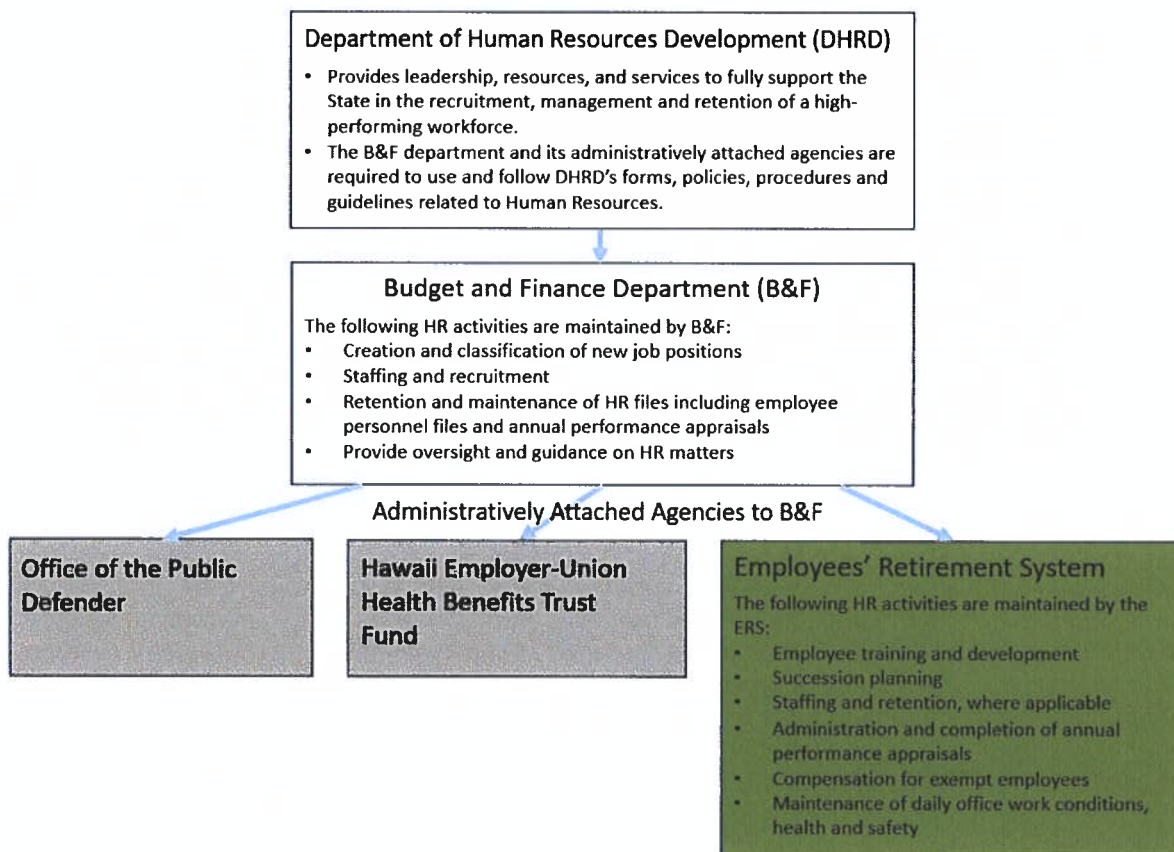
Revised and Accepted by the Compensation Review/Human Resources Committee: March 23, 2020, February 25, 2021, February 10, 2022, February 6, 2023, February 12, 2024, February 19, 2025

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