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

JUNE 17, 2026

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

Trustees present: (by teleconference)	Dr. Genevieve Ley, Chair (in person) Dr. Catherine Chan, Vice Chair Mr. Vincent Barfield (in person) Mr. Emmit Kane
Staff present: (City Financial Tower by teleconference)	Mr. Kalbert Young, Executive Director Mr. Anthony Goo, Interim Chief Investment Officer Ms. Dale Kehau Kanae, Recording Secretary/Administrative Assistant Ms. Lori Kim, Administrative Assistant Mr. Andrea Gasper, Administrative Assistant
Attorney present: (City Financial Tower by teleconference)	Ms. Lori Tanigawa, Deputy Attorney General Ms. Jenny Nakamoto, Deputy Attorney General
Public present: (by teleconference)	Ms. Phyllis Ida (Unverified)

QUORUM/CALL TO ORDER

A quorum being present (Chair Ley, and Trustees Barfield and Kane), 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 1:01 p.m. and identified the Trustees attending in person and requested Trustees attending remotely to identify themselves and confirm that they are the only ones present at their location while attending the meeting. Each of the Trustees attending remotely confirmed same. Trustees attending the meeting in person and remotely are noted on these minutes.

PUBLIC COMMENT

Chair Ley called for public comment. There was no public present in person nor attending by teleconference. There was also no written public testimony received for this meeting.

Char Ley announced that agenda items would be taken out of order starting with approval of the minutes.

APPROVAL OF MINUTES – APRIL 22, 2026

APPROVAL OF EXECUTIVE SESSION MINUTES – APRIL 22, 2026

APPROVAL OF CONFIDENTIAL

On a motion made by Trustee Kane, seconded by Trustee Barfield and unanimously carried, the Committee approved the Minutes, Executive Session Minutes, and the Confidential Executive Session Minutes of the April 22, 2026, meeting as presented.

REVIEW THE ACTIVITIES AND TIMELINE OF THE HUMAN RESOURCES COMMITTEE

Chair Ley presented for discussion with the Committee, the 2026 timeline and reviewed the items listed for the meeting. Chair Ley also proposed a meeting in August to discuss the Succession Plan noted on the timeline for October to give the Committee time to work on by the end of the year. The Committee had no objections to scheduling a meeting in August.

(Vice Chair Catherine Chan joined the meeting by teleconference at 1:05 p.m. and confirmed that she was the only one present at her location while attending the meeting.)

DISCUSS PLANS TO IMPLEMENT SB 3097, SD1, HD1, CD1, "RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM," AS IT PERTAINS TO THE DEPUTY EXECUTIVE DIRECTOR, CHIEF COMPLIANCE OFFICER, AND INFORMATION SECURITY OFFICER POSITIONS

Executive Director (ED) Kalbert Young discussed with the Committee Plans to Implement SB 3097, SD1, HD1, CD1, "Relating to the Exemption from Civil Service of Executive Personnel of the Employees' Retirement System," as it pertains to the Deputy Executive Director, Chief Compliance Officer, and Information Security Officer Positions.

ED Young shared with the Committee that SB 3097, SD1, HD1, CD1, a Governor's Administration Bill proposed by the ERS and passed by the Legislature is awaiting signature by the Governor. Upon signature, the Bill will become effective July 1, 2026, and plans to implement the exemption of the three positions would be reviewed and authorized by the Board of Trustees who are the responsible authority for appointing and determining compensation.

The Committee discussed the current performance evaluation process of the Chief Compliance Officer and requested that the ED assist the Committee and Board with a recommendation for compensation based on the performance evaluation, as similarly done for the Chief Investment Officer. The Committee requested and ED Young acknowledged that a recommendation for compensation and performance evaluation could be provided to the Board at the next Board meeting to become effective as of July 1, 2026, given the Bill is likely to be signed by the Governor.

The Committee requested that a range of salary figures be provided instead of a fixed amount as a range would allow the Committee and Board the flexibility to negotiate. ED Young acknowledged that he would provide salary figures based on market information for the Committee and Board's consideration to assist in establishing a range, as well as provide a recommendation consistent with the process used for other exempt investment positions.

The Committee suggested asking the past compensation consultant to provide market information based on the last data collected, knowing that the compensation study needs to be updated. ED Young responded that he did not anticipate engaging with any external consultant, however, he would ask if the past consultant would provide the market information.

The Committee also inquired although the Chief Compliance Officer position is being moved from civil service to exempt, with an incumbent, would the standard process of an open recruitment need to be followed? Administration may need to be prepared if so. The Committee did discuss that other State agencies are required to follow the standard process, even if the position has an incumbent. The Committee shared that similar prior Investment Office positions did not require the standard process, as long as the Board was satisfied with the incumbent of the position. However, the option of an open recruitment could be considered, as individual performance and qualifications should be reviewed to see if the incumbent meets the requirements of the exempt position. If the requirements are met, the incumbent could remain in the position and the salary could be adjusted accordingly. The Committee suggested the salary range start from where it currently is and go higher. It was also noted that it may not be easy to move someone out of a position if it is now exempt, so having a broad range tied to qualifications is important. The Committee would also like to be consistent with what has been done regarding the recruitment process. ED Young responded that he would have to check on the recruitment process with Budget & Finance, Human Resources.

PUBLIC COMMENT

Chair Ley again called for public comment as one (1) person joined the meeting by teleconference, however, had no public comment.

DISCUSS THE RECENT DEPARTURE OF THE EMPLOYEES' RETIREMENT SYSTEM'S DEPUTY EXECUTIVE DIRECTOR, RECRUITMENT PROCESS OF A NEW DEPUTY EXECUTIVE DIRECTOR, AND THE ANNOUNCEMENT OF AN INTERIM DEPUTY EXECUTIVE DIRECTOR

ED Young share with the Committee the recent departure of the Deputy Executive Director Gail Strohl who has recently resigned as of June 15, 2026, and Administration has not begun the recruitment process as ERS awaits the Governor signing SB 3097, SD1, HD1, CD1. Once signed by the Governor, ED Young will proceed with the recruitment process of a new exempt Deputy Executive Director. Meanwhile, ED Young has appointed Wesley Machida as the Interim Deputy Executive Director, a former ERS Trustee and Executive Director, and Director of Budget and Finance who is familiar with ERS and will be helpful during the interim period until a new Deputy Executive Director is hired.

DISCUSS UPDATE OF THE RECRUITMENT PROCESS OF THE VACANT EMPLOYEES' RETIREMENT SYSTEM'S CHIEF INVESTMENT OFFICER

ED Young shared with the Committee an Update of the Recruitment Process of the Vacant Employees' Retirement System's Chief Investment Officer stating that a request for proposal for an executive recruiting firm has been drafted and will be published next fiscal year, July 1, 2026. The timeline of soliciting and selecting a firm, publishing recruitment of the position, and receiving and evaluating candidates, is forecasted to take at least until the end of the year December or possibly the early part of next year 2027. It's anticipated as a 6-month process.

DISCUSS PROPOSED PLAN TO THE EXEMPTION FROM CIVIL SERVICE OF THE EMPLOYEES' RETIREMENT SYSTEM'S INFORMATION TECHNOLOGY BAND D POSITION (INFORMATION SYSTEMS BRANCH CHIEF)

Chair Ley discussed with the Committee the Proposed Plan to the Exemption from Civil Service of the Employees' Retirement System's Information Technology Band D Position (Information Systems Branch Chief) stating that the current staff has announced to the Board that he is planning to retire next year effective March 1, 2027. Chair Ley requested to propose legislation exempting the position from civil service to be presented for the 2027 Legislative session. She further stated that the timeline based on the process followed for the Deputy Executive Director and Chief Compliance Officer of legislation being passed and signed by the Governor, means that recruitment for the position would possibly start in July 2027.

ED Young shared with the Committee that if the Board approves the proposed plan to exempt from civil service the Information Technology Band D position, ERS staff will draft a proposed bill to present it as a part of Budget & Finance's administrative package to the Governor for the 2027 Legislative session. After the incumbent leaves in March, ERS administration will have to come up with a plan during the interim, while taking into consideration whether the proposed bill passes and is or is not signed by the Governor.

The Committee suggested ERS administration consider options to temporarily fill the position such as temporary assignment by current staff or an 89-day hire.

ADJOURNMENT

On a motion made by Trustee Barfield, seconded by Vice Chair Chan, and unanimously carried, Chair Ley adjourned the meeting at 1:24 p.m.

REDACTED SIGNATURE

Kalbert Young
Executive Director

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