

**STATE OF HAWAII
DEFERRED COMPENSATION PLAN
BOARD OF TRUSTEES**

**OPEN SESSION MINUTES
MEETING # 412**

Date: May 15, 2017

Place: Department of Human Resources Development
14th Floor Merit Appeals Board Conference Room
235 South Beretania Street, State Office Tower
Honolulu, HI 96813

Present: Brian Moto, Chairperson
James Nishimoto, Ex-Officio Member
Roderick Becker, Employee Member
Kanoë Margol, Employee Member
Kenneth Villabrille, Employee Member
Kalei Rapoza, Employee Member

Others: Jay Paige, Deputy Attorney General
Cynthia Akiyoshi, DHRD Staff
Glenn Ezard, Segal Marco Advisors

Absent: Wesley Machida, Ex-Officio Member
Rodney Tam, Deputy Attorney General

Call to Order: There being a quorum present, Chairperson Brian Moto called the meeting to order at 9:00 a.m.

Agenda: The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Hawaii Revised Statutes section 92-7.

Chairperson Moto welcomed everyone and noted that all trustees were present, except for Trustee Machida who is excused. He expressed best wishes to DAG Tam for a quick recovery and welcomed back DAG Jay Paige who joined today's meeting in place of DAG Tam. He stated that there were no guests from the public in attendance.

Agenda
Item # 1: New Business

a. Approval of Payment to DHRD for the Special Funded Position for FY 2018

Ms. Akiyoshi presented the Bill For Collection to request the Board's approval of the payment to DHRD. The payment request is for the funding of the administrative support services that is provided to the Board and Plan.

The special funded position has been authorized to be funded from the Plan's assets and requires approval for the FY 2017-2018 in the amount of \$138,086.40. The funding amount includes the applicable fringe benefit assessment rate of 60%. She added that the funding is necessary prior to the commencement of the fiscal year beginning on July 1, 2017.

In response to Trustee Becker's question on the amount that was approved last year, Ms. Akiyoshi stated the amount for this current FY 2016-2017 was \$126,241.00. And, the funding amount that is being requested includes the bargaining unit contract changes for the upcoming fiscal year.

Trustee Rapoza questioned why the position was not established as a general funded position. Ms. Akiyoshi stated that the special funded position was established to provide support services to the Board and Plan on a full-time basis and to enable DHRD to free up the staffing resources to support the other program areas. DHRD created the special funded position to be able to fill the general funded position within the office. Trustee Nishimoto explained that historically the DHRD position handled other benefit program areas in addition to the Deferred Compensation Plan. As the scope of the duties grew, it became necessary to dedicate a position which would be funded and paid by the Plan.

A motion was made by Trustee Rapoza and seconded by Trustee Becker to approve the payment of the funding for the DHRD special funded position in the amount of \$138,086.40 for the Fiscal Year 2017-2018. The motion passed unanimously.

Chairperson Moto stated that for the next agenda item # 2, the Board will move into Executive Session to discuss the RFP for an Active U.S. Large Cap Core equity investment option, and Segal Marco Advisors will remain for this portion of the meeting.

Agenda

Item # 2:

Discussion on Proposals Received for RFP No. DCP-16-2, Request For Proposals for Active U.S. Large Cap Core Equity Investment Option (in Executive Session Pursuant to HRS sections 92-5, 103D-105, and 103D-303), Including But Not Limited to:

a. Interviews with Priority-Listed Offerors

A motion was made by Trustee Nishimoto and seconded by Trustee Becker to move into Executive Session at 9:08 a.m. to confer with the Plan's legal counsel on items related to procurement, pursuant to HRS § 92-5(a)(4), and to deliberate or make a decision upon a matter that requires the consideration of information that must be kept confidential pursuant to a state or federal law, pursuant to HRS §§ 92-5(a)(8), 103D-105, and 103D-303. The motion passed unanimously.

EXECUTIVE SESSION

Meeting

Reconvened: **A motion was made by Trustee Nishimoto and seconded by Trustee Rapoza to move out of Executive Session at 12:37 p.m. The motion passed unanimously.**

Agenda

Item # 3: Other Business/Announcements

a. Schedule of Upcoming Board Meetings and Events

Ms. Akiyoshi provided the dates of the upcoming Board meetings and Benefits Fair. Tomorrow, May 16, 2017 is the Semi-Annual Board meeting and Wednesday, May 17, 2017 is the Employees' Benefits Fair. The theme of the Benefits Fair is to encourage participants to use electronic mediums to access Plan information. Using electronic media in this fashion would support the State's move away from a paper based system.

In response to Chairman Moto's question on the launch of the new Plan website, Ms. Akiyoshi announced that the newly designed Plan website did launch last week.

Ms. Akiyoshi added that the Semi-Annual Board meeting on May 16, 2017 will begin at 9:00 a.m. at the Hawaii Prince Hotel. The Semi-Annual Board meeting includes reports by the Third-Party Administrator (TPA) and the Investment Consultant, along with educational panel presentations by the Plan's investment fund managers to educate Board members on current trends within the industry. Lunch follows the presentations and is sponsored by the Plan's TPA and investment fund managers. She remarked that the issue of sponsorship of the meeting was discussed and researched previously and was found to be acceptable as it not for the purpose of or with the intent of influencing or rewarding Board members.

Chairperson Moto thanked everyone for attending today's meeting.

A motion was made by Trustee Rapoza and seconded by Trustee Nishimoto to adjourn the meeting at 12:44 p.m. The motion passed unanimously.

(NOTE: Signed copy on file.)