

TESTIMONY

GM 514

April 8, 2009

The Honorable Dwight Y. Takamine
Chair, Senate Committee on Labor
State Capitol, Room 204
Honolulu, Hawaii 96813

Re: GM 514, Submitting for Consideration and Confirmation to the Board of Trustees of
the Deferred Compensation Plan, gubernatorial nominee, Wesley Machida

Dear Chair Takamine and Members of the Senate Committee on Labor:

**I sincerely appreciate your consideration of my nomination to the State of Hawaii Deferred
Compensation Plan Board.**

Currently, I am the Assistant Administrator of the Employees' Retirement System of the State of Hawaii which has an \$8.7 billion investment portfolio and over 108,000 members, retirees, and beneficiaries. My previous work experiences include being a Senior Audit Manager at Grant Thornton LLP, and various managerial positions throughout State government. These experiences have helped to prepare me for the important decisions that need to be made as a Board member.

Many Plan participants and those eligible to participate will spend a good portion of their lifetime as retirees. In fact, many will spend more time as a retiree than their work careers. Thus, sufficiency of resources will be extremely important to retirees when they are in their golden years. If given the opportunity, I will work extremely hard to ensure that the Plan participants have timely and accurate information, and a diversified range of investment options to better secure their retirement future.

Thank you again for considering my nomination to this important position. Should you or the other members of the Committee have any questions, please call me at 722-6514.

Sincerely,



Wesley K. Machida

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

April 8, 2009

The Honorable Dwight Y. Takamine
Chair, Senate Committee on Labor
State Capitol, Room 204
Honolulu, Hawaii 96813

Re: GM 514, Submitting for consideration and confirmation to the Board of Trustees of the Deferred Compensation Plan, Gubernatorial Nominee, Wesley Machida

Dear Chair Takamine and Members of the Senate Committee on Labor:

I would like to offer my strong support for the confirmation of Mr. Wesley Machida to the Board of Trustees of the Deferred Compensation Plan.

Mr. Machida has been the Assistant Administrator of the Employees' Retirement System since 2000, and was its Accounting Branch Chief in 1989-1994. As its Accounting Branch Chief, Mr. Machida was responsible for the accounting and safeguarding of ERS' assets, preparation of financial statements and budget requests, and the processing of retirement benefit payments.

As the Assistant Administrator, Mr. Machida is responsible for planning, organizing, coordinating, and directing the activities relating to retirement, disability, and death benefits program for 108,000 State and county members, retirees, and beneficiaries; providing pre-retirement counseling services; the accounting of ERS' \$8.7 billion global investment portfolio; information technology; and others. He has strong problem solving and decision making skills, and is dedicated to serve the ERS membership and the State of Hawaii. His leadership, honesty and integrity have earned the respect from all levels of people he deals with.

Mr. Machida possesses a keen understanding of the financial and investment markets and will bring valuable knowledge and input to the Deferred Compensation program. This will be beneficial to members and help them achieve their long-term financial and retirement goals.

Mr. Machida would be a tremendous addition to the Deferred Compensation Board and I strongly support his confirmation.

Thank you for giving me the opportunity to testify in the matter.

Sincerely,

A handwritten signature in black ink, appearing to read "David Shimabukuro".

David Shimabukuro
Administrator



Employees' Retirement System
of the State of Hawaii

April 8, 2009

TESTIMONY TO THE
SENATE COMMITTEE ON LABOR
For Hearing On
April 9, 2009
2:45 p.m., Conf. Rm. 224

By

SANDI YAHIRO

DEPUTY DIRECTOR, STATE DEPARTMENT OF TAXATION, and TRUSTEE
OF THE DEFERRED COMPENSATION PLAN BOARD OF
TRUSTEES

Governor's Message #514

Relating to the Appointment of

WESLEY K. MACHIDA

To the Board of Trustees, Deferred Compensation Plan

TO CHAIRPERSON DWIGHT TAKAMINE AND Committee Members:

**I support the appointment of Mr. Wesley Machida to the Deferred
Compensation Plan Board of Trustees.**

Mr. Machida has been the Assistant Administrator of the State Employees' Retirement System (ERS) for nearly ten years. With that experience comes an extensive amount of knowledge in the retirement arena as well as finances. Mr. Machida's experience prior to joining the ERS includes professional accounting

and auditing. With a combination of retirement-specific experience as well as professional accounting and auditing, Mr. Machida will be a valuable Trustee on the Deferred Compensation Board.

Therefore, I urge your support of Mr. Machida's appointment.

Thank you for the opportunity to testify.

April 8, 2009

The Honorable Dwight Y. Takamine
Chair, Senate Committee on Labor
State Capitol, Room 204
Honolulu, Hawaii 96813

Re: GM 514, Submitting for Consideration and Confirmation to the Board of Trustees of the Deferred Compensation Plan, gubernatorial nominee, Wesley Machida

Dear Chair Takamine and Members of the Senate Committee on Labor:

I have worked with Mr. Machida since 2000 when he became the Assistant Administrator of the Employees' Retirement System. However, Mr. Machida did not announce his nomination to the Deferred Compensation Plan Board nor did he solicit any testimony. This speaks of his integrity to keep his personal goals and his work separately.

But being a member of the Deferred Compensation Plan for many years and knowing that the money I have in the Plan is extremely important to the financial security of my retirement, I have a personal interest in making sure that I am entrusting my financial future to a competent, qualified Deferred Compensation Plan Board (Board). That is why I am submitting testimony to support the confirmation of Wesley Machida to the Board. This Committee already knows his background and qualifications so I would like to tell you about Wes, the person, and why he will have a positive impact on the Board.

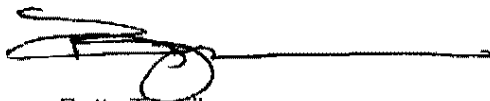
At a time when the management of State government is increasingly under public scrutiny, and Hawaii's financial future appears gloomy, persons of absolute integrity, unquestionable ethics, leadership, and vision are needed. That is why the "quality" of a Trustee is important. On a daily basis, I have seen how Wes interacts with people and how he handles different situations so I know he has the necessary character, qualities, and experience that would make a great Trustee.

One of Wes' strengths is his public relations skills and his ability to effectively build consensus. He has worked and interacted with many different groups of people; among them Board members, State and county government management and staff, public unions, vendors, contractors, and the private sector. Wes earns the respect of those he works with because of his high work ethic, sincerity, and honesty. He is someone you can believe in and rely on to do the right thing.

Wes does his research and makes sure he has the answers before he makes a decision. For him, the "buck stops here" so he'll take full responsibility for his decisions. That is why he doesn't hesitate to ask the decisive questions to determine the reality of the situation.

The Deferred Compensation Plan members would benefit from having Mr. Machida on the Board of Trustees of the Deferred Compensation Plan and **I ask your support for his nomination**. Thank you for this opportunity to submit my testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Betty Tachibana', with a long horizontal line extending to the right.

Betty Tachibana

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April 7, 2009

The Honorable Dwight Y. Takamine
Chair, Senate Committee on Labor
Hawaii State Capitol, Room 204
415 South Beretania Street
Honolulu, Hawaii 96813

Re: Testimony in Support of Wesley Machida's Nomination to the Board of Trustees of the State of Hawaii Deferred Compensation Plan

Dear Senator Takamine:

I am writing to **support** Wesley Machida's nomination for membership on the Board of Trustees of the State of Hawaii Deferred Compensation Plan established pursuant to Chapter 88E of the Hawaii Revised Statutes.

As outside tax counsel to the Employees' Retirement System of the State of Hawaii, where Wes serves as the Assistant Administrator, I have worked with Wes for close to six years. I know Wes to be honest, thoughtful, caring, and diligent. Wes is not afraid to ask difficult questions, and he works well with others in formulating solutions to difficult problems. I wholeheartedly support Wesley Machida for membership on the Board of Trustees of the State of Hawaii Deferred Compensation Plan.

Please call me if you have any questions.

Respectfully,



J. Thomas Maloney, Jr.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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Executive Director
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The Twenty-Fifth Legislature, State of Hawaii
Hawaii State Senate
Committee on Labor

Testimony by
Hawaii Government Employees Association
April 9, 2009

GM 513 / GM 514 – Submitting for
Consideration and Confirmation to the
Board of Trustees of the Deferred
Compensation Plan, Gubernatorial
Nominees Scott M. Kami and
Wesley Machida.

The Hawaii Government Employees Association offers comments on the confirmation of these nominees to the Board of Trustees of the Deferred Compensation Plan. We have worked with Mr. Machida and have found him to be of good character and a person of integrity. We also have no reason to doubt Mr. Kami's qualifications as a good candidate for the Board. **Our concern stems with the manner in which nominees for this board are selected.**

Under Section 88E-4, HRS, the composition of the Board of Trustees must include the Director of DHRD, the Director of Budget and Finance or designee as an ex-officio member, and five other persons, three of whom shall be public employees and represent employee interests. The problem we see is that "employee interests" is not clearly defined. We believe that "employee interests" should be preserved by including employees representing line workers, not limited to supervisors or managers as represented by Mr. Machida and Mr. Kami. Perhaps the statute warrants an amendment to clarify this issue.

Managers and supervisors usually receive higher salaries and generally have more disposable income. They may also have more knowledge of investment options and financial planning than those who are in non-supervisory/non-managerial positions. Consequently, they may not necessarily identify with the need for financial planning or relate to investments in the same way as a line worker, especially during this serious recession and period of market volatility.

Thank you for the opportunity to testify on GM 513 and GM 514.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director