

GM533

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

March 24, 2014

The Honorable Clayton Hee, Chair
and Members of the Senate Committee on Judiciary and Labor
Hawaii State Capitol, Room 407
Honolulu, Hawaii 96813

Re: Governor's Message No. 533, Nomination of Mr. Jerry Rauckhorst to the
Board of Trustees of the Employees' Retirement System

Dear Chair Hee and Members of the Senate Committee on Judiciary and Labor:

I strongly support the confirmation of Jerry Rauckhorst as Trustee to the Board of Trustees of the Employees' Retirement System (Board) for a term to expire January 1, 2020.

Mr. Rauckhorst was initially appointed to the Board on April 21, 2010, and during his tenure has served on the Investment Committee, Administrative and Legislative Committee, Compensation Review Committee, and Audit Committee (of which he is the Chair). As the Chief Executive Officer of Catholic Charities Hawaii, Mr. Rauckhorst brings his fiscal management skills to complement the Board's commitment to reducing the unfunded liability of the Employees' Retirement System (ERS) and ensuring its sustainability. In addition, Mr. Rauckhorst helps guide the Audit Committee with his experience in organizational development, finance and strategic planning.

I have found Mr. Rauckhorst to be straightforward and fair and acutely aware of his fiduciary responsibility as a Trustee. Although not a member of the ERS, he approaches each of the System's challenges personally, with the goal of ensuring that present and future benefit obligations be met. He has been a strong advocate of independent senior assistance programs for Catholic Charities Hawaii and shares that same respect and passion for the members of the ERS.



Employees' Retirement System
of the State of Hawaii

I believe that Mr. Rauckhorst's continued presence and contributions as an ERS Board member will continue to positively impact ERS members and the State of Hawaii. Thank you for your consideration of Mr. Rauckhorst's confirmation.

Sincerely,

A handwritten signature in black ink, appearing to read "Wesley K. Machida". The signature is fluid and cursive, with the first name "Wesley" being the most prominent.

Wesley K. Machida
Executive Director

c: ERS Board of Trustees
Department of Budget and Finance

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR
ON
GOVERNOR'S MESSAGE NO. 533

March 28, 2014

RELATING TO JERRY RAUCKHORST FOR CONSIDERATION AND
CONFIRMATION TO THE BOARD OF TRUSTEES OF THE EMPLOYEES'
RETIREMENT SYSTEM

Dear Chair Hee, Vice Chair Shimabukuro, and Members of the Committee,

Thank you for the opportunity to provide testimony in support for the nomination of Mr. Jerry Rauckhorst to the Board of Trustees of the Employees Retirement System (ERS).

I currently serve as an ex-officio member on the Board of the ERS with Mr. Rauckhorst.

In my experience and observation, Mr. Rauckhorst has demonstrated a true passion and professional insight into strengthening the ERS. As a community leader representing a significant and notable non-profit in Hawaii, Mr. Rauckhorst has a keen sense of governance and management that is valuable on the Board. He understands the significance of the ERS in providing retirement benefits for a large portion of our state's population. He also appreciates the fiduciary obligation of ERS trustees to ensure that the financial obligation of the system can be achieved.

Mr. Rauckhorst has been a good trustee for the ERS and is a good fiduciary representing all the beneficiaries of the trust.

I urge the members of the Senate Committee on Judiciary and Labor to support Mr. Jerry Rauckhorst's selection by voting favorably on her nomination and advancing G.M. 533 for full Senate confirmation.



March 4, 2014

The Honorable Senator Clayton Hee
Chair, Senate Committee on Judiciary and Labor
Twenty-Eighth State Legislature
Hawaii State Capitol, Room 407
Honolulu, HI 96813

Re: Governor's Message No. 533, Letter in Support for Consideration and Confirmation to the Board of Trustees of the Employees' Retirement System, Gubernatorial Nominee, Jerry Rauckhorst

Dear Chair Hee and Members of the Senate Committee on Judiciary and Labor:

I am writing to express my strong support for the confirmation of Mr. Jerry Rauckhorst to the Board of Trustees of the Employees' Retirement System (ERS). I have known Mr. Rauckhorst personally for approximately six years. We met when he first became a board member of the Entrepreneurs Organization of Hawaii, a nonprofit organization I founded to support local startups.

Whether serving on nonprofit boards or leading large charitable organizations, such as in his current capacity as President and CEO of Catholic Charities Hawaii, Mr. Rauckhorst has proven to be a dedicated leader in the area of social services for more than 30 years.

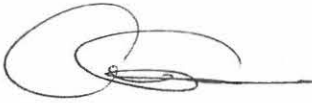
Mr. Rauckhorst has served on the ERS Board of Trustees since 2010, contributing valuable insight, knowledge, and direction as the board has navigated many challenges. For more than three years, he has served on the Legislative and Administrative committees, and just completed his first year as chair of the Internal Audit committee.

Not only has he made significant contributions to the pension reforms that have occurred in the state in the past three years, but he proved himself a team player by working with various governmental agencies and the State Legislature in the process.

Mr. Rauckhorst takes his board responsibilities seriously and does not hesitate to ask the difficult questions, whether his efforts are aimed at legislative reform, modifying pension benefits, or dealing with unfunded liability in the ERS. He approaches issues with a critical, compassionate, and fair perspective.

I believe that Mr. Rauckhorst's confirmation as a board member will continue to positively impact the ERS members, the State, and counties as well. It is for these reasons that I urge the Committee to confirm Mr. Rauckhorst as an ERS board member. If there are any questions, please do not hesitate to contact me at (808) 544-3555.

Sincerely,

A handwritten signature in black ink, appearing to read 'John C. Dean', with a long horizontal stroke extending to the right.

John C. Dean
President & Chief Executive Officer
Central Pacific Bank



ISLAND INSURANCE
COMPANIES

March 20, 2014

The Honorable Clayton Hee, Chair
And Members
Senate Committee on Judiciary & Labor
State Capitol
Honolulu, Hawaii 96813

Re: GM 533: Nomination of Jerry Rauckhorst to the Board of Trustees of the Employees Retirement System, State of Hawaii

Dear Chairman Hee & Members:

I wish to offer my testimony in support of the nomination of Jerry Rauckhorst to serve as a member of the Board of Trustees of the Employees Retirement System of the State of Hawaii ("ERS").

As a member of the Board of Trustees of the ERS, I have had the pleasure of serving with Jerry during the past 6 years. He has been a dedicated member of the Board and has been an active participant and supporter of the efforts to restore the integrity of the funded status of the ERS. He has also served on various Board of Trustee committees which have been focused on improving the operations of our system. Over recent years, we have experienced substantial improvements in various key areas including the finalization of pensions, instituting an internal audit process, and establishing a properly staffed investment oversight function.

His continued service on the Board of Trustees will provide continuity and help us achieve further progress with respect to many of the initiatives we have been working on over the past few years.

I encourage you to act favorably upon his nomination to this vitally important role. Thank you for the opportunity to share my perspective on Jerry's qualifications to continue to serve as a Trustee of the ERS.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Colbert M. Matsumoto', written in a cursive style.

Colbert M. Matsumoto

cc: Jerry Rauckhorst



ENTREPRENEURS™
FOUNDATION



of Hawai'i

1000 Bishop Street, Suite 902
Honolulu, HI 96813
(808) 546-2288 • info@efhawaii.org • <http://efhawaii.org>

March 24, 2014

COMMITTEE ON JUDICIARY AND LABOR

Senator Clayton Hee, Chair
Senator Maile S.L. Shimabukuro, Vice Chair

HEARING

Friday, March 28, 2014
10:00 a.m.
Conference Room 16

Re: GM533: Nomination of Jerry Rauckhorst to the
Board of Trustees of the Employees' Retirement System

Dear Chair Hee, Vice Chair Shimabukuro, and Members of the Committee:

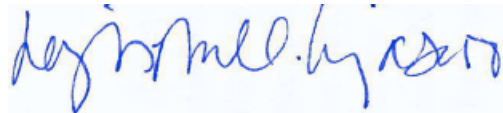
I have known Jerry for more than eight years. Jerry served on the Board of Directors of my nonprofit organization, the Entrepreneurs Foundation of Hawai'i, for two years, providing invaluable advice about the nonprofit community in Hawai'i and opportunities for entrepreneurs to engage in philanthropy and community service. I then served six years on the Board of Directors of Catholic Charities Hawai'i ("CCH"), where at various times I was Secretary, a member of the Executive and Development Committees, and Chair of the Nominating Committee.

During my time on the CCH Board, I was able to observe Jerry's strong and effective leadership style. He is mission-driven, makes sure that CCH's values permeate the organization, and treats all staff and clients with respect and dignity. He is a strategic thinker, always looking ahead to anticipate trends and challenges, while also ensuring that CCH's day-to-day operations are running smoothly. He is not afraid to make tough decisions, but he always does so in a compassionate way. He has an in-depth, comprehensive understanding of finance, facilities operations, board governance, public relations, and marketing. His integrity is unquestionable.

Jerry brings all of these exceptional qualities to the ERS Board of Trustees, and he has provided outstanding service during his first term on the Board. I STRONGLY SUPPORT his re-appointment the Board.

Thank you for the opportunity to offer testimony in support of Jerry's nomination.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Leigh-Ann K. Miyasato". The signature is written in a cursive style and is positioned above the printed name.

Leigh-Ann K. Miyasato
President & Executive Director

March 25, 2014

The Honorable Clayton Hee
Chairman
Senate Committee on Judiciary and Labor
Senate District 23
Hawaii State Capitol, Room 407
415 South Beretania Street
Honolulu, HI 96813

RE: Mr. Jerry Rauckhorst

Dear Senator Hee:

I am writing this letter in support of Jerry Rauckhorst, whom I have known for the many years. Jerry has always demonstrated the highest level of integrity and expertise as a Trustee of the State of Hawaii's Employees' Retirement System (ERS) Board during the last four years.

In my capacity as President and Chief Executive Officer of First Hawaiian Bank, I am familiar with the business acumen and analytical skills that are necessary to be an effective Trustee of the ERS. Jerry not only has the ability to listen to the recommendations of consultants and investment advisors, but he also communicates well with the other trustees, as well as the Chief Investment Officer and ERS staff, to arrive at prudent consensus decisions.

As President and Chief Executive Officer of Catholic Charities Hawaii, Jerry has been a proven leader in the not for profit sector of our community. I have worked very closely with him in numerous fund-raising activities and financial initiatives that benefit citizens throughout Hawaii. It is this same standard of leadership excellence that I am certain Jerry will continue to bring to the ERS as a trustee.

It is without hesitation, therefore, that I recommend Jerry Rauckhorst be re-appointed to the ERS Board for another 4-year term.

Respectfully submitted,


Robert S. Harrison
President & CEO



CERTIFIED PUBLIC ACCOUNTANTS

March 26, 2014

Senator Clayton Hee
Chairman Judiciary and Labor Committee
Senatorial District 23
Hawaii State Capitol, Room 407
Honolulu, Hawaii 96813

Dear Senator Hee:

I am a tax principal with Accuity, LLP in Honolulu, Hawaii, one of the largest accounting firms in the state of Hawaii. I am also the current board Vice President of Catholic Charities Hawaii, the current board Treasurer of Make A Wish Foundation of Hawaii and the current board President of Soroptimist International of Honolulu.

As both a member of the business community and as an active participant in Hawaii's volunteer community I am writing in support of the re-appointment of Jerry Rauckhorst to the Board of Trustees of the State of Hawaii's Employee Retirement System ("ERS").

Over the past fifteen years in my volunteer capacity it has been my privilege to work alongside Jerry and to witness the high regard he is held in by members in all areas of the community including government, non-profit and business sectors. He works tirelessly for the Hawaii community and is an honorable and intelligent man who gets things done. He is a highly visible figure and I believe is a valuable addition to any board.

I strongly support Jerry's re-appointment to the Board of Trustees of ERS.

Sincerely,

A handwritten signature in cursive script that reads "Kim Jones".

Kim Jones
Tax Principal
Accuity LLP

CHRISTOPHER R. DANG
ATTORNEY AT LAW
A LIMITED LIABILITY LAW COMPANY

ALA MOANA OFFICE
Ala Moana Pacific Center
1585 Kapiolani Boulevard, Suite 928
Honolulu, Hawaii 96814



MAIL ADDRESS
2246 Pacific Heights Road, Suite 1
Honolulu, Hawaii 96813

Phone: (808) 536-6687
Fax: (808) 442-0090
e-mail: christopher.dang@hawaii.com
www.hawaiiestatelawgroup.com

LEeward OFFICE
Parridge Office Center
98-211 Pah Moun Street, Suite 501
Aiea, Hawaii 96701

MAUI OFFICE
1823 Wells Street, Suite 2A
Waiuku, Hawaii 96793

March 27, 2014

Senator Clayton Hee
Chairman, Judiciary and Labor Committee
Senatorial District 23
Hawaii State Capitol, Room 407
Honolulu, Hawaii 96813

RE: GM 533 - Mr. Jerry Rauckhorst's consideration and confirmation to the Board of Trustees of the Employees' Retirement System

Honorable Clayton Hee:

I am writing as a friend and current Board Chair of Catholic Charities Hawaii. I have known Jerry Rauckhorst for over 18 years. I have personal knowledge of his decision making ability in his capacity as CEO of Catholic Charities Hawaii, one of the largest social services agencies in the State of Hawaii. Jerry serves with high moral character and integrity, and I have no doubt that this would continue to serve him well as a Board member of the Employees' Retirement System.

I strongly support Jerry's consideration and confirmation based upon his past experience as Board member of the Employees' Retirement System, and continued willingness to serve our community.

Sincerely,

Christopher Dang