

**GM599**

NEIL ABERCROMBIE  
GOVERNOR



BOARD OF TRUSTEES

WAYNE CHU  
BARBARA KRIEG  
NEAL MIYAHIRA  
BRIAN MOTO  
MICHAEL OKUMOTO  
KENNETH VILLABRILLE  
KALBERT YOUNG

STATE OF HAWAII  
DEFERRED COMPENSATION PLAN  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

March 24, 2014

TESTIMONY TO THE  
SENATE COMMITTEE ON JUDICIARY AND LABOR

For Hearing on March 28, 2014  
10:00 a.m., Conference Room 016

BY

WAYNE L. CHU, CHAIRPERSON  
DEFERRED COMPENSATION PLAN BOARD OF TRUSTEES

**Governor's Message No. 599**

**Relating to the Consideration and Confirmation of  
Gubernatorial Nominee, KANOE MARGOL  
To the Board of Trustees, Deferred Compensation Plan**

**WRITTEN TESTIMONY ONLY**

TO CHAIRPERSON CLAYTON HEE AND MEMBERS OF THE COMMITTEE:

I am submitting this testimony in strong support of Ms. Kanoe Margol to the Board of Trustees ("**Board**") of the State of Hawaii Deferred Compensation Plan ("**Plan**") in my capacities as the Chairperson of the Board.

Ms. Margol has expressed an interest in serving as a Trustee on the Board and wants an opportunity to help Plan participants reach their retirement planning goals and make their dream retirement living happen for them.

In her capacity as the Deputy Executive Director of the Employees' Retirement System ("**ERS**"), she is responsible for the daily operations of the ERS, including coordinating and directing the program's planning, budgeting and reporting functions; and participating in the investing of ERS' assets.

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. 599, Nomination of Ms. Kanoe Margol to the  
Board of Trustees of the Deferred Compensation Plan

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

I am writing in support of Ms. Kanoe Margol to serve as a trustee of the State of Hawaii  
Deferred Compensation Plan Board for a term to expire June 30, 2018.

Ms. Margol has been the Deputy Executive Director of the Employees' Retirement System of the  
State of Hawaii (ERS) since March 2011. As the Deputy Executive Director, she assists with  
formulating, planning, developing, implementing and evaluating the goals, objectives, programs,  
policies and procedures of the ERS. Ms. Margol is also responsible for the supervision of all  
ERS branches and neighbor island offices which includes coordination, program planning,  
budgeting, reporting and management. She participates in the investment of ERS assets,  
oversees the day-to-day operations of the ERS, reviews proposed legislation, including cost and  
implementation implications and directs the implementation of internal control systems and  
procedures to ensure that all assets are safeguarded.

Prior to working with the ERS, Ms. Margol was the Vice President of Finance and Assistant  
Treasurer of the Queen's Health Systems where she oversaw their investment portfolios, debt  
and cash management and financial planning.



Employees' Retirement System  
of the State of Hawaii

In the three years she has been with the ERS, Ms. Margol has demonstrated her ability to build cohesive, productive teams that work collaboratively toward the goals of the organization, and ultimately, the membership of the fund. Her knowledge of investments, finance, and accounting has been invaluable for the overall administration of the ERS.

As a previous Deferred Compensation Board member myself, I am aware of the fiduciary responsibilities of the position and the comprehensive knowledge and commitment a trustee must have. I believe that Ms. Margol possesses the qualities, knowledge and experience of an excellent board member. State employees and participants will benefit from her dedication and contribution to the Deferred Compensation Plan for many years to come.

Thank you for your consideration of Ms. Margol's confirmation.

Sincerely,

A handwritten signature in black ink, appearing to read "Wesley K. Machida". The signature is fluid and cursive, with a large, stylized initial "W" and "M".

Wesley K. Machida  
Executive Director

c: ERS Board of Trustees  
Department of Budget & Finance

Ms. Margol has over 20 years of experience in the areas of accounting and financial planning. In addition, her knowledge and experience in the area of cash management and managing investment portfolios will be of valuable benefit to the Board.

I believe that Ms. Margol will be an excellent candidate to serve on the Board and will do an outstanding job.

I respectfully ask for your favorable consideration of Ms. Margol's confirmation as a Member of the Board of Trustees of the Deferred Compensation Plan. Thank you for the opportunity to testify.

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. 599

March 28, 2014

RELATING TO KANOE MARGOL FOR CONSIDERATION AND CONFIRMATION  
TO THE BOARD OF TRUSTEES OF THE DEFERRED COMPENSATION PLAN

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 Ms. Kanoe Margol to the Board of Trustees of the Deferred Compensation Plan.

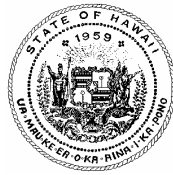
I have known Ms. Margol for the past 3 years beginning while I have been the State Finance Director and since Ms. Margol has been the Deputy Administrator of the State Employee Retirement System.

Ms. Margol has a significant professional background in the areas of accounting and finance. She has already demonstrated a very thorough understanding and background in government operations and has a high aptitude for investments and matters of finance. Her background and professional experience will be valuable on the Board. Her business background includes extensive experience in managing investments and treasury operations which would be practical and relevant to the management of the Deferred Compensation Plan. Ms. Margol's applied insight to governance and best-practices having worked at another large local investment trust would help the Board to be deliberative in executing the best possible plan designs for the benefit of participants.

I also believe that with Ms. Margol being the deputy administrator of the Employee Retirement System (ERS) there will be a lot of opportunity for synergy between the defined benefit plan of the ERS and the defined contribution plan of the Deferred Compensation Plan. I am confident that she will be an asset to the Board of Trustees as well as a good fiduciary to the participants in the Deferred Compensation Plan.

I urge the members of the Senate Committee on Judiciary and Labor to support Ms. Kanoe Margol's selection by voting favorably on her nomination and advancing G.M. 599 for full Senate confirmation.

NEIL ABERCROMBIE  
GOVERNOR



BARBARA A. KRIEG  
DIRECTOR

LEILA A. KAGAWA  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT**  
235 S. BERETANIA STREET  
HONOLULU, HAWAII 96813-2437

March 21, 2014

Testimony of  
Barbara A. Krieg, Director  
Department of Human Resources Development  
before the

SENATE COMMITTEE ON JUDICIARY AND LABOR  
Friday, March 28, 2014  
10:00 a.m., Conference Room 016  
in consideration of

**Governor's Message No. 599**  
**Relating to the Consideration and Confirmation of**  
**Gubernatorial Nominee, KANOE MARGOL**  
**As Member of the Board of Trustees of the Deferred Compensation Plan**

**WRITTEN TESTIMONY ONLY**

TO CHAIRPERSON CLAYTON HEE AND FELLOW COMMITTEE MEMBERS:

Thank you for this opportunity to provide testimony in **strong support** for the confirmation of Ms. Kanoe Margol as a Member of the Board of Trustees of the Deferred Compensation Plan (DCP).

Ms. Margol brings with her a depth and breadth of knowledge on evaluating and managing investment portfolios that makes her an exceptional nominee. From her experience in the public and private sector, with the Employees' Retirement System and the Queen's Health Systems, she has demonstrated the qualifications to carry out the responsibilities of a Trustee.

In my capacity as Director of Department of Human Resources Development, I have had the pleasure of working with Ms. Margol on several occasions and I have found her to be caring, knowledgeable, and professional. I believe that she has the experience and executive leadership skills that will serve the goals of the DCP Board.

Thank you for the opportunity to testify. I respectfully ask for your favorable consideration and confirmation of Ms. Kanoe Margol as a Member of the Board of Trustees of the Deferred Compensation Plan.



ISLAND INSURANCE  
COMPANIES

March 26, 2014

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

Re: GM 599: Nomination of Kanoe Margol to the Board of Trustees of the Employees Retirement System, State of Hawaii

Dear Chairman Hee & Members of the Committee:

I wish to offer my testimony in support of the nomination of Kanoe Margol to serve as a member of the Board of Trustees of the Deferred Compensation Plan.

As a member of the Board of Trustees of the ERS, I have had the pleasure of knowing Kanoe Margol during the past 3 years since she began working as our Deputy Executive Director. She has been a dedicated and conscientious member of our management team and has been a key contributor to many of our initiatives aimed at improving the operations of our system.

I am confident that she will bring the benefit of the knowledge and experience she gained working with the ERS to assist the Deferred Compensation Plan become a stronger organization that is better able to serve its beneficiaries.

I encourage you to act favorably upon her nomination to this important role. Thank you for the opportunity to share my perspective on Kanoe's qualifications to to serve as a Trustee of the Deferred Compensation Plan.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Colbert M. Matsumoto', written over a white background.

Colbert M. Matsumoto

cc: Kanoe Margol



NEIL ABERCROMBIE  
GOVERNOR



**STATE OF HAWAII**  
EMPLOYEES' RETIREMENT SYSTEM

TESTIMONY  
OF  
KANOE MARGOL

SENATE COMMITTEE ON JUDICIARY AND LABOR  
MARCH 28, 2014

GOVERNOR'S MESSAGE NO. 599  
SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE BOARD OF  
TRUSTEES OF THE DEFERRED COMPENSATION PLAN, GUBERNATORIAL  
NOMINEE, KANOE MARGOL, FOR A TERM TO EXPIRE 6/30/2018.

Chair Hee and Members of the Committee,

Thank you for the opportunity to testify. I also want to thank Governor Neil Abercrombie for nominating me. I truly consider this an honor and privilege to be considered as a board member for the Deferred Compensation Plan. I also want to extend a warm mahalo to everyone that submitted testimonies on my behalf.

I believe that the diversity of my work experience in various executive level positions has provided me with the qualifications required for appointment as a trustee of the Deferred Compensation Board. I am currently serving as Deputy Executive Director of the Employees' Retirement System of the State of Hawaii. In this role, I assist with formulating, planning, developing, implementing and evaluating the goals, objectives, programs, policies and procedures of the Employees' Retirement System (ERS). I also participate in the investment of ERS assets. Prior to this position, I served as the Vice President of Finance & Assistant Treasurer at The Queen's Health Systems for 4 years. In this role, I was responsible for both the non-pension and pension investment portfolios of the company. In addition to these executive positions, I have 15 years of management experience in Treasury, Finance and Accounting. With my background and demonstrated experience, I feel I can make a significant contribution to the people of Hawaii.

My vision for the Deferred Compensation Board is to provide all State employees with the best possible investment choices to help them achieve their financial goals and objectives for their retirement years so they can continue to lead quality lives after



Employees' Retirement System  
of the State of Hawaii

retirement. I will work diligently with the other Board members to ensure that the mission and strategic direction of the Board is in the best interests of the deferred compensation plan members.

In closing, I would like to thank this Committee for considering my nomination and for giving me the opportunity to be here today. Again, thank you to everyone who submitted testimony on my behalf and to those who are here supporting me today.

I would be happy to answer any questions the Committee may have.