

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

LAUREL A. JOHNSTON  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA**  
**DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE**

**TO THE SENATE COMMITTEE ON JUDICIARY AND LABOR**  
**ON**  
**GOVERNOR'S MESSAGE NO. GM 625**

**March 28, 2017**  
**9:30 a.m.**  
**Room 016**

**SUBMITTING FOR CONSIDERATION AND CONFIRMATION TO THE BOARD  
OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE  
STATE OF HAWAII, GUBERNATORIAL NOMINEE, VINCENT BARFIELD**

Chair Keith-Agaran, Vice Chair Rhoads, and Members of the Committee,

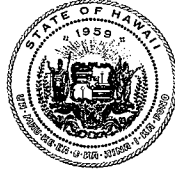
I strongly support the confirmation of Mr. Vincent Barfield to the Employees' Retirement System Board of Trustees (ERS Board).

Mr. Barfield has been a trustee on the ERS Board for the past six (6) years. During his time as a trustee, Mr. Barfield has served as Chair of the ERS Board, Chair of the Investment and Audit Committees, and as a member of the Compensation Review Committee. In my current position as an ex-officio trustee and previously as the Executive Director of the Employees' Retirement System (ERS), I had the privilege of serving with and working for Mr. Barfield. During that time, I found him to be intelligent, hard-working, dedicated, and committed to doing what's best for the ERS members and other stakeholders.

With his financial institution and investment experience, he has contributed immensely to the development of the ERS's Investment Office and Program. Under his leadership, the ERS has been able to grow by more than \$4 billion. As a senior executive with one of the largest financial institutions, he has mentored the ERS's executive team. He is mindful of the impact that the ERS has on its 120,000 members, retirees, and beneficiaries, and the importance of sustaining the ERS Program without placing significant financial strain on future generations.

It is for the above reasons that I strongly ask for your consideration in confirming Mr. Vincent Barfield to the ERS Board. Thank you for allowing me to testify in strong support of Mr. Barfield.

DAVID Y. IGE  
GOVERNOR



THOMAS WILLIAMS  
EXECUTIVE DIRECTOR

KANOE MARGOL  
DEPUTY EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
**EMPLOYEES' RETIREMENT SYSTEM**

March 24, 2017

The Honorable Gilbert Keith-Agaran, Chair  
and members of Senate Committee on Judiciary and Labor  
Twenty-Ninth State Legislature  
Hawaii State Capitol, Room 221  
Honolulu, Hawaii 96813

Re: Governor's Message No. 625, Consideration of Vincent Barfield as the Gubernatorial Nominee to the Employees' Retirement System Board of Trustees for term to expire January 1, 2023

Dear Chair Keith-Agaran and Members of the Senate Committee on Judiciary and Labor:

I would like to offer my strong support for the confirmation of Mr. Vincent Barfield to the Board of Trustees of the Employees' Retirement System (ERS). Mr. Barfield has served on the ERS Board of Trustees since August 11, 2011 and with his extensive experience in banking and investment services, he has already provided valuable insight and knowledge during Board discussions and decision-making.

When I started my tenure as the Executive Director of the ERS in November 2016 Mr. Barfield, as the Chair of the ERS Board, besides welcoming me to Hawaii and its community, was instrumental in emphasizing the significance of the ERS to its members and to the entire State.

He has also served as the Chair of the Board's Audit Committee and, most continually since 2012, as the Chair of the Investment Committee. As Investment Committee Chair, Mr. Barfield has focused on the strength of the ERS's investment program and its overall sustainability. ERS assets grew from \$10.86 billion in August 2011 to \$15.35 billion as of February 2017 with investment returns averaging 8.3% over the last 5 years; since 2011 our portfolio has increased its allocations to Global Protection Securities, Covered Calls, Global Low Volatility Equities and infrastructure; in addition, we are transitioning our portfolio to a risk-based asset allocation program, the implementation of which will ensure that the System will weather market changes and fluctuations over the long term. With the best interests of the ERS members, retirees and beneficiaries in mind, he approaches the issues facing the ERS with a critical and fair perspective.




Employees' Retirement System  
of the State of Hawaii

The Honorable Gilbert Keith-Agaran  
March 24, 2017  
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I believe that Mr. Barfield's continued presence and contribution as an ERS board member will continue to positively impact ERS members and the State of Hawaii. It is for these reasons and many others too numerous to list that I urge the Committee to confirm Mr. Barfield as an ERS Trustee.

Thank you for your consideration and this opportunity to testify in this matter. Should you have any questions, please do not hesitate to contact me at 586-1700.

Sincerely,

  
for Thomas Williams  
Executive Director

cc: Senate President, Ronald Kouchi  
Office of the Governor, Policy  
Wesley Machida, Director of Finance  
ERS Board of Trustees



March 23, 2017

CATHOLIC CHARITIES HAWAII

The Honorable Gilbert Keith-Agaran, Chair  
and Committee Members  
Senate Committee on Judiciary and Labor  
Twenty-Ninth State Legislature  
Hawaii State Capitol, Room 221  
Honolulu, Hawaii 96813

Re: Governor's Message 625, Consideration of Vincent Barfield as the Gubernatorial  
Nominee to the Employees' Retirement System Board of Trustees

Dear Chairman Keith-Agaran and Committee Members:

I would like to offer my strong support for the nomination of Vincent Barfield to the Board of Trustees of the Employees' Retirement System (ERS).

I have had the privilege of serving with Vince as a member of the Board of Trustees of the ERS for the past six years. His extensive background in banking and investment services has made him a valuable member of the ERS Board. During his tenure on the Board, Vince has served as Investment Committee Chair and the past Chairman of the Board.

Vince has demonstrated strong leadership, communication, management and critical thinking skills in his various roles with the Board. His knowledge and executive level experience is a great asset to his fellow Trustees and the ERS Executive Team. His leadership and investment experience have contributed greatly to the transition of the ERS portfolio to a risk-based asset allocation strategy to ensure its overall long term sustainability.

Vince's commitment to volunteer service on the ERS Board benefits the ERS members, retirees and beneficiaries. He consistently approaches the issues facing the ERS with a balanced and fair perspective, keeping focused on the Mission of the ERS. The State of Hawaii and its public employees are very fortunate to have a professional like Vince as a Trustee of the ERS.

Thank you for the opportunity to provide testimony in support of Vince Barfield's confirmation to the Board of Trustees of the ERS. I encourage you to act favorably on his nomination.

Sincerely yours,

Jerry Rauckhorst  
President and CEO (Retired)

cc: Vincent Barfield



**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [JDLTestimony](#)  
**Cc:**  
**Subject:** Submitted testimony for GM625 on Mar 28, 2017 09:30AM  
**Date:** Friday, March 24, 2017 4:57:43 PM

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**GM625**

Submitted on: 3/24/2017

Testimony for JDL on Mar 28, 2017 09:30AM in Conference Room 016

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Catherine Kwan Yuk Chan	Individual	Comments Only	No

Comments: I strongly support Mr. Vincent Barfield to be confirmed as the gubernatorial nominee as a Trustee to the ERS Board. Mr. Barfield has tremendous knowledge on investment tools; financial acumen; and unbiased and objective judgment as such he will be a great asset to the Board. Aloha,

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

**Colbert M. Matsumoto**  
1132 Bishop Street, Suite 2450  
Honolulu, HI 96813

March 23, 2017

The Honorable Gilbert Keith-Agaran, Chair  
And Committee Members  
Senate Committee on Judiciary & Labor  
State Capitol  
Honolulu, Hawaii 96813

Re: GM 625: Nomination of Vincent Barfield to the Board of Trustees of the  
Employees Retirement System, State of Hawaii

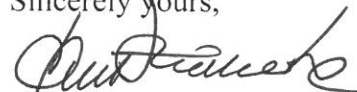
Dear Chairman Keith-Agaran & Committee Members:

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

As a fellow member of the Board of Trustees of the ERS, I have had the pleasure of serving with Vince during the past 6 years. His executive level experience in financial and investment management has made him a much valued member and won him the unanimous support of his fellow trustees to serve as its past Chairman. Vince actively and substantively contributes to discussions regarding the ERS' investment portfolio and its management. His skill in that regard is particularly important due to the challenges the ERS faces in securing its financial integrity. The State of Hawaii and its public employees are fortunate to have a financial professional of Vince's caliber willing to volunteer his time and energies to the ERS.

I encourage you to act favorably upon his nomination. Thank you for the opportunity to share my perspective on Vince's qualifications for this position.

Sincerely yours,



Colbert M. Matsumoto

cc: Vincent Barfield

**Emmit Kane**

Honolulu, HI 96813

March 24, 2017

The Honorable Gilbert Keith-Agaran, Chair  
and Committee Members  
Senate Committee on Judiciary & Labor  
State Capitol  
Honolulu, Hawaii 96813

Re: GM 625: Nomination of Vincent Barfield to the Board of Trustees of the  
Employees' Retirement System, State of Hawaii

Dear Chairman Keith-Agaran & Committee Members,

It is with great pleasure that I give Mr. Vince Barfield my highest recommendation for re-appointment to the Board of Trustees of the Employees' Retirement System (ERS) of the State of Hawaii.

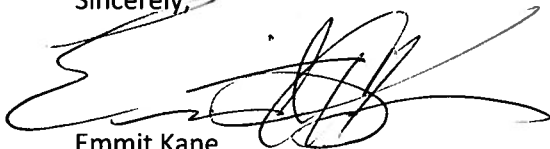
I have known Mr. Barfield for nearly six years as a fellow Trustee of the ERS. During this time, Mr. Barfield has served as the Chair of the Board and the Investment Committee. Under his leadership, the ERS portfolio transitioned from an asset class framework to one based on functional risk classes resulting in a more resilient portfolio aligned to meet long term financial goals and obligations.

The most desirable qualities for a Trustee, in my estimation, are integrity, trustworthiness, and fortitude. Vince has irrefutable integrity, uncommon honesty, and extraordinary resolve.

I am certain that Vince Barfield will continue to be an excellent Trustee, and his continued service will not disappoint you with his confirmation.

If you have any questions, feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to be 'Emmit Kane', written over a horizontal line.

Emmit Kane  
Chair, Board of Trustees  
Employees' Retirement System of the State of Hawaii