I. CALL TO ORDER
The regular meeting of the Board of Trustees was called to order at 9:02 a.m. by Trustee John Radcliffe, Chairperson, in Conference Room 1935, City Financial Tower, 201 Merchant Street, Honolulu, Hawaii, on Wednesday, March 22, 2006.

II. APPROVAL OF MINUTES
The Board reviewed the draft minutes for April 7, 2003 and February 22, 2006.

There being no objections by the Trustees, the minutes for April 7, 2003 and February 22, 2006 were approved as circulated.
III. COMMITTEE REPORTS: None

IV. OTHER REPORTS
A. IFEBP Trustees Institute
   Trustee Tajiri reported that the Trustees Institute was an eye opener and that he now has a better understanding of his role and responsibilities as a Trustee. He recommends that all new Trustees should attend this or some similar program.

B. Administrator
   1. March Update (see written report)
      a. PeopleSoft Support
         Ms. Shiroma reported that BST has taken the lead role in completing tasks for the PeopleSoft application's migration to ICSD's Regatta platform (hardware system). Discussion held by Trustees and staff regarding if there are additional costs and how the workload will affect the contract with BST (see Administrator’s report).

      b. RFP for Claims Audit
         This item will be addressed in Executive Session.

      c. Procurement for Insurance Broker
         Overview by Ms. Tonaki regarding the Administrator’s recommendation for the insurance broker procurement process (see Administrator’s report). [Trustee Befitel arrived at 9:10 a.m.]

         MOTION was made for the Board to approve the insurance broker procurement process recommended by the Administrator. (Kahoohanohano/Laderta) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

      d. Implementation of HSTA VEBA
         Mr. Williams reported that the implementation of the HSTA VEBA effective March 1, 2006 was carried out. The change over of enrollment went smoothly due to considerable effort by the EUTF staff (see Administrator’s report).

         Overview by Mr. Williams regarding the Memorandum of Understanding (MOU) between Budget & Finance (B&F) and the EUTF. A slightly revised version was distributed to the Trustees. Trustee Shiraki thanked the Administrator and EUTF staff noting that the finalization of this MOU would not have happened without their assistance in working with B&F.
MOTION was made that the Board approve the MOU between B&F and EUTF regarding VEBA administration. (Shiraki/Laderta) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

e. EUTF Facilities – Leasing & Renovation of Additional Space
Mr. Lawrence Nishihara reported that the lease amendment for the additional space was concluded and final estimates for renovations are expected by mid-April 2006 (see Administrator’s report).

f. Proposed Legislation – Bills Relating to EUTF and Health Benefits
Overview by Mr. Williams updating the Board on the status of proposed legislation affecting the EUTF and recommending Board positions regarding such proposed legislation (see summaries for House and Senate).
Mr. Williams stated that the Administrator supports the last version proposed by the Attorney General for SB2021. Discussion held by Trustees and staff regarding HB3089 and SB3009.

MOTION was made that the Board approve the recommendations of the Administrator regarding Board positions on proposed legislation affecting the EUTF. (Recktenwald/Kahoohanohano) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

g. Administrative Rules – Proposed Amendments
Overview by Mr. Williams, Mr. Lawrence Nishihara, and Mr. Aburano regarding recommended changes to the proposed rule amendments (see Administrator’s report).

The Trustees had no objections to the proposed amendments to the following Rules with the revisions proposed by EUTF staff: Rules 3.01(b)(4); 4.12(c); 5.01(a), 5.01(g); 5.02(b); 5.03(a); 5.05(a); 5.05(b) last paragraph; 5.05(c); and 5.06(b).

The Trustees had no objections to the proposed amendments to the following Rules without revisions: Rules 1.02; 1.03; 3.01(a); 3.01(b) last paragraph; 4.11; 4.14(b); 5.01(d) last paragraph; and 5.03 title.

Discussion held by Trustees and Mr. Aburano regarding Rule 5.02(b) and the terms “shall” and “may”.

By consensus of the Trustees, the words “may and” shall be deleted from proposed Rule 5.02(b).
MOTION was made that the Board approve the proposed rule amendments, with revisions as recommended by the EUTF staff, and authorize transmittal of the same to the Governor. (Recktenwald/Thomason) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

B. DEPUTY ATTORNEY GENERAL: None

Recessed at 10:01 a.m. and Reconvened at 10:09 a.m.

C. BENEFITS CONSULTANT
March Report
1. EUTF Plan Design
   This item will be discussed last under New Business and in Executive Session.

2. HSTA VEBA Plan Design
   Overview by Mr. Garner regarding the benefits offered by HSTA compared to those offered by the EUTF (see comparison).

   Overview by Mr. Garner regarding Garner Consulting’s bulletin for February 2006 (see Consultant’s report and bulletin).

   Overview by Ms. Tonaki regarding the financial report as of January 31, 2006 (see written reports). Ms. Tonaki reported that there were no changes for net assets.
   Large items coming up for expenditures are the PeopleSoft maintenance for approximately $363,000 and BST contract for $300,000.

E. Carrier’s Reports
1. VSP
   Written report submitted.

2. Royal State Insurance
   No written report submitted.

3. MBAH
   Written report distributed at meeting.

4. Kaiser Permanente
   Written report submitted. Ms. Benevides reported that an additional letter was distributed to keep the Trustees informed of various correspondences to retirees.

5. HMSA
   Written report submitted. Mr. Tam requested for HMSA to do a presentation on the Disease Management program. There being no objections by the Trustees, the EUTF staff will work with HMSA.
6. **HDS**
   Written report submitted. Ms. Arakawa reported that Norbert Mendes has retired and introduced Kevin Fong.

V. **UNFINISHED BUSINESS**
   A. **RFP for Claims Audit**
      This item will be addressed in Executive Session.
   B. **Memorandum of Understanding, EUTF & Budget and Finance**
      This item was acted upon under the Administrator’s report.

VI. **NEW BUSINESS**
   A. **Procurement of Insurance Broker**
      This item was acted upon under the Administrator’s report.
   B. **EUTF Plan Design**
      Presentation by Mr. Garner regarding the EUTF Plan Design (see outline). This item will be discussed in Executive Session.
   C. **Administrative Rules**
      This item was acted upon under the Administrator’s report.
   D. **Proposed Legislation**
      This item was acted upon under the Administrator’s report.

VII. **COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES:**
None

VIII. **FUTURE AGENDA ITEMS AND NEXT MEETING DATE**
   Board meeting is scheduled for Wednesday, May 10, 2006, 9:00 a.m., CFT-room 1935.

   Board meeting scheduled for June 28, 2006 has been changed to Thursday, June 15, 2006, 9:00 a.m., CFT-room 1935.

IX. **EXECUTIVE SESSION**
   MOTION was made to go into Executive Session at 10:53 a.m. for the reasons stated on the agenda. (Thomason/Befitel) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)

   Recessed at 10:53 a.m. and Reconvened at 10:55 a.m.

   MOTION was made to move out of Executive Session at 11:46 a.m. (Recktenwald/Tajiri) The motion passed unanimously. (Employer Trustees-5/Employee-Beneficiary Trustees-4)
The chair reported that the Board has taken the following actions in Executive Session:
1. Approval of February 22, 2006 Executive Session minutes as circulated.
2. Approval of Administrator and Consultant to work on options for EUTF plan designs
to be presented at the next Board meeting.
3. Approval of RFP for Claims Audit.

X. ADJOURNMENT
There being no objections by the Trustees, the meeting adjourned at 11:50 a.m.

Respectfully submitted,

/s/
Katherine Thomason, Secretary-Treasurer

APPROVED on May 10, 2006 as amended.

Documents Distributed:

1. Draft Minutes for April 7, 2003. (7 pages)
3. Memorandum to BOT from Administrator regarding March Administrator Report dated 3/14/06. (3 pages)
4. Memorandum to BOT from Administrator regarding Insurance Broker Procurement dated 3/15/06. (1 page)
7. Memorandum to BOT from Administrator regarding Review of Responses to Proposed Administrative Rules Amendments dated 3/15/06. (2 pages)
9. Letter from OHA regarding Proposed Rule Changes dated 2/22/06. (2 pages)
10. Letter from UH regarding Proposed Rule Changes dated 3/3/06. (2 pages)
11. Letter from JUD regarding Proposed Rule Changes dated 3/1/06. (2 pages)
12. Letter from C&C regarding Proposed Rule Changes dated 3/7/06. (1 page)
13. Letter from Maui County regarding Proposed Rule Changes dated 2/17/06. (1 page)
14. Letter from DOE regarding Proposed Rule Changes dated 2/27/06. (1 page)
15. Replacement Page for Rule Change for 5.01 dated 3/20/06. (1 page)
16. Revised Rule Change for 5.02 dated 3/22/06. (1 page)
17. Draft Ramseyer EUTF Administrative Rules dated 3/15/06. (44 pages)
18. Letter to BOT from Garner Consulting regarding March Benefit Consultant Report dated 3/15/06. (1 pages)
19. EUTF Plan Design Discussion dated 3/13/06. (3 pages)
20. HSTA VEBT Primary Medical Plans Benefits Effective through 6/30/06. (2 pages)
22. EUTF Statement of Net Assets (Unaudited) dated 3/7/06. (1 page)
23. EUTF Combined Statement of Revenues and Expenses-Budget & Actual Comparison 7 Months Ended 1/31/06 (Unaudited) dated 3/7/06. (1 page)
24. EUTF Statement of Cash Flows 7 Months Ended 1/31/06 (Unaudited) dated 3/6/06. (1 page)
25. Approved Minutes for April 22, 2003. (10 pages)