I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 9:01 a.m. by Chairperson Kathryn Matayoshi in Conference Room 405, Leiopapa A Kamehameha Building, 235 South Beretania Street, Honolulu, Hawaii, on Monday, June 16, 2003.

II. APPROVAL OF MINUTES

Approval of Administrative Committee minutes for October 9, 18, 2002; February 3, 20, 2003; and March 4, 2003.

MOTION was made to approve minutes for October 9, 18, 2002; February 20, 2003; March 4, 2003; and February 3, 2003 as amended on page 2, line 33 to add “without prior review by the Board” after the word “information”. (Machida/Miyake) Discussion held by Trustees.

Vote: Unanimously passed.

III. REPORTS:

A. Administrator: None

B. Deputy Attorney General: None

C. Benefits Consultant: None

IV. UNFINISHED BUSINESS

A. EUTF/PEHF Transition
1. Mr. Bert Nishihara gave overview on analysis of amounts to be returned to employers (see handout). Discussion by Trustees on amounts to be returned to employers.

Mr. Aburano gave an overview on the attorney-client privileged communication that he had provided to the Trustees regarding the PEHF’s return of rate credits and reimbursements to public employers. The Trustees asked whether the PEHF could legally return the public employers’ share of rate credits and reimbursements to the public employers prior to the PEHF going out of business and its assets being transferred to the EUTF. Mr. Aburano stated that under Section 87-3, HRS, the PEHF had legal authority to take this action. In fact, Section 87-3, HRS, appeared to require the PEHF to return the public employers’ share of rate credits and reimbursements. On the other hand, Section 87-3, HRS, only permitted and did not require the PEHF to return the employees’ share of rate credits and reimbursements. Mr. Aburano added that Section 87-3, HRS, was not repealed or amended by Act 88. Some Trustees voiced the opinion that the employees’ share of rate credits and reimbursements should be returned to them by the PEHF – particularly if the PEHF returned the public employers’ share of rate credits and reimbursements. Trustee Miyake raised a question as to whether the EUTF had the legal ability to return the employees’ share of rate credits and reimbursements. The Trustees discussed asking the PEHF board to return the employees’ share of PEHF rate credits and reimbursements to the PEHF employee-beneficiaries prior to July 1, 2003.

2. Mr. Nishihara gave an overview on PEHF Audit (see handout). Discussion held by Trustees on the PEHF Audit.

3. Mr. Fukuhara reported that a memorandum dated June 2, 2004 from the Chief of Staff regarding the closeout of the PEHF was sent to Department Heads (see handout).

4. Mr. Aburano gave overview on the Memorandum of Understanding (MOU). Discussion by Trustees on the MOU. Further discussion by Trustees and staff on the contracts that were covered by the MOU.

MOTION was made to go in to Executive Session. (Hidano/Miyake)
Discussion: None
Vote: Unanimously passed.

V. NEW BUSINESS: None

VI. COMMUNICATIONS FROM THE PUBLIC AND INPUT FROM ATTENDEES
There was no communication from the public.
VII. FUTURE AGENDA ITEMS AND NEXT MEETING DATE
Meeting will be scheduled at a later date as needed.

VIII. ADJOURNMENT
Motion to adjourn. (Hidano/Miyake)
Discussion: None.
Vote: Unanimously passed.

Meeting adjourned at 10:46 a.m.

Respectfully submitted,

/s/

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Mark Recktenwald, Chairperson

APPROVED on September 18, 2003.

DOCUMENTS DISTRIBUTED:
1. Minutes for 10/9/02. (5 Pages)
2. Minutes for 10/18/02. (3 Pages)
3. Minutes for 2/3/03. (3 Pages)
4. Minutes for 2/20/03. (3 Pages)
5. Minutes for 3/4/03. (3 Pages)
6. Memo from Chief of Staff Regarding Closing of PEHF dated 6/2/03. (1 Page)
7. PEHF Audit Schedule from BF/PEHF dated 6/13/03. (1 Page)
8. PEHF Analysis of Amount to be Returned to Employers from BF/PEHF dated 6/13/03. (1 Page)
9. Letter from HSRTA regarding RFP for TPA dated 6/7/03. (1 Page)