HA WAI I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Minutes of the Board of Trustees Meeting

Wednesday, January 9, 2002

TRUSTEES PRESENT: Mr. Sam A. Callejo
Ms. Audrey Hidano
Ms. Joan Lewis
Ms. Kathryn S. Matayoshi
Mr. Neal Miyahira
Mr. Willard Miyake
Mr. Clifford T. Uwaine
Mr. James Williams
Mr. James H. Yasuda
Mr. Davis K. Yogi

ATTORNEY: Mr. Brian Aburano, Deputy Attorney General

BUDGET AND FINANCE Ms. Wanda Kimura

PROJECT TEAM: Mr. Tracy Ban
Ms. Lynette Fukunaga
Mr. Gary Sanehira
Ms. Karen Tom
Mr. Tom Morrison, The Segal Company
Ms. Shirley Kawamoto

OTHERS PRESENT: Mr. John Jacobs – HMSA
Mr. Michael Moss – HMSA
Ms. Wende Murakami – HMSA
Mr. Wendell Oda – HMSA
Mr. Rod Tam – HMSA
Mr. Norbert Mendes – HDS
Ms. Monica Engle – Vision Service Plan
Ms. Karen Momono – Royal State
Ms. Lilia Yu-Lum – Royal State National
Mr. Melvin Higa – MBAH
Mr. Allan Tanigawa – County of Kauai
Mr. Ken Taira – County of Maui
Ms. Jennifer Tobin – C&C of Honolulu, Human Resources
Mr. Chris Odo – City
Mr. Tracy Chang – HGEA
Mr. Wayne Yamasaki – HGEA
Ms. Gertrude Nitta, HGEA-Retiree
Ms. Georgiana Alvaro – HSTA
Ms. Susan Bitler – HSTA
Ms. Karen Ginoza – HSTA
Mr. Stanley Shiraki, Acting Deputy Director of Finance opened meeting and asked Mr. Callejo, first on the listing of trustees, to guide the trustees through the agenda until Item VI, Election of Interim Chair and Vice Chair, is reached.

Motion was made by Mr. Williams and seconded by Mr. Miyake to appoint Sam Callejo as chairperson pro tem until adjournment of January 9, 2002. The motion was adopted by a unanimous vote of all the employee-beneficiary trustees and the public employer trustees.

I. CALL TO ORDER: 1:40 p.m. by Mr. Sam Callejo in the Department of Budget and Finance, Conference Room 303, No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, on Wednesday, January 9, 2002.

All trustees introduced themselves and the Budget and Finance Project Team (the “project team”) staff was recognized by Chair.

II. SWEARING IN: Trustees sworn in by Judge James Burns, Chief Justice Judge of Intermediate Court of Appeals.

III. General Briefing by the State Ethics Commission and Department of the Attorney General on Sunshine Law, Ethics, and Other Relevant Board/Commission Matters

A. A briefing on the State Ethics Code and the Ethics Commission was conducted by Mr. Daniel Mollway, Executive Director, State Ethics Commission. The Ethics Guide for Elected Officials, Employees, Members of Boards and Commissions was handed out to the board members.

Mr. Mollway stated that he would try to explain the requirements of the State Ethics Code to the board so that they would recognize when there was or might be a problem. He stated that the Ethics Commission’s staff attorneys are available to provide advice on ethics issues. He noted that such advice is confidential and binding on the Ethics Commission. Mr. Mollway noted that some boards even called the Ethics Commission’s staff attorneys for advice when they were in the middle of a meeting.
Mr. Mollway covered the conflict of interest provisions and fair treatment provisions of the State Ethics Code. He also discussed the State Code of Ethics’ financial disclosure requirements. In connection with this, the board members were informed of the requirement that as new board members they must file financial disclosure statements with the Ethics Commission. Finally, Mr. Mollway briefly discussed the post-employment restrictions of the State Ethics Code.

The Ethics Commission has two functions, to provide advice and to enforce the law. If the board has any questions, Mr. Mollway said they should contact the Ethics Commission. However, in response to questions by certain board members, he indicated that questions or concerns that did not come under the jurisdiction of the Ethics Commission would be referred to the Department of the Attorney General.

3:05 p.m. – Chair called ten-minute break.
3:15 p.m. – Chair called meeting back to order.

B. A briefing on the Sunshine Law and certain matters pertaining to the liability of board and commission members was conducted by Mr. Brian Aburano, Deputy Attorney General, Department of the Attorney General.

Mr. Aburano covered the handout provided on the Sunshine Law and procedures for conducting State Board and Commission meetings. He described what kinds of meetings or interactions were required to be open to the public under the Sunshine Law and what was required for a meeting to be open to the public. He also briefed the board on other requirements of the Sunshine Law regarding the timing and content of notice of public meetings, agendas, and board minutes.

Mr. Aburano also covered a handout provided to the board members on Some Basics on Liability of Board and Commission Members. He discussed when board members were and weren’t immune from state and federal claims under “qualified immunity.” He also discussed when the Attorney General would and would not provide a defense to board members under Section 26.35.5, HRS. Finally, he briefed the board on when board members would and would not be indemnified for claims brought against them. In this last respect, he mentioned that board members would not be indemnified for acts or omissions outside of their official capacity, for acts or omissions with a malicious or improper purpose, for punitive or exemplary damages, when they failed to cooperate in their own defense, when the liability asserted was fully covered by a policy of insurance purchased by the State, and when they voluntarily retained their own counsel despite the availability of counsel provided by the Attorney General.
On being questioned whether he would be the deputy attorney general assigned to the Employer-Union Health Benefits Trust Fund, Mr. Aburano said he would confirm this with the appropriate persons at the Department of the Attorney General.

With respect to their responsibilities and potential liabilities in an individual capacity under the law, each of the employee-beneficiary members disclosed to the board that they have retained Mr. Charles Khim as their legal counsel. It was mentioned that this retention was at their own expense and not at the expense of the EUTF.

IV. Overview Briefing by Project Team on What Needs to be Accomplished and Timeframes (handout provided)

On behalf of the project team, Mr. Tom Morrison of The Segal Company briefed the board of the timelines under which it must operate in order to implement Act 88, SLH 2001 on July 1, 2003.

V. Briefing on Recommended Interim Working Committees (handout provided)

Mr. Morrison then presented recommendations on the use of working committees as an aid to the board to accomplish what needs to be done by July 1, 2003.

An issue was raised as to the Fund’s budget and staffing requirements. The project team was requested to develop a budget for the period prior to July 1, 2003. It was mentioned that if funds beyond the $300,000 currently appropriated for the EUTF are required, the board would need to go before the Legislature to request additional monies.

VI. Items for Discussion and Action

Unfinished Business will be addressed at the January 10, 2002 meeting of the board.

VII. ADJOURNMENT

A motion was made by Ms. Matayoshi and seconded by Mr. Miyake to appoint Sam Callejo as chairperson pro tem for the January 10, 2002 meeting. The motion was adopted unanimously by all the employee-beneficiary trustees and public employer trustees.

Motion was made to adjourn by Mr. Yogi, seconded by Mr. Miyahira, and adopted unanimously by all the employee-beneficiary trustees and the public employer trustees.

The meeting was adjourned at 4:25 p.m.
Respectfully submitted,

/s/ James Williams
James Williams, Secretary-Treasurer

APPROVED AS CORRECTED
on January 24, 2002.
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<th>Documents distributed:</th>
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<tbody>
<tr>
<td>1. State Ethics Commission Briefing Handout</td>
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<tr>
<td>2. October 2, 2001 memorandum on The Sunshine Law and Procedures for Conducting State Board and Commission Meetings</td>
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<tr>
<td>3. Some Basics on Liability of Board and Commission Members</td>
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<tr>
<td>4. What Needs To Be Accomplished - Briefing Document (7 pages)</td>
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<tr>
<td>5. Project Task List and Timetable Organized by Committee - Briefing Document (1 page)</td>
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<td>6. Interim Board Operating Procedures - Proposed Procedures</td>
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