

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
2 Minutes of the Board of Trustees Meeting
3 Wednesday, January 9, 2002
4
5

6 TRUSTEES PRESENT: Mr. Sam A. Callejo
7 Ms. Audrey Hidano
8 Ms. Joan Lewis
9 Ms. Kathryn S. Matayoshi
10 Mr. Neal Miyahira
11 Mr. Willard Miyake
12 Mr. Clifford T. Uwaine
13 Mr. James Williams
14 Mr. James H. Yasuda
15 Mr. Davis K. Yogi
16

17 ATTORNEY: Mr. Brian Aburano, Deputy Attorney General
18

19 BUDGET AND FINANCE Ms. Wanda Kimura
20 PROJECT TEAM: Mr. Tracy Ban
21 Ms. Lynette Fukunaga
22 Mr. Gary Sanehira
23 Ms. Karen Tom
24 Mr. Tom Morrison, The Segal Company
25 Ms. Shirley Kawamoto
26

27 OTHERS PRESENT: Mr. John Jacobs – HMSA
28 Mr. Michael Moss – HMSA
29 Ms. Wende Murakami – HMSA
30 Mr. Wendell Oda – HMSA
31 Mr. Rod Tam - HMSA
32 Mr. Norbert Mendes – HDS
33 Ms. Monica Engle – Vision Service Plan
34 Ms. Karen Momono – Royal State
35 Ms. Lilia Yu-Lum – Royal State National
36 Mr. Melvin Higa – MBAH
37 Mr. Allan Tanigawa – County of Kauai
38 Mr. Ken Taira – County of Maui
39 Ms. Jennifer Tobin – C&C of Honolulu, Human Resources
40 Mr. Chris Odo – City
41 Mr. Tracy Chang – HGEA
42 Mr. Wayne Yamasaki – HGEA
43 Ms. Gertrude Nitta, HGEA-Retiree
44 Ms. Georgiana Alvaro - HSTA
45 Ms. Susan Bitler – HSTA
46 Ms. Karen Ginoza – HSTA

1 Mr. Chris Lewis
2 Mr. Maurice Morita - HSTA
3 Mr. George Butterfield – HSTA-Retiree
4 Ms. Ruth Kim – HSTA-Retiree
5 Ms. Jean Aoki – HSRTA
6 Ms. Mary Alice Clark – HSRTA
7
8

9 Mr. Stanley Shiraki, Acting Deputy Director of Finance opened meeting and asked
10 Mr. Callejo, first on the listing of trustees, to guide the trustees through the agenda until
11 Item VI, Election of Interim Chair and Vice Chair, is reached.
12

13 Motion was by made by Mr. Williams and seconded by Mr. Miyake to appoint Sam Callejo as
14 chairperson pro tem until adjournment of January 9, 2002. The motion was adopted by a
15 unanimous vote of all the employee-beneficiary trustees and the public employer trustees.
16

17 I. CALL TO ORDER: 1:40 p.m. by Mr. Sam Callejo in the Department of Budget and
18 Finance, Conference Room 303, No. 1 Capitol District Building,
19 250 South Hotel Street, Honolulu, Hawaii, on Wednesday,
20 January 9, 2002.
21

22 All trustees introduced themselves and the Budget and Finance
23 Project Team (the “project team”) staff was recognized by Chair.
24

25 II. SWEARING IN: Trustees sworn in by Judge James Burns, Chief [Justice] Judge of
26 Intermediate Court of Appeals.
27

28 III. General Briefing by the State Ethics Commission and Department of the Attorney
29 General on Sunshine Law, Ethics, and Other Relevant Board/Commission Matters
30

31 A. A briefing on the State Ethics Code and the Ethics Commission was conducted by
32 Mr. Daniel Mollway, Executive Director, State Ethics Commission. The Ethics
33 Guide for Elected Officials, Employees, Members of Boards and Commissions
34 was handed out to the board members.
35

36 Mr. Mollway stated that he would try to explain the requirements of the State
37 Ethics Code to the board so that they would recognize when there was or might be
38 a problem. He stated that the Ethics Commission’s staff attorneys are available to
39 provide advice on ethics issues. He noted that such advice is confidential and
40 binding on the Ethics Commission. Mr. Mollway noted that some boards even
41 called the Ethics Commission’s staff attorneys for advice when they were in the
42 middle of a meeting.
43

1 Mr. Mollway covered the conflict of interest provisions and fair treatment
2 provisions of the State Ethics Code. He also discussed the State Code of Ethics'
3 financial disclosure requirements. In connection with this, the board members
4 were informed of the requirement that as new board members they must file
5 financial disclosure statements with the Ethics Commission. Finally,
6 Mr. Mollway briefly discussed the post-employment restrictions of the State
7 Ethics Code.

8
9 The Ethics Commission has two functions, to provide advice and to enforce the
10 law. If the board has any questions, Mr. Mollway said they should contact the
11 Ethics Commission. However, in response to questions by certain board
12 members, he indicated that questions or concerns that did not come under the
13 jurisdiction of the Ethics Commission would be referred to the Department of the
14 Attorney General.

15
16 3:05 p.m. – Chair called ten-minute break.

17 3:15 p.m. – Chair called meeting back to order.

- 18
19 B. A briefing on the Sunshine Law and certain matters pertaining to the liability of
20 board and commission members was conducted by Mr. Brian Aburano, Deputy
21 Attorney General, Department of the Attorney General.

22
23 Mr. Aburano covered the handout provided on the Sunshine Law and procedures
24 for conducting State Board and Commission meetings. He described what kinds
25 of meetings or interactions were required to be open to the public under the
26 Sunshine Law and what was required for a meeting to be open to the public. He
27 also briefed the board on other requirements of the Sunshine Law regarding the
28 timing and content of notice of public meetings, agendas, and board minutes.

29
30 Mr. Aburano also covered a handout provided to the board members on Some
31 Basics on Liability of Board and Commission Members. He discussed when
32 board members were and weren't immune from state and federal claims under
33 "qualified immunity." He also discussed when the Attorney General would and
34 would not provide a defense to board members under Section 26.35.5, HRS.
35 Finally, he briefed the board on when board members would and would not be
36 indemnified for claims brought against them. In this last respect, he mentioned
37 that board members would not be indemnified for acts or omissions outside of
38 their official capacity, for acts or omissions with a malicious or improper purpose,
39 for punitive or exemplary damages, when they failed to cooperate in their own
40 defense, when the liability asserted was fully covered by a policy of insurance
41 purchased by the State, and when they voluntarily retained their own counsel
42 despite the availability of counsel provided by the Attorney General.

43

1 On being questioned whether he would be the deputy attorney general assigned to
2 the Employer-Union Health Benefits Trust Fund, Mr. Aburano said he would
3 confirm this with the appropriate persons at the Department of the Attorney
4 General.

5
6 With respect to their responsibilities and potential liabilities in an individual
7 capacity under the law, each of the employee-beneficiary members disclosed to
8 the board that they have retained Mr. Charles Khim as their legal counsel. It was
9 mentioned that this retention was at their own expense and not at the expense of
10 the EUTF.

11
12 IV. Overview Briefing by Project Team on What Needs to be Accomplished and
13 Timeframes (handout provided)

14
15 On behalf of the project team, Mr. Tom Morrison of The Segal Company briefed the
16 board of the timelines under which it must operate in order to implement Act 88,
17 SLH 2001 on July 1, 2003.

18
19 V. Briefing on Recommended Interim Working Committees (handout provided)

20
21 Mr. Morrison then presented recommendations on the use of working committees as an
22 aid to the board to accomplish what needs to be done by July 1, 2003.

23
24 An issue was raised as to the Fund's budget and staffing requirements. The project
25 team was requested to develop a budget for the period prior to July 1, 2003. It was
26 mentioned that if funds beyond the \$300,000 currently appropriated for the EUTF are
27 required, the board would need to go before the Legislature to request additional
28 monies.

29
30 VI. Items for Discussion and Action

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

32
33 VII. ADJOURNMENT

34
35 A motion was made by Ms. Matayoshi and seconded by Mr. Miyake to appoint
36 Sam Callejo as chairperson pro tem for the January 10, 2002 meeting. The motion was
37 adopted unanimously by all the employee-beneficiary trustees and public employer
38 trustees.

39
40 Motion was made to adjourn by Mr. Yogi, seconded by Mr. Miyahira, and adopted
41 unanimously by all the employee-beneficiary trustees and the public employer trustees.

42
43 The meeting was adjourned at 4:25 p.m.

1
2
3
4
5
6
7
8

Respectfully submitted,

/s/ James Williams

James Williams, Secretary-Treasurer

APPROVED AS CORRECTED
on January 24, 2002.

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

Board of Trustees Meeting

January 9, 2002 Minutes

Page 6

- 1 Documents distributed:
- 2 1. State Ethics Commission Briefing Handout
- 3 2. October 2, 2001 memorandum on The Sunshine Law and Procedures for
- 4 Conducting State Board and Commission Meetings
- 5 3. Some Basics on Liability of Board and Commission Members
- 6 4. What Needs To Be Accomplished – Briefing Document (7 pages)
- 7 5. Project Task List and Timetable Organized by Committee – Briefing Document
- 8 (1 page)
- 9 6. Interim Board Operating Procedures – Proposed Procedures
- 10 7. Calendar (January 2002 – June 2002)