HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Board of Trustees Meeting
Thursday, January 10, 2002

TRUSTEES PRESENT:  Mr. Sam A. Callejo
                    Ms. Audrey Hidano
                    Ms. Kathryn S. Matayoshi
                    Mr. Neal Miyahira
                    Mr. Davis Yogi
                    Ms. Joan Lewis
                    Mr. Will Miyake
                    Mr. Clifford T. Uwaine
                    Mr. Jim Williams
                    Mr. Jimmy Yasuda

ATTORNEY:  Mr. Brian Aburano, Deputy Attorney General

BUDGET AND FINANCE Ms. Wanda Kimura
PROJECT TEAM  Mr. Tracy Ban
(Project Team)  Ms. Lynette Fukunaga
                Mr. Gary Sanehira
                Ms. Karen Tom
                Mr. Tom Morrison, The Segal Company
                Ms. Shirley Kawamoto

OTHERS PRESENT:  Ms. Gertrude Nitta, HGEA-Retiree
                  Ms. Sarah Moriyama, ORTA
                  Ms. Karen Muronaka, HSTA-Retiree
                  Mr. George Butterfield, HSTA-Retiree
                  Ms. Alana Deppe-Mariota, Kaiser Permanente
                  Ms. Wende Murakami, HMSA
                  Mr. Ken Taira, County of Maui
                  Ms. Alice Kealoha, HSTRA/ORTA
                  Mr. Wendell Oda, HMSA
                  Ms. Lilia Yu-Lum, Royal State National
                  Ms. Cynthia Bond, C&C of Honolulu, Human Resources
                  Ms. Jennifer Tobin, C&C of Honolulu, Human Resources
                  Mr. Rod Tam, HMSA
                  Mr. Michael Moss, HMSA
                  Ms. Monica Engle, VSP
                  Mr. Norbert Mendes, HDS
                  Ms. Karen Momono, Royal State
                  Ms. Jean Aoki, HSRTA
                  Ms. Nani Crowell, HSTA/MBC
A. CALL TO ORDER
The Board of Trustee meeting was called to order on January 10, 2002, at 1:40 p.m. at Conference Room 303/304 located at the No. 1 Capitol District Building, 250 South Hotel Street, Honolulu, Hawaii, by Mr. Sam Callejo, Chairperson pro tem. Nine members were present; Mr. Uwaine arrived at 1:45 p.m. due to unavailability of parking.

B. ELECTION OF INTERIM CHAIR AND VICE-CHAIR
Being no objections, Roberts Rules of Order were waived to allow for discussion on the election of officers before the opening of nominations. Some of the trustees pointed out that the statute (Act 88, SLH 2001) does not provide for interim officers and provides for the election of three officers not two. The trustees were not ready to discuss a slate of officers at this time as neither trustee group has met to discuss possible slates of officers.

Discussed how to develop a slate of officers and what meetings among trustees are permissible outside of an open meeting under the Sunshine law. Deputy Attorney General (AG) advised that more than two trustees but less than a quorum may meet to discuss the election of officers.

Chairman announced that Mr. Brian A burano, Deputy Attorney General, has been assigned as the Board’s legal counsel. A request was made by the employee-beneficiary trustees for written confirmation of the assignment.

A motion was made by Mr. Uwaine and seconded by Mr. Williams to defer agenda item IIA, election of interim chair and vice-chair. Discussion: Discussed the feasibility of taking a recess so that each side could separately discuss potential slates of officers as time permits and after completion of other agenda items so trustees will know when the next meeting will be scheduled. Mr. Uwaine withdrew his motion.

A motion was made by Mr. Uwaine and seconded by Mr. Yogi to defer election of interim chair and vice-chair to the end of the agenda. Discussion: Deferral of item IIA moves it to agenda item VI, and renumbers Adjournment as agenda item VII. Discussed how voting by the board should be taken and how minutes should be recorded. Per Deputy AG, for motions that are relatively undisputed the question may be posed as follows: the chairperson states the motion and states if there are no objections then the motion will be passed; if a trustee indicates that he or she opposes the motion, then a hand vote would be taken. In the meeting minutes, the vote will be reflected as two votes. Vote: Unanimously passed; Employer/yes; Employee-Beneficiary/yes.
C. **FUTURE AGENDA ITEMS AND NEXT MEETING DATE.** (Agenda Item V.)

Discussed possible number of meetings, days, and times. The Segal Company estimated that at least six hours per week is needed to proceed through items that must be accomplished by the Board. Deputy AG briefly discussed Sunshine Law requirements about trustees meeting to discuss business outside of an open meeting.

Public Comment: C. Khim – Section 10, Act 88, SLH 2001, provides that the majority of the board may call a meeting with a 10-day notice. Since there is no elected chair at this time, a meeting may not be held sooner than 10-days from this meeting.

The board discussed C. Khim’s comment. Some trustees pointed out that there is a chair pro tem who could call meetings on 6-day notice. Other trustees stated that the 10-day notice appears to be for the benefit of the trustees rather than public and the trustees could waive the 10-day notice by unanimously agreeing to an earlier meeting date.

A motion was made by Mr. Miyahira and seconded by Mr. Miyake to schedule meetings for the months of January and February on Tuesday and Thursday mornings starting at 9 a.m. with the first meeting to convene at 9 a.m. on Thursday, January 17, 2002.

Discussion: Mr. Uwaine will have negotiation meetings on two Thursday mornings and will not be able to attend; will try to re-arrange. Mr. Williams indicated that on January 17, 2002, he has an engagement that would require him to leave the meeting at Noon or 12:30 p.m. at the latest.

Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.

A motion was made by Mr. Williams and seconded by Mr. Uwaine to allow any trustee to place an item on an agenda by informing the other trustees 7-days prior to the meeting. Discussion: Discussed logistics of adding items to the agenda.

A motion to amend Mr. Williams’ motion was made by Mr. Yogi and seconded by Mr. Miyake to add that a trustee submit an agenda item to the staff posting the notice by noon on the seventh day prior to the scheduled meeting so that staff has adequate time to add the item to the agenda. The amendment passed unanimously.

A second motion to amend Mr. Williams’ motion was made by Ms. Matayoshi and seconded by Mr. Miyake to add that the name of the person requesting the agenda item be reflected next to the added agenda item.

Discussion: None.

Vote: The amendment passed unanimously. The motion as amended passed unanimously. Employer/yes; Employee-Beneficiary/yes.

Mr. Williams requested that an item on liability insurance be added to the agenda.

Discussed agenda items for the next meeting. Agenda items not completed in a meeting will be added as unfinished business to the next meeting’s agenda unless the
board decides to delete the item. Mr. Yogi requested to add an agenda item for a presentation by the Deputy AG on the trustees’ fiduciary duties.

D. ADOPTION OF INTERIM BOARD OPERATING PROCEDURES
(Agenda Item II.B.)
Overview presentation by Mr. Tom Morrison, The Segal Company, (handouts provided) of draft interim board operating procedures.

E. RECESS/RECONVENE
Chair called for short recess at 2:40 p.m.; reconvened meeting at 2:45 p.m.

F. ELECTION OF NEW INTERIM CHAIR TO CONTINUE MEETING.
Chair announced that he had another meeting to attend and resigned as chair pro tem for the remainder of the January 10, 2002 meeting.
Motion to elect Mr. Neal Miyahira as chair pro tem to the end of January 10, 2002 meeting. (Miyake/Yogi)
Discussion: The trustees discussed that the currently elected chair pro tem would only be effective to the end of this meeting and that it would not apply to the next meeting of the board. As such, there would be no elected chair for the next meeting.
Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.
Mr. Miyahira assumed position of chair pro tem.

G. RECESS/RECONVENE
Mr. Uwaine requested a recess so that he might confer with his personal attorney.
Meeting recessed at 2:50 p.m. Meeting reconvened at 3:11 p.m.

Mr. Uwaine commented that during the recess he consulted with his attorney as to his liability in performing his duties and responsibilities as a trustee. He reported waiver of his attorney/client privilege for the other employee-beneficiary trustees (Lewis, Miyake, Williams, and Yasuda) so that they could listen to his attorney’s discussion.
Mr. Uwaine also reported discussion with his attorney on the selection of officers in the presence of the other employee-beneficiary trustees and that such discussion is exempt from the Sunshine Law.

Chair discussed concerns on the perception that such consultation violates the Sunshine Law. Deputy AG provided cautionary advice to trustees that when having a group meeting with a trustee’s private attorney, discussion of board business is not permitted under the Sunshine Law.

Public Comment: Mr. C. Khim requested to comment; Chair asked that comments be made at the end of the meeting.
Mr. Williams requested that an item be added to the agenda for the next meeting for a presentation by his attorney, Mr. C. Khim, regarding the trustee’s rights to confer with the trustee’s private attorney.

H. INTERIM OPERATING PROCEDURES (Agenda Item II.B. continued)
Discussion continued on possible amendments concerning the number of officers to be elected, the number of interim committees to be established, voting in the committees and convening a committee, pursuant to section 92-2.5(b), HRS, to review the procedures.

A motion was made by Mr. Yogi and seconded by Mr. Miyake to convene an investigative operational committee comprised of two trustees from each trustee group to review the operating guidelines/procedures and working committees.
Discussion: None.
Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.

There was discussion that the previous motion to have a board meeting on January 17, 2002 is improper because there is no elected chair and the motion was made by a single trustee not the majority of the trustees. Thus, the investigative committee could use January 17, 2002 as its meeting time.

Committee members selected were Mssrs. Williams, Miyake, Miyahira, and Yogi. The committee meeting is scheduled for January 17, 2002 at 9 a.m. in conference room 303/304, No. 1 Capitol Building.

Discussion on how operating procedures may be adopted and authority of committees. The committee should also recommend a process for adoption of procedures which can possibly be used later as the process for rule adoption.

I. RECESS/RECONVENE
Trustee Uwaine requested a recess to meet with other employer-beneficiary trustees to discuss nomination of officers.
Recessed at 3:50 p.m.; reconvened at 3:55 p.m.

J. AMENDMENT TO AGENDA
A motion was made by Mr. Uwaine and seconded by Mr. Miyake to amend the agenda to include the election of the chair, vice-chair, and secretary-treasurer.
(Uwaine/Miyake)
Discussion: None.
Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.

K. NOMINATION OF OFFICERS
Nominations were made by Mr. Uwaine and seconded by Ms. Matayoshi for Mr. Sam Callejo as chair, Ms. Audrey Hidano as vice-chair, and Mr. Jim Williams as
secretary-treasurer for the period effective after the end of the January 10, 2002
meeting to February 28, 2002.
Discussion: None.
Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.

L. NEXT MEETING DATE (Agenda Item V.)
Next meeting date for Board will be on January 24, 2002 at 9 a.m. in conference
room 303/304, No. 1 Capitol Building. The investigative committee will meet on
January 17, 2002 at 9 a.m. at the same location; the public may attend.

M. PUBLIC COMMENTS
M. Higa – When board is making a decision, the board is required to take input from
public before making a decision. Method to obtain input of public should be
considered in operating procedures.

C. Khim - Investigative committee meeting is not a closed meeting and public may
attend. For open meetings, the statute provides that all interested persons may provide
data and comment on all agenda items received by the board and considered prior to
board taking action. Believes it is appropriate for a group of trustees to receive advice
and consult with their private attorney. Commented that Deputy AG may possibly have
a conflict of interest in advising this board and his other clients.

N. OTHER AGENDA ITEMS
Agenda items II C and D, III, and IV. to be placed as unfinished business on next
meeting agenda.

O. ADJOURNMENT
A motion was made by Mr. Yogi and seconded by Mr. Miyake to adjourn the meeting.
Discussion: None.
Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.

Meeting adjourned at 4:10 p.m.

Respectfully submitted,

/s/ James Williams
James Williams, Secretary-Treasurer

APPROVED on January 24, 2002.

Documents distributed:

1. Critical Initial Board Decisions - Briefing Document (2 pages)
1. Voting and Dispute Resolution - Proposed Procedures (2 pages)
2. Trustee Duties and Rules of Conduct - Briefing Document (11 pages)
3. Rotation of Board Leadership - Briefing Document (3 pages)
4. Advisors - Briefing Document (2 pages)
5. Third Party Administration - Briefing Document (8 pages)