

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Administrative Committee Meeting
Wednesday, August 10, 2022

TRUSTEES PRESENT

Ms. Audrey Hidano, Chairperson
Mr. James Wataru., Vice Chairperson
Ms. Celeste Nip (via video conference)

Mr. Osa Tui (via video conference)
Mr. Robert Yu (via video conference)

TRUSTEES ABSENT

Mr. Roderick Becker

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General (via video conference)

EUTF STAFF

Mr. Derek Mizuno, Administrator
Ms. Donna Tonaki, Assistant Administrator
Mr. Kuan Yuan, Chief Investment Officer

Ms. Amy Cheung
Mr. Marvin Judd (via video conference)
Ms. Desiree Yamauchi

OTHERS PRESENT (via video conference)

Ms. Elaine Fujiwara, HDS

Mr. Troy Tomita, Kaiser

I. CALL TO ORDER

The meeting of the Administrative Committee was called to order at 9:00 a.m. by Trustee Audrey Hidano, Chairperson, in the EUTF Board Room, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Wednesday, August 10, 2022.

II. REVIEW OF MINUTES – April 12, 2022

The Committee reviewed the draft minutes of April 12, 2022.

MOTION was made and seconded to approve the minutes of April 12, 2022 as circulated. (Wataru/Yu) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

III. NEW BUSINESS

A. Biennium Budget – July 1, 2022 – June 30, 2024

Ms. Amy Cheung noted that the proposed biennium budget is for the period July 1, 2023 to June 30, 2025. Ms. Cheung reported that we have two requests over our base budget as follows:

1. One permanent investment officer position in the amount of \$228,915 (\$150,000 base salary and \$78,915 fringe).
2. Personnel services in the amount of \$73,900 and \$77,400 for fiscal years 2024 and 2025, respectively, for Member Services Branch overtime costs during open enrollment and when Medicare retiree and Medicare dependents submit their

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Social Security letters. We're hopeful that these costs will go down over time, especially, the open enrollment processing once the new system is stabilized.

Mr. Derek Mizuno also noted that the budget was increased for Transportation, Out-of-State and Training & Registration. In the past, EUTF staff budgeted once a year travel for the trustees, the deputy attorney general and some staff to attend conferences. This budget includes twice a year travel. In the past, the trustees typically attended the International Foundation annual conference which provided exposure to a wide range of topics related to the EUTF – trustees' responsibilities and duties, health benefits and investments. With a more experienced Board, it would be beneficial for Board members to supplement general training with more specialized training in health benefits or investments.

MOTION was made and seconded to recommend to the Board approval of the proposed EUTF budget for fiscal years 2024 and 2025. (Wataru/Nip) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

B. 2022 Legislative Proposals

Mr. Derek Mizuno summarized the three legislative proposals included on the memorandum dated August 6, 2022 – (1) Elimination of Medicare Part B Reimbursements for Spouses of New Hires Hired On or After July 1, 2023; (2) Elimination of Medicare Part B Reimbursements of Income Related Monthly Adjustment Amounts for New Hires (and their Spouses) Hired On or After July 1, 2023; (3) Board to Determine Salary of the Administrator and Chief Investment Officer noting that the first two were proposed by the Board at the 2022 Legislative Session and the third bill mirrors the ERS statute. Both Medicare Part B bills died in Senate Labor this past session. The ERS Board currently determines the Executive Director, Chief Investment Officer and Investment Office staff salaries. Mr. Mizuno and Mr. Kuan Yuan do not believe it is necessary at this time that the Board also determine the Investment Office staff salaries.

MOTION was made and seconded to recommend to the Board approval of a 2023 legislative proposal to eliminate employer reimbursement of Medicare Part B premiums for spouses of retirees with hire dates on or after July 1, 2023. (Yu/Wataru) The Trustees noted that if this bill passes, it will not impact current retirees; terminated, vested employees; current employees; and new employees hired through June 30, 2023. The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

MOTION was made and seconded to recommend to the Board approval of a 2023 legislative proposal to eliminate employer reimbursement of Medicare Part B Income Related Monthly Adjustment Amounts for retirees and their spouses with hire dates on or after July 1, 2023. (Wataru/Yu) The Trustees noted that if this bill passes, it will not impact current retirees; terminated, vested employees; current employees; and new employees hired through June 30, 2023. The motion passed unanimously. (Employer

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Trustees-2/Employee-Beneficiary Trustees-3)

MOTION was made and seconded to recommend to the Board approval of a 2023 legislative proposal that salaries of the Administrator and Chief Investment Officer shall be set by the Board. (Wataru/Yu) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

IV. NEXT MEETING – November 2022 – Annual Report to Legislature and Personnel

V. ADJOURNMENT

MOTION was made and seconded to adjourn the meeting at 9:34 a.m. (Wataru/Yu) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Audrey Hidano, Chairperson

APPROVED on November 18, 2022.

DOCUMENTS DISTRIBUTED:

1. Draft Administrative Committee Minutes of April 12, 2022. (3 pages)
2. Memorandum to EUTF Administrative Committee from EUTF Financial Management Officer, regarding Proposed Biennium 2023-2025 Budget, dated August 10, 2022. (11 pages)
3. Memorandum to EUTF Administrative Committee from EUTF Administrator, regarding Proposed EUTF Bills for the 2023 Legislative Session, dated August 6, 2022. (18 pages)