

1 HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
2 Minutes of the Board of Trustees Meeting
3 Thursday, January 10, 2002
4
5

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

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

19 BUDGET AND FINANCE Ms. Wanda Kimura
20 PROJECT TEAM Mr. Tracy Ban
21 (Project Team) 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: Ms. Gertrude Nitta, HGEA-Retiree
28 Ms. Sarah Moriyama, ORTA
29 Ms. Karen Muronaka, HSTA-Retiree
30 Mr. George Butterfield, HSTA-Retiree
31 Ms. Alana Deppe-Mariota, Kaiser Permanente
32 Ms. Wende Murakami, HMSA
33 Mr. Ken Taira, County of Maui
34 Ms. Alice Kealoha, HSTRA/ORTA
35 Mr. Wendell Oda, HMSA
36 Ms. Lilia Yu-Lum, Royal State National
37 Ms. Cynthia Bond, C&C of Honolulu, Human Resources
38 Ms. Jennifer Tobin, C&C of Honolulu, Human Resources
39 Mr. Rod Tam, HMSA
40 Mr. Michael Moss, HMSA
41 Ms. Monica Engle, VSP
42 Mr. Norbert Mendes, HDS
43 Ms. Karen Momono, Royal State
44 Ms. Jean Aoki, HSRTA
45 Ms. Nani Crowell, HSTA/MB

1 Mr. John Jacobs, HMSA
2 Mr. Melvin Higa, MBAH
3

4 A. CALL TO ORDER

5 The Board of Trustee meeting was called to order on January 10, 2002, at 1:40 p.m. at
6 Conference Room 303/304 located at the No. 1 Capitol District Building, 250 South
7 Hotel Street, Honolulu, Hawaii, by Mr. Sam Callejo, Chairperson pro tem.
8 Nine members were present; Mr. Uwaine arrived at 1:45 p.m. due to unavailability of
9 parking.
10

11 B. ELECTION OF INTERIM CHAIR AND VICE-CHAIR

12 Being no objections, Roberts Rules of Order were waived to allow for discussion on the
13 election of officers before the opening of nominations. Some of the trustees pointed out
14 that the statute (Act 88, SLH 2001) does not provide for interim officers and provides
15 for the election of three officers not two. The trustees were not ready to discuss a slate
16 of officers at this time as neither trustee group has met to discuss possible slates of
17 officers.
18

19 Discussed how to develop a slate of officers and what meetings among trustees are
20 permissible outside of an open meeting under the Sunshine law. Deputy Attorney
21 General (AG) advised that more than two trustees but less than a quorum may meet to
22 discuss the election of officers.
23

24 Chairman announced that Mr. Brian Aburano, Deputy Attorney General, has been
25 assigned as the Board's legal counsel. A request was made by the
26 employee-beneficiary trustees for written confirmation of the assignment.
27

28 A motion was made by Mr. Uwaine and seconded by Mr. Williams to defer agenda
29 item IIA, election of interim chair and vice-chair.

30 Discussion: Discussed the feasibility of taking a recess so that each side could
31 separately discuss potential slates of officers as time permits and after completion of
32 other agenda items so trustees will know when the next meeting will be scheduled.
33 Mr. Uwaine withdrew his motion.
34

35 A motion was made by Mr. Uwaine and seconded by Mr. Yogi to defer election of
36 interim chair and vice-chair to the end of the agenda.

37 Discussion: Deferral of item IIA moves it to agenda item VI, and renumbers
38 Adjournment as agenda item VII. Discussed how voting by the board should be taken
39 and how minutes should be recorded. Per Deputy AG, for motions that are relatively
40 undisputed the question may be posed as follows: the chairperson states the motion and
41 states if there are no objections then the motion will be passed; if a trustee indicates that
42 he or she opposes the motion, then a hand vote would be taken. In the meeting
43 minutes, the vote will be reflected as two votes.
44

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

1 C. FUTURE AGENDA ITEMS AND NEXT MEETING DATE. (Agenda Item V.)

2 Discussed possible number of meetings, days, and times. The Segal Company
3 estimated that at least six hours per week is needed to proceed through items that must
4 be accomplished by the Board. Deputy AG briefly discussed Sunshine Law
5 requirements about trustees meeting to discuss business outside of an open meeting.
6

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

10 The board discussed C. Khim’s comment. Some trustees pointed out that there is a
11 chair pro tem who could call meetings on 6-day notice. Other trustees stated that the
12 10-day notice appears to be for the benefit of the trustees rather than public and the
13 trustees could waive the 10-day notice by unanimously agreeing to an earlier meeting
14 date.
15

16 A motion was made by Mr. Miyahira and seconded by Mr. Miyake to schedule
17 meetings for the months of January and February on Tuesday and Thursday mornings
18 starting at 9 a.m. with the first meeting to convene at 9 a.m. on Thursday, January 17,
19 2002.

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

24 Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.
25

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

29 A motion to amend Mr. Williams’ motion was made by Mr. Yogi and seconded by
30 Mr. Miyake to add that a trustee submit an agenda item to the staff posting the notice
31 by noon on the seventh day prior to the scheduled meeting so that staff has adequate
32 time to add the item to the agenda. The amendment passed unanimously.
33

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

37 Discussion: None.

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

40 Mr. Williams requested that an item on liability insurance be added to the agenda
41

42 Discussed agenda items for the next meeting. Agenda items not completed in a
43 meeting will be added as unfinished business to the next meeting’s agenda unless the

1 board decides to delete the item. Mr. Yogi requested to add an agenda item for a
2 presentation by the Deputy AG on the trustees' fiduciary duties.

3
4 D. ADOPTION OF INTERIM BOARD OPERATING PROCEDURES
5 (Agenda Item II.B.)

6 Overview presentation by Mr. Tom Morrison, The Segal Company, (handouts
7 provided) of draft interim board operating procedures.

8
9 E. RECESS/RECONVENE

10 Chair called for short recess at 2:40 p.m.; reconvened meeting at 2:45 p.m.

11
12 F. ELECTION OF NEW INTERIM CHAIR TO CONTINUE MEETING.

13 Chair announced that he had another meeting to attend and resigned as chair pro tem
14 for the remainder of the January 10, 2002 meeting.

15 Motion to elect Mr. Neal Miyahira as chair pro tem to the end of January 10, 2002
16 meeting. (Miyake/Yogi)

17 Discussion: The trustees discussed that the currently elected chair pro tem would only
18 be effective to the end of this meeting and that it would not apply to the next meeting of
19 the board. As such, there would be no elected chair for the next meeting.

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

21 Mr. Miyahira assumed position of chair pro tem.

22
23 G. RECESS/RECONVENE

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

26
27 Mr. Uwaine commented that during the recess he consulted with his attorney as to his
28 liability in performing his duties and responsibilities as a trustee. He reported waiver
29 of his attorney/client privilege for the other employee-beneficiary trustees (Lewis,
30 Miyake, Williams, and Yasuda) so that they could listen to his attorney's discussion.
31 Mr. Uwaine also reported discussion with his attorney on the selection of officers in the
32 presence of the other employee-beneficiary trustees and that such discussion is exempt
33 from the Sunshine Law.

34
35 Chair discussed concerns on the perception that such consultation violates the Sunshine
36 Law. Deputy AG provided cautionary advice to trustees that when having a group
37 meeting with a trustee's private attorney, discussion of board business is not permitted
38 under the Sunshine Law.

39
40 Public Comment: Mr. C. Khim requested to comment; Chair asked that comments be
41 made at the end of the meeting.

42

1 Mr. Williams requested that an item be added to the agenda for the next meeting for a
2 presentation by his attorney, Mr. C. Khim, regarding the trustee's rights to confer with
3 the trustee's private attorney.
4

5 H. INTERIM OPERATING PROCEDURES (Agenda Item II.B. continued)

6 Discussion continued on possible amendments concerning the number of officers to be
7 elected, the number of interim committees to be established, voting in the committees
8 and convening a committee, pursuant to section 92-2.5(b), HRS, to review the
9 procedures.
10

11 A motion was made by Mr. Yogi and seconded by Mr. Miyake to convene an
12 investigative operational committee comprised of two trustees from each trustee group
13 to review the operating guidelines/procedures and working committees.

14 Discussion: None.

15 Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.
16

17 There was discussion that the previous motion to have a board meeting on January 17,
18 2002 is improper because there is no elected chair and the motion was made by a single
19 trustee not the majority of the trustees. Thus, the investigative committee could use
20 January 17, 2002 as its meeting time.
21

22 Committee members selected were Mssrs. Williams, Miyake, Miyahira, and Yogi.
23 The committee meeting is scheduled for January 17, 2002 at 9 a.m. in conference
24 room 303/304, No. 1 Capitol Building.
25

26 Discussion on how operating procedures may be adopted and authority of committees.
27 The committee should also recommend a process for adoption of procedures which can
28 possibly be used later as the process for rule adoption.
29

30 I. RECESS/RECONVENE

31 Trustee Uwaine requested a recess to meet with other employer-beneficiary trustees to
32 discuss nomination of officers.

33 Recessed at 3:50 p.m.; reconvened at 3:55 p.m.
34

35 J. AMENDMENT TO AGENDA

36 A motion was made by Mr. Uwaine and seconded by Mr. Miyake to amend the agenda
37 to include the election of the chair, vice-chair, and secretary-treasurer.

38 (Uwaine/Miyake)

39 Discussion: None.

40 Vote: Unanimously passed. Employer/yes; Employee-Beneficiary/yes.
41

42 K. NOMINATION OF OFFICERS

43 Nominations were made by Mr. Uwaine and seconded by Ms. Matayoshi for Mr. Sam
44 Callejo as chair, Ms. Audrey Hidano as vice-chair, and Mr. Jim Williams as

1 secretary-treasurer for the period effective after the end of the January 10, 2002
2 meeting to February 28, 2002.

3 Discussion: None.

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

5
6 L. NEXT MEETING DATE (Agenda Item V.)

7 Next meeting date for Board will be on January 24, 2002 at 9 a.m. in conference
8 room 303/304, No. 1 Capitol Building. The investigative committee will meet on
9 January 17, 2002 at 9 a.m. at the same location; the public may attend.

10
11 M. PUBLIC COMMENTS

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

15
16 C. Khim – Investigative committee meeting is not a closed meeting and public may
17 attend. For open meetings, the statute provides that all interested persons may provide
18 data and comment on all agenda items received by the board and considered prior to
19 board taking action. Believes it is appropriate for a group of trustees to receive advice
20 and consult with their private attorney. Commented that Deputy AG may possibly have
21 a conflict of interest in advising this board and his other clients.

22
23 N. OTHER AGENDA ITEMS

24 Agenda items II C and D, III, and IV. to be placed as unfinished business on next
25 meeting agenda.

26
27 O. ADJOURNMENT

28 A motion was made by Mr. Yogi and seconded by Mr. Miyake to adjourn the meeting.
29 Discussion: None.

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

31
32 Meeting adjourned at 4:10 p.m.

33
34 Respectfully submitted,

35
36 /s/ James Williams

37 James Williams, Secretary-Treasurer

38
39 APPROVED on January 24, 2002.

40
41 Documents distributed:

42
43
44 1. Critical Initial Board Decisions – Briefing Document (2 pages)

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