



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY • SECURITY • REWARDS

**Eddie Baza Calvo**  
 Governor

**Ray Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

Trustees:

**Joe T. San Agustin**  
 Chairman

**Wilfred P. Leon Guerrero, Ed.D.**  
 Vice-Chairman  
 Investment Committee, Chairman

**Antolina S. Leon Guerrero**  
 Secretary

**Gerard A. Cruz**  
 Treasurer  
 Audit & Operations Committee,  
 Chairman

**Katherine T.E. Taitano**  
 Trustee

**Anthony C. Blaz**  
 Trustee

**David M. O'Brien**  
 Trustee

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Friday, November 21, 2014, 12:30 p.m.  
 Retirement Fund Conference Room

**MINUTES**

**DEFINED BENEFITS**

**I. ATTENDANCE, QUORUM, AND CALL TO ORDER**

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 1:07 p.m. Friday, November 21, 2014, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

**Board of Trustees Present:**

- Joe T. San Agustin, Chairman
- Wilfred P. Leon Guerrero, Vice Chairman
- Gerard A. Cruz, Treasurer
- Katherine T.E. Taitano, Trustee
- Anthony C. Blaz, Trustee
- David M. O'Brien, Trustee

**Board of Trustees Absent:**

- Antolina S. Leon Guerrero, Secretary (*Excused*)

**Staff Present:**

- Paula Blas, Director
- Diana Bernardo, Controller
- Rosalia Bordallo, General Accounting Supervisor
- Jackie Blas, Recording Secretary
- Alice Tajeron, Director, Client Relations & Plan Counseling, Great-West Financial
- Peter Duenas, Acting Benefit Program Administrator
- Jackie Sablan & Lena Sanchez, Benefit Specialist II

**Medical Consultant Present:**

- Dr. Laura Post

**Investment Consultant Present:**

- Maggie Ralbovsky, Wilshire Associates

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. October 31, 2014 Regular Meeting

Chairman San Agustin asked Maggie Ralbovsky of Wilshire Associates to look whether we have enough or too many investment managers and also to see what fees are being charged. We currently have 17 investment managers. Chairman San Agustin stated that in 2009, the Retirement Fund's assets were \$1.2 Billion and now it is \$1.7 Billion. Chairman San Agustin stated that he would like an overall review. Vice Chairman Wilfred Leon Guerrero stated that Trustee David O'Brien spoke of the need to look at this.

Chairman San Agustin inquired about the Executive Session held on October 31, 2014. Director Paula Blas stated that the Board accepted Legal Counsel's recommendation not to accept the settlement offer. Director Blas stated that the Supreme Court has not ruled on the Plaintiff's fees.

**Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, moved to approve the Minutes of the October 31, 2014 Regular Meeting, subject to technical corrections. Without objection, the motion unanimously passed.**

### III. CORRESPONDENCE

None

### IV. INFORMATIONAL ITEMS

None

### V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

#### 1. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-93)* –

Director Blas stated that the Retirement Fund maintains a list of deceased COLA Awardees who did not name a beneficiary, or whose beneficiary may be deceased. COLA award disbursements for these individuals will be made to their respective estates.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - Director Blas stated that BLBG's Litigation Status Report dated November 17, 2014 on the following lawsuits is provided for the Board's information. Director Blas stated that these cases are highly confidential and BLBG asked that the cases not be discussed in a public forum.

- **MF Global**
- **Invacare Corporation**

#### Financial Report

1. *Contributions* - Director Blas stated that as of November 18, 2014, all agencies are current with their Fiscal Year 2015 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month and fiscal year ending September 30, 2014 were closed on November 14, 2014. Treasurer Cruz asked whether the Retirement Fund's portfolio increased in Fiscal Year 2014. Ms. Ralbovsky replied, "Yes, a 10% increase."

3. ***Fiscal Year 2015 Retirees' Supplemental Benefits*** - Director Blas stated that supplemental benefits for retirees and survivors for the month of November 2014 were paid.

4. ***Fiscal Year 2015 Medicare Reimbursements*** - Director Blas stated that the Retirement Fund received the November 2014 allotment from the General Fund and reimbursements were processed accordingly. Director Blas stated that reminder letters were sent to the participants to submit their documents on time. There are currently 1,200 participants under Medicare Reimbursement. Chairman San Agustin pointed out that those participants could be eligible under United Health Insurance. Director Blas stated that only Parts A, B, and D are being reimbursed. Trustee O'Brien asked whether the participants understand that Part D is a non-creditable coverage by SelectCare. Director Blas stated that it is currently open enrollment for the Medicare Program up until December 7, 2014. Rosalia Bordallo, General Accounting Supervisor, stated that there is a penalty on Part D, which is forever. Trustee O'Brien asked whether the participants know this. Director Blas stated that it is a zero premium for Class I.

## **VI. LEGAL COUNSEL'S REPORT**

No report was made at this time.

## **VII. TREASURER'S REPORT OF FINANCIAL STATUS**

Treasurer Gerard Cruz stated that the Treasurer's Report is provided at this meeting. It covers the Retirement Fund's Statement of Plan Net Position and Statement of Changes in Plan Net Position (unaudited) and Prior Year Receivables for both the Defined Benefit (DB) Plan and the Defined Contribution (DC) Plan for the month ended September 30, 2014. Treasurer Cruz stated that the total receivables for the Supplemental, COLA, and MDL benefits is \$48,297,239. The Retirement Fund's total assets exceeded \$2 Billion.

Treasurer Cruz stated that the current drawdown authority remains in place. There was no need for a principal drawdown in October 2014.

Trustee O'Brien inquired about the Cash Balance Sheet of September 30, 2014. Controller Diana Bernardo stated that it has to do with timing. Trustee O'Brien inquired about the operating cash and the DC Plan forfeitures. Treasurer Cruz stated that it is used to pay expenses. Director Blas stated that it is split expenses for the Retirement Fund's operating expenses. Ms. Bordallo stated that it is reimbursement of expenses on the cash flow.

Chairman San Agustin inquired about Northern Trust's compliance report. Treasurer Cruz stated that the reports are on-line. Chairman San Agustin reads the agreement with Northern Trust out loud: "After the custodian has accounted for all the purchases and sales, reorganization issues, income collection, and cash management earnings – these must be reported to the Trustees and the various Investment Managers. These reports are issued monthly, quarterly, and annually, and in special situations, interim reports should be available." Chairman San Agustin stated that the reports need to be available for the Board to see. We need to see an analysis of earnings and a Brokerage Commission report. Treasurer Cruz stated that he will look into this and make sure the reports are submitted. Treasurer Cruz stated that he will draft a letter requesting for the reports. Chairman San Agustin stated that the reports should be on a daily, weekly, monthly, and annual basis of all transactions, and the

concentration of all stocks. Controller Bernardo asked whether it was decided previously not to include compliance monitoring. Ms. Bordallo stated that it was not included because there was an additional cost. Ms. Ralbovsky stated that what will be helpful is the concentration report. Chairman San Agustin stated that compliance is included in the agreement. Chairman San Agustin reads out loud: "Compliance Analyst is an on-line interactive Passport application for use with respect to assets maintained in Client accounts for which Northern serves as trustee or custodian accounts. Compliance Analyst is designed to assist Client in monitoring various types of investment policy boundaries, such as asset allocation and exposure limits, established by Client Guidelines." Treasurer Cruz indicated that he will draft a letter requesting for the reports Chairman San Agustin had mentioned.

## VIII. STANDING COMMITTEE REPORTS

### A. Investment Committee

Vice Chairman Leon Guerrero reported that the Quarterly Performance Meeting for the Quarter Ended September 30, 2014 was held on November 19, and 20, 2014. Vice Chairman Leon Guerrero noted that the Investment Committee Meeting was also held on November 20, 2014. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 30, 2014.

***Retirement Fund Rebalancing Step 2*** - Ms. Ralbovsky stated that the Board previously approved Step 1, the asset allocation change, which has been largely completed. Step 1 is in the process of being implemented. Ms. Ralbovsky stated that she discussed Step 2 with the Investment Committee. There were two new asset categories that were discussed to be added: Risk Parity and Liquid Alternatives. Risk Parity is an asset allocation program. The strategy tries to be neutral to where the income comes from under different market environments. The goal is to diversify risk sources and get returns under various uncertain economic environments. Chairman San Agustin asked whether it is up to 8%. Ms. Ralbovsky replied, "Yes."

Ms. Ralbovsky stated that the second category is Liquid Alternatives and these are diversifying strategies. The new development in the market place has made these strategies available in the 40 Act format which ensures a sound governance, transparency, illiquidity, and fair fees. It is an important asset class for institutions to participate in. Ms. Ralbovsky stated that the recommendation is to add up to 6.5% of Liquid Alternatives. Chairman San Agustin asked what does that add up to. Ms. Ralbovsky replied, "\$90 Million." Ms. Ralbovsky stated that the current asset allocation has a large concentration in stocks. Trustee O'Brien stated that we can get more return for the same risk or about the same return with less risk. The risks are coming from stocks. Chairman San Agustin stated that 60% of our assets are in stocks. Ms. Ralbovsky stated that it's diversification. Treasurer Cruz pointed out that it is diversification on risk.

Ms. Ralbovsky stated that the Investment Committee recommends approval of Step No. 2, which includes: a) 8% Allocation to Risk Parity, and b) 6.5% Allocation to Liquid Alternatives.

**Vice Chairman Wilfred Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the Investment Committee's recommendation of Step No. 2 with up to 8% allocation to Risk Parity, and up to 6.5% allocation to Liquid Alternatives. Without objection, the motion unanimously passed.**

**Revision of Reallocation** – Ms. Ralbovsky stated that since all three Active High Yield Bond Managers require a minimum amount of assets to be managed, the Investment Committee recommends the following allocations:

- Nomura Corporate Research and Management - \$50 Million Minimum
- Hotchkis and Wiley - \$50 Million Minimum
- Aegon USA Investment Management - \$29 Million Minimum

**Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, moved to approve a \$50 Million minimum allocation up to 8% of the portfolio to Nomura Corporate Research and Management; a \$50 Million minimum allocation up to 8% of the portfolio to Hotchkis and Wiley; and a \$29 Million minimum allocation up to 8% of the portfolio to Aegon USA Investment Management. Without objection, the motion unanimously passed.**

**Performance** - Ms. Ralbovsky provided an overview of the DB Plan's Investment Performance noting that:

- a) For the Quarter Ended September 30, 2014, the Retirement Fund's portfolio outperformed its benchmark index by 5 basis points, ranking at the 89th percentile of Wilshire's peer group universe for the quarter. The Retirement Fund's return was -2.00% and the benchmark return was -1.95%.
- b) For the Fiscal Year Ended September 30, 2014, the Retirement Fund's portfolio outperformed its benchmark index, ranking at the 55th percentile of Wilshire's peer group universe for the fiscal year. The Retirement Fund's return was 10.00% and the benchmark return was 9.45%.

**Watch List** – Ms. Ralbovsky stated that Wilshire recommends keeping Eaton Vance and Franklin Templeton on the Watch List. Ms. Ralbovsky stated that Eaton Vance will remain on watch to see if their performance will improve. Eaton Vance has been underperforming since inception. Treasurer Cruz stated that Eaton Vance is closing the gap on underperforming. Ms. Ralbovsky stated that we would like to see the outcome since there were some organizational changes involved.

Ms. Ralbovsky stated that Franklin Templeton continues to under perform. The chart on Franklin's historical performance is still in process.

**Annual Reviews** – Ms. Ralbovsky stated that annual reviews were conducted for the following investment managers:

- Eaton Vance
- Numeric Investors
- Intech
- Robeco
- Custodial Bank – Northern Trust

Vice Chairman Leon Guerrero stated that Northern Trust is proposing a fee change. Chairman San Agustin stated that they are asking for \$55,000. Ms. Ralbovsky stated that the \$55,000 pricing is under the market. Ms. Ralbovsky stated that they were assuming the Securities Lending as the main product. Ms. Ralbovsky stated that, initially we were going into their main Securities Lending Pool. Director Blas stated that it was part cash and non-cash collateral. Vice Chairman Leon Guerrero stated that Ms. Ralbovsky will put her recommendation in writing for Option No. 1. Chairman San Agustin stated to submit the recommendation in writing for discussion in February 2015.

*Next Quarterly Performance Meeting* – Vice Chairman Leon Guerrero stated that the next Quarterly Performance Meeting is tentatively scheduled for February 25, and 26, 2015.

**Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, moved to accept the Investment Committee Report. Without objection, the motion unanimously passed.**

**B. Members and Benefits Committee**

Trustee Katherine Taitano presented the Committee's November 2014 report to the Board of Trustees.

**Trustee David O'Brien, seconded by Treasurer Gerard Cruz, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 19, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of November 5, 2014 and subsequent meetings thereafter. Without objection, the motion unanimously passed.**

**APPLICATION FOR MINOR CHILD SURVIVOR BENEFITS – CHAUNCY EDEN SANTOS**

Trustee Taitano stated that Ms. Chauncy Eden Santos is applying for minor child stipend benefits on her own behalf. Ms. Santos is the biological child of deceased retiree Mark T. Santiago who passed away on September 5, 2014.

**Treasurer Gerard Cruz, seconded by Trustee David O'Brien, moved to approve the Application for Minor Child Survivor Benefits for Chauncy Eden Santos, contained on Page 20, based on the Committee's review and findings during their meeting of November 5, 2014 and subsequent meetings thereafter. Votes as follows: Yes Votes – Trustee Katherine Taitano, Trustee David O'Brien, Treasurer Gerard Cruz, Trustee Anthony Blaz, and Vice Chairman Wilfred Leon Guerrero, and Chairman Joe San Agustin. With six (6) "Yes" votes, the motion unanimously passed. Secretary Antolina Leon Guerrero was absent.**

**DISABILITY CASE NO. 14-005**

Trustee Taitano stated that the applicant is a 57 year old female employed with the Department of Education as a Teacher with approximately 28+ years of service. The applicant applied for disability on August 4, 2014. The reason for application is End State Renal Failure. Dr. Post stated that the applicant was examined by Dr. Saied Safabakhsh on July 28, 2014, Dr. Patrick Santos on September 2, 2014, and Dr. Fred Schroeder on September 16, 2014. Dr. Safabakhsh gave a rating of 100% whole-person impairment, Dr. Schroeder gave a rating of 93% whole-person impairment, and Dr. Santos gave a rating of 100% whole-person impairment. Dr. Post stated that she finds that the applicant is medically impaired by both acute and chronic general medical diagnoses with multiple associated symptoms and considers a full disability pension is appropriate for 14-005 at this time.

At this time Chairman San Agustin asked whether the applicant is present noting that if the applicant would like to address the Board, he/she would have to waive his/her right to the privacy of his/her medical records and he/she must state his/her name for the record. Chairman San Agustin indicated that no one came forward.

**Trustee David O'Brien, seconded by Trustee Katherine Taitano, moved to accept the Retirement Fund's Medical Consultant's findings and recommendation that a full disability pension is appropriate at this time and to approve a full disability pension for Disability Case No. 14-005. Votes as follows: Yes Votes – Trustee Katherine Taitano, Trustee David O'Brien, Treasurer Gerard Cruz, Vice Chairman Wilfred Leon Guerrero, Trustee Anthony Blaz, and Chairman Joe San Agustin. With six (6) "Yes" votes, the motion unanimously passed. Secretary Antolina Leon Guerrero was absent.**

### **DISABILITY CASE NO. 13-021**

Trustee Taitano stated that the applicant is a 46 year old female employed at the Department of Public Health and Social Services as a Customer Service Representative with approximately 22+ years of service. The applicant applied for disability on September 24, 2013. Trustee Taitano stated that this is the second application for this applicant. The reason for application is Depression, Anxiety, and Posttraumatic Stress Disorder. Trustee Taitano stated that the applicant was examined by Dr. Ariel Ismael on March 10, 2014, Dr. Patrick Santos on March 31, 2014, Dr. Fred Schroeder on May 2, 2014, and Dr. Vincent Duenas on September 2, 2014. Dr. Ismael gave a rating of 15% whole-person impairment, Dr. Santos gave a rating of 15% whole-person impairment, Dr. Schroeder gave a rating of 32% whole-person impairment, and Dr. Duenas gave a rating of 15% whole-person impairment. Trustee Taitano stated that the Retirement Fund's Medical Consultant finds that the applicant is medically impaired by both general medical and by specific psychiatric diagnoses with multiple associated symptoms and considers a full disability pension is not appropriate for 13-021 at this time.

Chairman San Agustin stated that Disability Case No. 13-021 was tabled at the June 27, 2014 Board meeting so that the applicant could be reevaluated by a third physician. The Retirement Fund's Medical Consultant, Dr. Laura Post, stated that she issued a total of four reports. The first report was received by the Retirement Fund on June 25, 2014, the second report on July 1, 2014, the third report on September 12, 2014, and the latest report was received on October 20, 2014. Dr. Post stated that the applicant's primary care provider gave a rating of 15% whole-person impairment, the first Independent Medical Examiner (IME) gave a rating of 15% whole-person impairment, the second IME gave a rating of 32% whole-person impairment, and the third IME gave a rating of 15% whole-person impairment. Dr. Post stated that Dr. Juan Rapadas did not fill out the standard forms used by the IMEs. Dr. Post stated that she received all the reports and found that the rating was not greater than the 75% threshold. Dr. Post stated that she does not consider a full disability pension is appropriate for 13-021 at this time.

Chairman San Agustin inquired about Dr. Virgilio Petero, Dr. Marjorie Debenedictis and Dr. Peter Lombard's' evaluation. Dr. Post stated that Dr. Petero referred the applicant to Dr. Debenedictis and Dr. Debenedictis works with Dr. Lombard. Dr. Post stated that she did look at their reports and it was considered. Trustee Taitano stated that, notwithstanding the reports received after the date, Dr. Post did take the reports into consideration. Chairman San Agustin pointed out that he was just reminded that he recused himself from this case at the last meeting. Chairman San Agustin stated that he will again recuse himself from this meeting and asked Vice Chairman Leon Guerrero to take over as Acting Chair.

***Chairman San Agustin was excused from the meeting at this time.***

At this time Acting Chairman Leon Guerrero asked whether the applicant is present noting that if the applicant would like to address the Board, he/she would have to waive his/her right to the privacy of his/her medical records and he/she must state his/her name for the record. Acting Chairman Leon Guerrero recognized an individual who came forward. Elizabeth Cruz identified herself and stated that Deborah Mafnas is the applicant and she is sitting in on her behalf due to her medical condition. Ms. Cruz stated that she is requesting to have the disability case approved based on the applicant's medical and psychiatric condition, which has become worse since the last time her case was presented to the Board. Ms. Cruz stated that the applicant was referred to Dr. Duenas because Dr. Santos was not able to conduct a head to toe examination of the application's condition. Ms. Cruz stated that Dr. Duenas inquired as to why the applicant is being referred to him. Ms. Cruz stated that Dr. Duenas suggested that the applicant go off-island and to apply for retirement. Ms. Cruz mentioned that the Director and Division Administrator of the Department of Public Health had supported the applicant, however she has not seen a letter of support from the applicant's agency.

Ms. Cruz pointed out that the applicant has been to the restroom several times since she's been here due to urinary frequency. Ms. Cruz stated that the pills given to the applicant never helped her condition. Ms. Cruz stated that the applicant's recent condition - psychiatric is caused by her supervisor.

Acting Chairman Leon Guerrero inquired about the applicant's years of service. Ms. Cruz stated that she has 23+ years and she is on leave sharing. Peter Duenas, Acting Benefit Program Administrator, stated that the applicant needs 25 years of service for the optional early retirement. Ms. Cruz asked whether there is an option to retire earlier. Mr. Duenas stated that by law, there is no other way, she needs 25 years of service. Trustee O'Brien inquired about the applicant being on donor leave. Ms. Cruz stated that the applicant is on medical donor leave and she is about to reach the cap. Acting Chairman Leon Guerrero inquired about the cap. Ms. Cruz stated that it is the cap on leave sharing. Mr. Duenas stated that the cap is "720 hours per incident." Trustee Taitano pointed out that the first reason for leave sharing should be different at the second time another request for leave sharing is made. Ms. Cruz stated that the applicant has 160 hours before she reaches the cap. Trustee O'Brien asked whether the applicant will be eligible to go on leave sharing with the other medical conditions that she has. Mr. Duenas stated that the Personnel Rules and Regulations states that it is per incident. Director Blas stated that while an individual is on leave sharing, the individual does not get retirement credit. Acting Chairman Leon Guerrero inquired about retiring with a minimum of 20 years of service. Mr. Duenas stated that Public Law 16-009 which was effective October 1, 1981, increased the retirement requirements by 5 years – from 20 years to 25 years for optional or regular retirement. Mr. Duenas stated that the applicant needs a minimum of 25 years of service to retire.

Treasurer Cruz stated that the issue is that each physician gave a rating that is well below the 75% threshold to be considered totally disabled. Treasurer Cruz pointed out that the applicant's conditions are permanent. Treasurer Cruz asked Ms. Cruz whether there is anything that she could provide that would help convince the Board that the applicant has a medical condition that could meet the definition of totally and permanently disabled. Ms. Cruz asked whether the Board has seen Dr. George Kallingal's report which indicates what is going on with the applicant. Lena Sanchez, Benefit Specialist II, stated that Dr. Rapadas' report has been submitted and Dr. Kallingal's report may be with the medical records that were first submitted. Treasurer Cruz asked whether Dr. Kallingal's report differ from the other reports. Ms. Cruz stated that it is different in a way, but asked that the Board



please review and consider Dr. Kallingal's report and make a decision based on his evaluation. Treasurer Cruz asked whether Dr. Kallingal is the applicant's primary physician. Ms. Cruz stated that the applicant was referred to Dr. Kallingal by Public Health through the Department of Administration. Treasurer Cruz asked was the applicant referred to Dr. Kallingal as a continuing patient. Ms. Cruz stated that she was referred for a one-time consultation.

Treasurer Cruz asked Ms. Cruz to describe the applicant's day. Ms. Cruz stated that she is anti-social, stays home, watch TV, don't go out shopping, sweats profusely, urinates frequently, talks to herself, talks in her sleep, and is paranoia. Ms. Cruz mentioned that the applicant had a previous injury from work and a representative from work visited her residence and gave her more harassment letters. Treasurer Cruz asked whether the applicant is taking medications. Ms. Cruz stated that she is taking at least three medications. Treasurer Cruz asked what the medications are. Ms. Cruz stated that two of the medications are Zoloft and Xanax. Ms. Cruz stated that she could provide that information. Treasurer Cruz asked whether the applicant is taking any anti-depression and if so, how often. Ms. Cruz stated that she is not sure. Trustee O'Brien stated that the report shows that the applicant is taking Zoloft, Flexail, and Xanax. Dr. Post stated that Xanax is like valium and it is used for anxiety. Treasurer Cruz asked what the side effects are. Dr. Post stated that it is addictive. Zoloft is an antidepressant. Zoloft is good antidepressant medication. Albuterol is a supplement to help depression.

Dr. Post stated that Dr. Rapadas, Dr. Kallingal, and Dr. Ismael have all indicated that the anxiety and post traumatic issues are all believed to be treatable. Ms. Cruz requested for a copy of Dr. Kallingal's report. Dr. Post stated that she has Dr. Kallingal's report. Treasurer Cruz stated that there an abundance of medical reports and the ratings are below the 75% threshold. Acting Chairman Leon Guerrero stated that the Board of Trustees are not physicians and we rely on the information provided. Acting Chairman Leon Guerrero stated that Dr. Post has summarized all the evaluations submitted by the physicians and her recommendation is that a fully disability pension is not appropriate at this time.

**Treasurer Gerard Cruz, seconded by Trustee David O'Brien, moved to accept the Retirement Fund's Medical Consultant's findings and recommendation that a full disability pension is not appropriate at this time and to deny a full disability pension for Disability Case No. 13-021. Votes as follows: Yes Votes – Treasurer Gerard Cruz, Trustee Katherine Taitano, Trustee David O'Brien, Trustee Anthony Blaz, and Acting Chairman Wilfred Leon Guerrero. With five (5) "Yes" votes, the motion unanimously passed. Chairman Joe San Agustin recused himself and Secretary Antolina Leon Guerrero was absent.**

Trustee Taitano stated that what's available to the Board is the rules and guidelines. We don't want to diminish what the applicant is going through, but she does not meet the 75% threshold. Ms. Cruz asked whether the applicant should wait until her condition gets worse and then reapply. Ms. Cruz stated that if it was her decision, she will reapply. Trustee Taitano stated that the Retirement Fund staff will provide more guidelines. Dr. Post stated to make sure that the applicant conveys to the physicians what her life is like, what triggers her anxiety, depression, and posttraumatic stress disorder and to tell the physicians treating her that she is not meeting the criteria of being totally and permanently disabled. The applicant should tell the physicians to help her to improve her condition with different medications or counseling. Ms. Cruz stated that she too would like to see the applicant improve. Ms. Cruz inquired about the timeline to reapply. Jackie Sablan, Benefit Specialist II, stated that the applicant could reapply should her condition worsen or have a new ailment. Ms. Cruz asked

what is the percentage used. Acting Chairman Leon Guerrero replied, "75% whole body impairment." Ms. Cruz asked whether the ratings are added up. Acting Chairman Leon Guerrero stated that they are independently rated. Ms. Cruz thanked the Board for giving her the opportunity to address the Board.

**IX. OLD BUSINESS**

None

**X. NEW BUSINESS**

None

**XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

*Competitive Wage Act of 2014* – Trustee Anthony Blaz stated that with the passage of Bill 1(8-S), he would like to include Director Blas and Controller Bernardo in the salary increase pursuant to the Competitive Wage Act of 2014. Treasurer Cruz stated that he will take the lead on initiating the process of evaluating the Director and Controller.

**Trustee Anthony Blaz, seconded by Treasurer Gerard Cruz, moved to approve to begin the process of evaluating the Director and Controller for their salary increase. Without objection, the motion unanimously passed.**

**XII. ANNOUNCEMENTS**

None

**XIII. ADJOURNMENT**

**There being no further business before the Board for the Defined Benefits Plan, on motion of Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, and without objection, the meeting was adjourned at 3:05 p.m. Motion unanimously passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 21, 2014 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 19, 2014.**



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**KATHERINE TAITANO, Acting Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**