



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY • SECURITY • REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, June 26, 2015, 12:30 p.m.
 Retirement Fund Conference Room

MINUTES

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

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 1:12 p.m. Friday, June 26, 2015, in the Retirement Fund Conference Room. Acting Chairman Wilfred Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Acting Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 Katherine T.E. Taitano, Trustee
 Anthony C. Blaz, Trustee

Board of Trustees Absent:

Joe T. San Agustin, Chairman (*Excused*)
 David M. O'Brien, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary
 Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 29, 2015 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the Minutes of the May 29, 2015 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)* - 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)* - BLBG's Litigation Status Report dated June 20, 2015 on the following lawsuits is provided for the Board's information. These cases are highly confidential and BLBG asked that the cases not be discussed in a public forum.

- MF Global
- Invacare Corporation

3. *Request for Proposals (RFP) for Risk Parity* - Director Paula Blas stated that the proposals for the offerors who met the RFP requirements and minimum qualifications were forwarded to Wilshire for their review and analysis. Wilshire's analysis should be completed by July 10, 2015. Director Blas stated that the Selection Panel consists of Joe San Agustin, Wilfred Leon Guerrero, and Gerard Cruz.

4. *Government of Guam Retirement Fund Contracts* - Director Blas stated that a list of the Retirement Fund's professional service contracts is attached for review (Attachment B). As part of due diligence, the Retirement Fund will review and consider issuing RFPs for professional contracts every five (5) years or sooner, if necessary. Treasurer Gerard Cruz stated that this is a way of surveying the market.

Treasurer Gerard Cruz, seconded by Trustee Katherine Taitano, moved to adopt Attachment B as a Plan for reviewing all of the Retirement Fund's Professional Service Contracts. Without objection, the motion unanimously passed.

Financial Report

1. *Contributions* - Director Blas stated that as of June 23, 2015, 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 ending May 31, 2015 were closed on June 17, 2015.

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

4. *Fiscal Year 2015 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the June 2015 allotment from the General Fund and reimbursements were processed accordingly.

VI. LEGAL COUNSEL'S REPORT

No report was made at this time.

VII. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Cruz stated that the Treasurer's Report is provided at this meeting. It covers the Retirement Fund's Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (unaudited) and Prior Year Receivables for both the Defined Benefit (DB) Plan and the Defined Contribution (DC) Plan for the month ended May 31, 2015. Treasurer Cruz stated that the total combined assets are \$2.177 Billion. Treasurer Cruz stated that there was an increase of \$102,186,004 from May 2014 to May 2015.

Treasurer Cruz stated that the drawdown schedule is still within its existing authority.

VIII. STANDING COMMITTEE REPORTS

A. Investment Committee

Acting Chairman Leon Guerrero reported that the Investment Committee Meeting was held on June 19, 2015. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 28, 2015.

Acting Chairman Leon Guerrero stated that he would like to recommend having the DB Plan 5-Year Plan adopted at the Board level.

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to adopt the Defined Benefits Plan 5-Year Plan. Without objection, the motion unanimously passed.

Acting Chairman Leon Guerrero indicated that as of June 12, 2015, the Retirement Fund's portfolio is \$1.688 Billion.

Next Quarterly Performance Meeting – Acting Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for August 26, and 27, 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 June 2015 report to the Board of Trustees. Acting Chairman Leon Guerrero asked whether there are any disability cases. Secretary Antolina Leon Guerrero stated that the M&B Committee is waiting for clarification from the Medical Consultant as there is an inconsistency in calculations.

Trustee Katherine Taitano, seconded by Secretary Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 12, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of June 17, 2015. Without objection, the motion unanimously passed.

IX. OLD BUSINESS

None

X. NEW BUSINESS

None

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

Board Meeting Time – Director Blas asked the Board if they would like to revert the Board Meeting time to 12:00 Noon. The Board of Trustees indicated that they have no problem with moving the meeting time back to 12:00 Noon.

Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, moved to approve to change the Board of Trustees regular monthly meeting time to 12:00 Noon. 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 Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:39 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 26, 2015 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 31, 2015.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas