



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, July 29, 2016, 12:00 Noon  
 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 2:10 p.m. Friday, July 29, 2016, in the Retirement Fund Conference Room. Acting Chairman Wilfred Leon Guerrero officiated.

**Board of Trustees Present:**

Joe T. San Agustin, Chairman  
 Wilfred P. Leon Guerrero, Vice Chairman  
 Antolina S. Leon Guerrero, Secretary  
 Gerard A. Cruz, Treasurer  
 Katherine T.E. Taitano, Trustee  
 Albert H. Santos, Trustee

**Board of Trustees Absent:**

David M. O'Brien, Trustee (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Rosalia Bordallo, General Accounting Supervisor  
 Jackie Blas, Recording Secretary

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

**David M. O'Brien**  
 Trustee

**Albert H. Santos**  
 Trustee

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. June 24, 2016 Regular Meeting**

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the June 24, 2016 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

## **III. CORRESPONDENCE**

None

## **IV. INFORMATIONAL ITEMS**

None

*Chairman Joe T. San Agustin joins the meeting at this time.*

## **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 July 18, 2016 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**
- **Apollo Education Group, Inc.**

**3. Request for Proposals (RFPs):**

- a. RFP No. 001-16: Investment Consultant Services for the Defined Benefit (DB) Plan**

Director Paula Blas stated that the RFP for the Investment Consultant Services for the DB Plan closed on May 13, 2016. The Selection Panel's recommendation is submitted for Board approval. Based on evaluations of the Selection Panel and the rating of the qualified and eligible offerors, the Selection Panel recommends Wilshire Associates to provide Investment Consulting Services. Director Blas stated that upon approval, she will complete the necessary administrative requirements to complete the RFP process.

**Trustee Katherine Taitano, seconded by Trustee Albert Santos, moved to approve the Selection Panel's recommendation to select Wilshire Associates in response to RFP No. 001-16: Investment Consultant Services related to the Defined Benefit Plan. Without objection, the motion passed.**

- b. RFP No. 003-16: Investment Management Services Specifically for Master Limited Partnerships (MLP)**

Director Blas stated that the RFP for Investment Management Services, specifically for MLP closed on June 13, 2016. Wilshire completed the analysis and the Selection Panel will begin their evaluations. The Selection Panel consists of Joe T. San Agustin, Gerard Cruz, and Rosalia Bordallo.

### **Financial Report**

**1. Contributions** - Director Blas stated that as of July 26, 2016, all agencies are current with their Fiscal Year 2016 employee and employer contributions with the exception of the Guam Memorial Hospital Authority (GMHA). Director Blas stated that GMHA is still in arrears in the amount of \$1.8 Million. GMHA is expecting to receive \$30 Million in approved funding by mid August. Secretary Antolina Leon Guerrero inquired about the status of the Department of Administration (DOA). Director Blas stated that DOA is current.

**2. Financial Statements** - Director Blas stated that the books for the month ended June 30, 2016 were closed on July 28, 2016.

**3. Fiscal Year 2016 Retirees' Supplemental Benefits** - Director Blas stated that supplemental benefits for retirees and survivors for the month of July 2016 were paid.

**4. Fiscal Year 2016 Medicare Reimbursements** - Director Blas stated that the Retirement Fund received the July 2016 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 Retirement Fund is still operating within its existing drawdown authority. Chairman San Agustin inquired about the rate of return. Rosalia Bordallo, General Accounting Supervisor, stated that based on returns to date, the Fund can earn 6.5% by the end of the year.

## **VIII. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Vice Chairman Leon Guerrero reported that the Investment Committee Meeting was held on July 28, 2016. The Committee reviewed and approved the Investment Committee Meeting Minutes of June 17, 2016 and the Minutes of the February 24, and 25, 2016 Due Diligence Meeting for the Quarter Ended December 31, 2015. Vice Chairman Leon Guerrero stated that as of July 25, 2016, the Retirement Fund's portfolio is \$1.624 Billion.

**Next Quarterly Performance Meeting** - Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for August 24, and 25, 2016.

**B. Members and Benefits Committee**

Trustee Katherine Taitano presented the Committee's July 2016 report to the Board of Trustees.

**Trustee Katherine Taitano, seconded by Treasurer Gerard Cruz, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 15, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of July 27, 2016. Without objection, the motion passed.**

Vice Chairman Leon Guerrero stated that he is concerned about complaints from the Port Authority of Guam (Port) employees regarding issues with their personnel records. In certain cases, the Port is unable to find record of an employee's income and contributions towards retirement. Vice Chairman Leon Guerrero stated that there was a letter sent to Retirement Fund. Director Blas stated that she responded to that letter. Chairman San Agustin indicated that he will speak to Joanne Brown, General Manager of the Port regarding this matter.

**IX. OLD BUSINESS**

None

**X. NEW BUSINESS**

None

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

None

**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 Katherine Taitano, and without objection, the meeting was adjourned at 2:35 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 29, 2016 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on August 26, 2016.**



**ANTOLINA S. LEON GUERRERO, Board Secretary**

**RECORDING SECRETARY:**

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**Jackie Blas**