



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, January 26, 2018, 12:00 Noon  
 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

**David M. O'Brien**  
 Trustee

**Albert H. Santos**  
 Trustee

**DEFINED BENEFIT**

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

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefit Plan was called to order at 1:16 p.m. Friday, January 26, 2018, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

**Board of Trustees Present:**

Joe T. San Agustin, Chairman  
 Antolina S. Leon Guerrero, Secretary  
 Gerard A. Cruz, Treasurer  
 David M. O'Brien, Trustee  
 Albert H. Santos, Trustee

**Board of Trustees Absent:**

Wilfred P. Leon Guerrero, Vice Chairman (*Excused*)  
 Katherine T.E. Taitano, Trustee (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Diana Bernardo, Controller  
 Jackie Blas, Recording Secretary  
 Alice Tajeron, Director, Client Relations & Plan Counseling, Empower Retirement

**Public Present:**

Rogelio Orio

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

### **A. December 27, 2017 Regular Meeting**

Trustee David O'Brien, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the December 27, 2017 Regular Meeting, subject to technical corrections. Without objection, the motion 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 January 19, 2018 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.

- **Apollo Education Group**
- **MF Global**

Director Paula Blas stated that a motion for Distribution Order on the MF Global case will be filed in early 2018. The Court's issuance of the Distribution Order is estimated to be in mid to late 2018. The settlement funds will be distributed in approximately four (4) to six (6) weeks thereafter.

Trustee David O'Brien pointed out that the Apollo Education Group case does not look too promising since the Court has dismissed two complaints filed by the Lead Plaintiff.

### **Financial Report**

**1. *Contributions*** - Director Blas stated that as of January 24, 2018, all agencies are current with their Fiscal Year 2018 employee and employer contributions. Director Blas stated that the Guam Memorial Hospital Authority (GMHA) paid all outstanding amounts due and is now up to date with its contributions.

**2. *Financial Statements*** - Director Blas stated that the books for the month ended November 30, 2017 is scheduled to close today.

**3. *Fiscal Year 2018 Retirees' Supplemental Benefits*** - Director Blas stated that supplemental benefits for retirees and survivors for the month of January 2018 will be paid by the end of the month.

**4. *Fiscal Year 2018 Medicare Reimbursements*** - Director Blas stated that the Retirement Fund received the January 2018 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 Gerard Cruz stated that the Retirement Fund is operating within its current drawdown authority of up to \$5.5 Million monthly which continues through March 2018.

## **VIII. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Cruz reported that the Investment Committee Meeting was held on January 25, 2018. The Committee reviewed and approved the Investment Committee Meeting Minutes of December 15, 2017. Treasurer Cruz stated that as of January 22, 2018; the size of the Retirement Fund's portfolio is \$1,827,279,723. Treasurer Cruz pointed out that the \$1.827 does not reflect the transfer of assets from the DC Plan to DB1.75.

*Next Quarterly Performance Meeting* – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is scheduled for February 21 and 22, 2018.

### **B. Members and Benefits Committee**

Secretary Antolina Leon Guerrero presented the Committee's January 2018 report to the Board of Trustees.

**Secretary Antolina Leon Guerrero, seconded by Trustee David O'Brien, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 11, based on the Committee's review and findings during their meeting of January 17, 2018. Without objection, the motion passed.**

### **DISABILITY CASE NO. 17-006**

Secretary Leon Guerrero stated that the applicant is a 61-year old Senior Probation Officer with the Judiciary of Guam with 26 years of service. The date of application for disability is September 15, 2017. The reason for application is Cervical Spondylosis, Neck Pain with Limited Movement, Upper and Lower Back Pain, Headache and Constant Dizziness. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Patrick Santos on December 16, 2017, and Dr. E. Fred Schroeder on January 5, 2018. Dr. Santos gave a rating of 38% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work in his current position. Dr. Schroeder gave a rating of 40% whole-person impairment and indicated that the impairment is permanent but it does not preclude the applicant from gainful work. Secretary Leon Guerrero stated that both IMEs indicated that the applicant will not be able to pass the Law Enforcement Annual Physical Fitness Qualification Test. The applicant was also examined by Dr. Pablo Guzman, the applicant's primary physician, on July 29, 2017. Dr. Guzman gave a rating of

100% whole-person impairment and indicated that the impairment precludes the applicant from gainful work.

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 recognized the applicant and asked the applicant to please state his name for the record.

The applicant stated that his name is Rogelio Orio. Mr. Orio stated that he is a Senior Probation Officer with the Judiciary of Guam and has been employed since 1991. Mr. Orio stated that he had an accident in 2009 where he fell off a ladder landing hard on his back and buttocks. Mr. Orio stated that he underwent surgery of his neck and hip in 2017. Mr. Orio stated that he needs another neck and hip surgery. Mr. Orio stated that he will not be able to pass the Law Enforcement Annual Physical Fitness Qualification Test. Chairman San Agustin asked whether the applicant was examined by the two IMEs. Mr. Orio stated that he was examined by the two IMEs, his primary physician and specialists. Chairman San Agustin stated that the two IMEs' ratings were below the 75% threshold for disability. Chairman San Agustin stated that the applicant has the option for service retirement or to be assigned to other duties at the Judiciary of Guam. Mr. Orio stated that he is concerned that if he is assigned to other sections within Judiciary that his title and pay will be downgraded. Mr. Orio asked whether he will be able to retire under the Law Enforcement category. Director Blas stated that she will review the updates on the Peace Officer Standards Code. Director Blas stated that she will meet with staff to go over the numbers and calculations for Mr. Orio. Mr. Orio thanked the Board for giving him the opportunity to address the Board.

**Secretary Antolina Leon Guerrero, seconded by Trustee David O'Brien, moved to disapprove the application for disability for Disability Case No. 17-006, based on the findings of the two (2) Independent Medical Examiners (IMEs). Votes as follows: Yes Votes – Secretary Antolina Leon Guerrero, Trustee David O'Brien, Treasurer Gerard Cruz, Trustee Albert Santos, and Chairman Joe San Agustin. With five (5) “Yes” votes, the motion passed. Vice Chairman Wilfred Leon Guerrero and Trustee Katherine Taitano were absent.**

**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 Benefit Plan, Trustee David O'Brien moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:45 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of January 26, 2018 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on February 23, 2018.



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

**RECORDING SECRETARY:**



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**Jackie Blas**