



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, April 28, 2017, 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 1:05 p.m. Friday, April 28, 2017, 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
 David M. O'Brien, Trustee

Board of Trustees Absent:

Antolina S. Leon Guerrero, Secretary (*Excused*)
 Albert H. Santos, Trustee (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Jackie Blas, Recording Secretary

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. March 24, 2017 Regular Meeting

Trustee David O'Brien, seconded by Treasurer Gerard Cruz, moved to approve the Minutes of the March 24, 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 April 20, 2017 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**

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

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

No report was made at this time.

Financial Report

1. ***Contributions*** - Director Paula Blas stated that as of April 25, 2017, all agencies are current with their Fiscal Year 2017 employee and employer contributions.

2. ***Financial Statements*** - Director Blas stated that the books for the month ended March 31, 2017 were closed on April 25, 2017.

3. ***Fiscal Year 2017 Retirees' Supplemental Benefits*** - Director Blas stated that supplemental benefits for retirees and survivors for the month of March 2017 were paid.

4. ***Fiscal Year 2017 Medicare Reimbursements*** - Director Blas stated that the Retirement Fund received the March 2017 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 reported that the current drawdown authorization is good up through September 30, 2017. Trustee David O'Brien mentioned that he sent out an article on Emergency Funds. Treasurer Cruz stated that we do have a provision in the law that allows for it, but our problem is that the Retirement Fund are net borrowers. Director Blas stated that it is called Emergency Reserve Fund. Chairman San Agustin stated that it is funded by investment performance. Chairman San Agustin stated that the law mandates that excess return, beyond the actuarial rate, be placed in a reserve account. Trustee O'Brien stated that the purpose of the Reserve Fund is for when we are in a hole. Treasurer Cruz asked when we can use the Reserve Fund. Director Blas stated there is a Reserve Account set up for each participant for their employer share for when they retire. Director Blas stated that she will have Legal Counsel look to see if it is mandated. Trustee O'Brien stated that it would be nice to know what we have to comply with, and also to know what other under funded Funds do in terms of an Emergency Reserve Fund.

VIII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on April 27, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of March 17, 2017. Vice Chairman Leon Guerrero stated that as of April 24, 2017, the size of the Retirement Fund's portfolio is \$1,686,949,160.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for May 24 and 25, 2017.

B. Members and Benefits Committee

Trustee O'Brien presented the Committee's April 2017 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 1 through 15, based on the Committee's review and findings during their meeting of April 20, 2017. Without objection, the motion passed.

IX. TRAVEL REPORT

**A. Trustee David O'Brien: IFEBP Investments Institute - March 13-15, 2017
Phoenix, Arizona**

Chairman San Agustin stated that Trustee O'Brien submitted his travel report, for the Board's information, on the conference he attended.

X. OLD BUSINESS

None

XI. NEW BUSINESS

None

XII. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XIII. ANNOUNCEMENTS

None

XIV. ADJOURNMENT


There being no further business before the Board for the Defined Benefit Plan, Treasurer Gerard Cruz moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:25 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 28, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on May 26, 2017.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas