



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 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 1:22 p.m. Friday, July 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
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer

Board of Trustees Absent:

David M. O'Brien, Trustee (*Excused*)
 Albert H. Santos, Trustee (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

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

Public Present:

Rose Tribaudini, Retiree
 Aleta San Nicolas, Retiree
 Raymond Laguana, Retiree

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. June 30, 2017 Regular Meeting

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the June 30, 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 July 19, 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

Director Paula Blas stated that the Retirement Fund is still waiting for the proceeds on the MF Global settlement.

3. *Request for Proposals (RFPs):*

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

The Selection Panel consists of Joe San Agustin, Chairman; Gerard Cruz, Treasurer; and Rosalia Bordallo, General Accounting Supervisor.

Financial Report

1. *Contributions* - Director Blas stated that as of July 26, 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 June 30, 2017 were closed on July 19, 2017.

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

4. ***Fiscal Year 2017 Medicare Reimbursements*** - Director Blas stated that the Retirement Fund received the July 2017 allotment from the General Fund and reimbursements were processed accordingly. The appropriation exhausted this month. A supplemental appropriation legislation will be entertained in August so the August reimbursements may be late.

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 still operating within its current drawdown authority of up to \$4.5 Million monthly which carries through September 2017.

VIII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on July 27, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of June 16, 2017. Vice Chairman Leon Guerrero stated that as of July 24, 2017, the size of the Retirement Fund's portfolio is \$1,719,284,954. Vice Chairman Leon Guerrero stated that the market will continue to grow.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for August 23 and 24, 2017.

B. Members and Benefits Committee

Secretary Antolina Leon Guerrero presented the Committee's July 2017 report to the Board of Trustees.

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 1 through 12 (excluding the three (3) disability cases on Page 11), and including the attached relevant documents, based on the Committee's review and findings during their meeting of July 24, 2017. Without objection, the motion passed.

DISABILITY CASE NO. 17-003

Secretary Leon Guerrero stated that the applicant is a 56 year old Transportation Supervisor with the Port Authority of Guam and 25+ years of service. The date of application for disability is May 2, 2017. The reason for application is Cholangiocarcinoma/Gall Bladder Cancer. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Patrick Santos on May 7, 2017, and by Dr. Vincent Duenas on June 19, 2017. Dr. Santos gave a rating of 95% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Duenas gave a rating of 80% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work. The applicant was also examined by Dr. Chen Hwang

on April 18, 2017. Dr. Hwang gave a rating of 100% whole-person impairment and indicated that the impairment precludes the applicant from gainful work. Secretary Leon Guerrero stated that the report indicates that applicant's condition is likely to deteriorate.

Secretary Leon Guerrero pointed out that the applicant had previously applied for disability on December 18, 2014 and the reason for application was also for Cholangiocarcinoma / Pancreotiediec Cancer. At that time the applicant was examined by Dr. E. Fred Schroeder on January 6, 2015 and gave a rating of 59%. Dr. Santos examined the applicant on December 29, 2014 and gave a rating of 14%.

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.

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve a full disability pension for Disability Case No. 17-003, based on the findings of the two (2) Independent Medical Examiners (IMEs) and review of records. Votes as follows: Yes Votes – Secretary Antolina Leon Guerrero, Treasurer Gerard Cruz, Vice Chairman Wilfred Leon Guerrero, and Chairman Joe San Agustin. With four (4) “Yes” votes, the motion passed. Trustees David O'Brien, Albert Santos and Katherine Taitano were absent.

DISABILITY CASE NO. 17-004

Secretary Leon Guerrero stated that the applicant is a 55 year old Driver Operator for the Airfield with the Guam Airport Authority and 21+ years of service. The date of application for disability is June 5, 2017. The reason for application is Multi-Level Lumbar Stenosis, Cervical Stenosis, Obstructive Sleep Apnea, Hypertension, and Depression. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Vincent Duenas on June 23, 2017, and by Dr. Patrick Santos on July 1, 2017. Dr. Duenas gave a rating of 78% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Santos gave a rating of 74% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work. The applicant was also examined by Dr. Faraz Ouhadi on May 25, 2017. Dr. Ouhadi gave a rating of 78% whole-person impairment and indicated that the impairment precludes the applicant from gainful work. Secretary Leon Guerrero stated that Dr. Duenas noted that the applicant's symptoms are permanent and progressive, and Dr. Santos indicated that the chronic pain and the medications the applicant is taking limits the applicant's ability to function.

Secretary Leon Guerrero pointed out that the applicant had previously applied for disability on October 11, 2016 and the reason for application was also for Multi-Level Lumbar Stenosis, Multi-Level Cervical Stenosis, Osteoarthritis, Degenerative Arthritis on both Shoulders, Hypertension, Impaired Visual Acuity and OSA. At that time the applicant was examined by Dr. Duenas on October 27, 2016 and gave a rating of 26%. Dr. Santos examined the applicant on November 6, 2016 and gave a rating of 64%.

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.

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve a full disability pension for Disability Case No. 17-004, based on the findings of the two (2) Independent Medical Examiners (IMEs) and review of records. Votes as follows: Yes Votes – Secretary Antolina Leon Guerrero, Treasurer Gerard Cruz, Vice Chairman Wilfred Leon Guerrero, and Chairman Joe San Agustin. With four (4) “Yes” votes, the motion passed. Trustees David O'Brien, Albert Santos and Katherine Taitano were absent.

DISABILITY CASE NO. 17-005

Secretary Leon Guerrero stated that the applicant is a 55 year old Program Coordinator III with the Department of Public Health and Social Services and 26+ years of service. The date of application for disability is June 23, 2017. The reason for application is Stage IV Colon Cancer - Lungs, Liver, Diabetes, High Blood Pressure, High Cholesterol, Anemia, Vomiting, Nausea, Weak Standing, Fatigue, and Neuropathy. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Patrick Santos on June 11, 2017, and by Dr. Vincent Duenas on June 21, 2017. Dr. Santos gave a rating of 94% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Duenas gave a rating of 78% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Santos noted that the applicant needs help with daily living. Dr. Duenas indicated that the applicant's condition will worsen over 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.

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve a full disability pension for Disability Case No. 17-005, based on the findings of the two (2) Independent Medical Examiners (IMEs) and review of records. Votes as follows: Yes Votes – Secretary Antolina Leon Guerrero, Treasurer Gerard Cruz, Vice Chairman Wilfred Leon Guerrero, and Chairman Joe San Agustin. With four (4) “Yes” votes, the motion passed. Trustees David O'Brien, Albert Santos and Katherine Taitano were absent.

IX. OLD BUSINESS

None

X. NEW BUSINESS

A. Retiree Advocate Report – Fiscal Year 2018 Health Insurance Negotiations

Chairman San Agustin stated that the Retiree Advocate's report for Fiscal Year 2018 Health Insurance Negotiations is provided for the Board's information.

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

Raymond Laguana stated that he's a retiree and pointed out that whenever the retirees' payday falls on a Saturday or Sunday, the retirees get their checks on Friday. And, if the payday falls on a Monday, the retirees get it the same day. Chairman San Agustin stated that the retirees' payday is on the 15th and the end of the month. Director Blas stated that the end of this month is July 31 and the checks are dated July 31, 2017.

Aleta San Nicolas thanked the Board for the opportunity to be in attendance at today's Board meeting. Chairman San Agustin stated that the meeting is open to the public.

XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

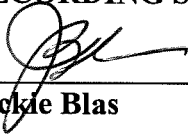
There being no further business before the Board for the Defined Benefit Plan, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 2:05 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 28, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on August 25, 2017.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas