



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, October 20, 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 1:04 p.m. Friday, October 20, 2017, in the Retirement Fund Conference Room. Acting Chairman Wilfred P. 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

Board of Trustees Absent:

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

Staff Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. September 29, 2017 Regular Meeting

Controller Diana Bernardo asked for a clarification on the comparison of the budget as indicated in the September 29, 2017 Board Meeting Minutes. Treasurer Gerard Cruz stated that Trustee David O'Brien had requested for a year-over-year comparison of the 2016 actual. Controller Bernardo asked whether it's year over year actual. Treasurer Cruz stated that it's for the Fiscal Years 2016 and 2017 actual and the Fiscal Year 2018 Budget; and then going forward on a quarterly basis.

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the Minutes of the September 29, 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 October 12, 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)**

Director Paula Blas asked for a clarification on whether to maintain the same Selection Panel. Treasurer Cruz pointed out that Chairman Joe T. San Agustin may not be comfortable with the asset class. Treasurer Cruz stated that he will communicate with Chairman San Agustin. Director Blas stated that she will verify with the other panel members whether they would like to continue to sit on the panel.

Financial Report

- 1. *Contributions*** - Director Blas stated that as of October 17, 2017, all agencies are current with their Fiscal Year 2018 employee and employer contributions.

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

3. **Fiscal Year 2018 Retirees' Supplemental Benefits** - Director Blas stated that supplemental benefits for retirees and survivors for the month of October 2017 will be paid by the end of the month.

4. **Fiscal Year 2018 Medicare Reimbursements** - Director Blas stated that the Retirement Fund received the supplemental appropriation to cover the months of July, August and September 2017 reimbursements. The October 2017 allotment was also received and reimbursements were processed accordingly.

5. **Fiscal Year 2018 Annual COLA** - Director Blas stated that the Annual COLA will be released no later than November 1, 2017.

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 operating within its current drawdown authority of up to \$5.5 Million monthly through December 2017.

VIII. STANDING COMMITTEE REPORTS

A. Investment Committee

Acting Chairman Leon Guerrero reported that the Investment Committee Meeting was held on October 19, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of September 22, 2017 and the May 24 and 25, 2017 Due Diligence Meeting Minutes for the Quarter Ended March 31, 2017. Acting Chairman Leon Guerrero stated that as of October 13, 2017, the size of the Retirement Fund's portfolio is \$1,757,797,666.

Next Quarterly Performance Meeting – Acting Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for November 15 and 16, 2017.

B. Members and Benefits Committee

Trustee Katherine Taitano presented the Committee's October 2017 report to the Board of Trustees.

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 13, based on the Committee's review and findings during their meeting of October 18, 2017.

Without objection, the motion passed.

IX. TRAVEL REPORT

- A. Trustee David O'Brien: "Public Pension Trustee Fiduciary Conference: Towards a Proactive Fiduciary Duty" - October 3-4, 2017, New York City, New York**

Acting Chairman Leon Guerrero stated that Trustee O'Brien submitted his travel report, for the Board's information, on the conference he attended. Trustee O'Brien also provided a copy of an article entitled *"Do the Fiduciary Duties of Pension Funds Hinder Socially Responsible Investment?"*

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, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:22 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of October 20, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on November 17, 2017.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas