

BOARD OF TRUSTEES
Regular Meeting
Wednesday, January 14, 2004, 12:00 p.m.
Retirement Fund Conference Room

MINUTES

DEFINED BENEFITS

I. CALL TO ORDER

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 12:12 p.m. Wednesday, January 14, 2004, in the Retirement Fund Conference Room. Chairman Francisco B. Salas officiated.

Board of Trustees Present:

Francisco B. Salas, Chairman
Gerard A. Cruz, Vice Chairman
Katherine T.E. Taitano, Trustee
Stephen J. Guerrero, Trustee

Board of Trustees Absent:

Rolenda L. Faasumalie, Trustee

Staff Present:

Wilfred G. Aflague, Director
Paula M. Bamba, Administrative Services Officer
Pete Tajalle, Controller
Ken Dunstan, Acting Benefits Program Administrator
Jackie Blas, Board Secretary

Public Present:

Mark Heath, Metropolitan West Capital Management
Ken Wetmore, KUAM

II. REVIEW AND APPROVAL OF MINUTES

A. December 10, 2003 Regular Meeting

Vice Chairman Gerard Cruz pointed out a typographical error on Page 3 of 6, Item V A, 2nd Paragraph: "Mr. Aflague stated that he has not been **preview** to any discussions ..." This should read: "Mr. Aflague stated that he has not been **privy** to any discussions..."

On motion of Ms. Katherine Taitano, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the Minutes of December 10, 2003 Regular Meeting were approved, subject to corrections as noted by Vice Chairman Cruz. Motion carried.

III. PENSION BENEFITS

A. Members and Benefits Policy Reference Disability Definition

Ms. Katherine Taitano stated that during the Members and Benefits Committee meeting, there was a discussion on further addressing the contact we have with the physicians when they advise their patients when they are first being referred for medical disability. This is something that we might like to direct the staff to pursue. Perhaps we could get something from Legal Counsel on the appropriate verbiage of how best to approach advising the physicians that we work with on what the proper procedures are.

Chairman Salas stated that we should refine the definition and provide guidance to the physicians that are giving us assessment on the disability percentages. Some physicians are not familiar with the AMA guidelines. We need to have staff and management come back with proposed definitions, working together with Legal Counsel, to provide definitions of disability, some guidelines and procedures for references of the approved AMA guidelines to physicians to know what is required for disability retirement.

Mr. Stephen Guerrero inquired if there is a procedure already in place. Ms. Paula Bamba, replied yes, but there are some physicians that are inconsistent and they don't follow or use the guidelines. Mr. Guerrero asked if all requests for disability go to Dr. Steele. Mr. Aflague replied yes. Chairman Salas stated that right now we are looking for a recommendation from the staff to come up with some proposed guidelines that can be officially adopted by the Members and Benefits Committee and the Board of Trustees so that if we do communicate with physicians they can adhere to these guidelines. Vice Chairman Cruz asked if there are standard forms available. Ms. Bamba replied yes. Ms. Taitano stated that we should inform the physicians about what is required for disability retirement and inform their patients.

On motion of Ms. Katherine Taitano, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to have staff and management prepare proposed definitions and procedures for references to the approved AMA guidelines that can be officially adopted by the Members and Benefits Committee and the Board of Trustees. Motion carried.

IV. EXECUTIVE SUMMARY

Chairman Salas stated that there is an Executive Summary provided in the Board packet from the Director. Mr. Aflague stated that a copy of the November 2003 Financial Statement was also provided to the Board of Trustees. The Fiscal Year 2002 Financial Audit is on schedule to be completed by the end of January 2004.

V. OLD BUSINESS

Chairman Salas stated that the election is moving forward as planned. The election will be held on Saturday, February 14, 2004 from 8:00 a.m. to 5:00 p.m. at the UOG Fieldhouse.

Vice Chairman Cruz asked if the Retirement Fund is precluded from putting out notification or reminder of the election to all members that there will be an election of February 14, 2004. Mr. Aflague stated that, by law, all notices and publications will be handled by the Guam Election Commission.

Mr. Stephen Guerrero asked if there is anything that would preclude the Retirement Fund from doing any type of announcement and letting the membership at large be aware of the election. Ms. Bamba stated that she does not think there is anything that precludes us from doing that because we are not directing it towards just one individual that's running for the race, but that there is an election that's taking place. Ms. Bamba stated that we could forward something to the Guam Election Commission and have them do it. Chairman Salas inquired if an interested party wanted to place an advertisement or campaign, would they be able to do so. Mr. Aflague stated that we could check with the Guam Election Commission for guidelines. Ms. Bamba stated that they could post their posters in government agencies because it's not subject to the Mini Hatch Act. Vice Chairman Cruz inquired about voting absentee. Mr. Aflague stated that you may vote absentee at the Guam Election Commission. Vice Chairman Cruz asked when will the results of the election be known. Mr. Aflague stated that as per preliminary discussions with Mr. Gerald Taitano, he stated that results will be available the next day. The process will be the same as a regular election.

Chairman Salas inquired about when the new Board of Trustees take effect. Ms. Bamba stated that as soon as the four elected Board of Trustees are sworn in which, is about five days after they have been certified by the Guam Election Commission. Ms. Bamba stated that we are also working with the Governor's Office to have them do their appointments simultaneously. Chairman Salas asked if the Board of Trustees would still be able to conduct meetings if there is a delay in the Governor's appointment of the three Trustees. Ms. Bamba stated that there should still be a quorum with the four even if there's a delay in the Governor's appointment.

VI. NEW BUSINESS

None

VII. OPEN DISCUSSION

Mr. Aflague reported to the Board of Trustees that he met with Dr. Jerome Landstrom. Mr. Aflague stated that Dr. Landstrom is of the opinion that the Government of Guam should never entertain carpal tunnel syndrome as a disability. Mr. Aflague stated that he mentioned to Dr. Landstrom that he may be invited to address the Board on his views as a medical professional.

Mr. Aflague also reported to the Board of Trustees that he received a call from Lou Perez, Director of the Department of Administration, informing him that DOA is anticipating to cut the supplemental check for the month of January 2004 for the General Fund funded retirees. Chairman Salas asked if this is a reimbursement. Mr. Aflague replied yes. The check may be ready today. Chairman Salas inquired about the balance DOA owes the Fund from the retro. Mr. Aflague stated that it's in the amount of \$259,000.00. Mr. Tajalle stated that DOA owed about \$4 Million from prior obligations that were previously paid out. They still owe \$2.5 Million. Chairman Salas stated that we expected \$700,000.00. Mr. Tajalle replied yes. Mr. Aflague stated that we are presently making supplemental annuity payments to retirees from GPA, GTA, Guam Airport Authority, Retirement Fund and Guam Housing Corporation. Mr. Aflague stated that the two autonomous agencies who are not making supplemental annuity payments to their retirees are Port Authority and Guam Waterworks Authority. Mr. Aflague stated that he will get the information to the media to inform the retirees.

Vice Chairman Cruz inquired about individuals electing to retire. Are we still seeing a pretty steady flow of individuals trying to retire from DOA or other agencies? Mr. Dunstan stated that the number of retirees have somewhat slip-slided from the months of November and December.

We do expect an increase around September 30, 2004. The primary motive behind that is the annual leave accumulation. Vice Chairman Cruz asked if with the retirement of individuals following the passage of the budget law, has the General Fund seen a significant savings and has that savings be transmitted into more timely payments by DOA or any other agencies. Mr. Aflague stated that everybody is current in their employee/employer contributions for FY2004. The two agencies that remain past due with significant balances are DOE and GMH. Chairman Salas asked if there's any way we could anticipate or try and foresee the possible influx of individuals retiring in the summer. Mr. Dunstan stated that we may be able to extract some data, based on the appointment sheets. There are individuals who are only anticipating retirement. Chairman Salas stated that we could look at possibly the impact on a seize of contributions. Chairman Salas stated that the Board of Trustees would like to look at the stats.

Mr. Aflague stated that employee/employer contribution payments for FY2004 are current. The General Fund is also current in their employee/employer contribution payments. Mr. Aflague stated that he'll be sending out two letters one to the Department of Education and one to Guam Memorial Hospital Authority calling for a proposed meeting with the Board of Trustees to try to resolve the past fiscal year non-remittance of contributions and perhaps a letter to individual members and active employees of the Fund as well. Chairman Salas stated that he is looking forward to that but we haven't gotten a dialogue between the policy makers, our Board and their Board. Once a dialogue is in place, then we could pretty much try to resolve those issues.

VIII. ANNOUNCEMENTS

Chairman Salas congratulated Mr. Aflague on his certification on the CAPP Program. Mr. Aflague stated that the course was a two-day class and it was a take-home examination. Chairman Salas stated that this kind of action or behavior, and the results of it, is something we need to recognize. This should be a reflection on the entire Fund. Mr. Aflague stated that he is in contact with the same organization to see if training could be held in Guam for Retirement Fund staff and maybe ask other Government of Guam entities if they will be willing to share in whatever cost we can share.

IX. ADJOURNMENT

There being no further business before the Board, on motion of Ms. Katherine Taitano, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the meeting was adjourned at 12:44 p.m. Motion carried.

Respectfully submitted,

Jackie Blas
Board Secretary

D E F I N E D C O N T R I B U T I O N S

I. **CALL TO ORDER**

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 12:44 p.m. Wednesday, January 14, 2004, in the Retirement Fund Conference Room. Chairman Francisco B. Salas officiated.

Board of Trustees Present:

Francisco B. Salas, Chairman
Gerard A. Cruz, Vice Chairman
Katherine T.E. Taitano, Trustee
Stephen J. Guerrero, Trustee

Board of Trustees Absent:

Rolenda L. Faasumalie, Trustee

Staff Present:

Wilfred G. Aflague, Director
Paula M. Bamba, Administrative Services Officer
Pete Tajalle, Controller
Ken Dunstan, Acting Benefits Program Administrator
Jackie Blas, Board Secretary

Public Present:

Mark Heath, Metropolitan West Capital Management

II. **REVIEW AND APPROVAL OF MINUTES**

A. December 10, 2003 Regular Meeting

On motion of Vice Chairman Gerard Cruz, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the Minutes of December 10, 2003 Regular Meeting were approved, subject to corrections as noted by Vice Chairman Cruz. Motion carried.

III. **OLD BUSINESS**

A. Contribution Report – January 2004

Mr. Aflague informed the Board of Trustees that Mr. Vince Camacho is presently off-island. Mr. Aflague reported that all contributions are up to date.

IV. **NEW BUSINESS**

None

V. **OPEN DISCUSSION**

Mr. Aflague reported to the Board of Trustees that he had sent out letters to several agency heads of DC members informing them that their new employees must attend a mandatory retirement seminar/investment workshop. Chairman Salas asked when are these seminars scheduled. Ms. Bamba stated that the seminars are scheduled on the first Thursday and Friday of every month from 8:00 a.m. to 12:00 Noon. Chairman Salas asked if the employees are required to sign personal leave. Ms. Bamba stated that they are given administrative leave to attend the seminars.

VI. ANNOUNCEMENTS

None

VII. ADJOURNMENT

There being no further business before the Board, on motion of Vice Chairman Gerard Cruz, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the meeting was adjourned at 12:46 p.m. Motion carried.

Respectfully submitted,

Jackie Blas
Board Secretary