



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
 Chairman

Antolina S. Leon Guerrero
 Vice Chair

Katherine T.E. Taitano
 Secretary
 Chair, Members and Benefits Committee

Artemio R.A. Hernandez, Ph.D.
 Treasurer
 Chair, Investment Committee

Thomas H. San Agustin
 Trustee

David N. Sanford
 Trustee

George A. Santos
 Trustee

BOARD OF TRUSTEES
Regular Meeting

Friday, January 20, 2023, 12:30 P.M.
 Retirement Fund Conference Room

MINUTES

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 12:54 p.m. Friday, January 20, 2023, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
 Antolina S. Leon Guerrero, Vice Chair
 Artemio R.A. Hernandez, Treasurer
 Thomas H. San Agustin, Trustee
 David N. Sanford, Trustee

Board of Trustees Absent:

George A. Santos, Trustee (*Excused*)
 Katherine T.E. Taitano, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. December 16, 2022 Regular Meeting

Treasurer Artemio Hernandez, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the December 16, 2022 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. 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. Chairman Leon Guerrero inquired about closing this report. Director Paula Blas stated that it won't be completely closed unless all award disbursements are processed. Vice Chair Antolina Leon Guerrero inquired about the outstanding amount. Director Blas stated that there's a balance of roughly \$4 Million.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated January 2023 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**
- **EQT Corporation**

3. *Bill No. 346-36: An Act to Amend §8502 and §8503, of Article 5, Chapter 8, Title 4 of the Guam Code Annotated Relative to the Defined Benefit 1.75 Retirement System* – Director Blas stated that Bill 346-36 was signed into law as Public Law 36-130 and will be implemented effective January 1, 2024. Upon review of the law, the legislative amendments made to the original bill amended the definition of public safety and law enforcement personnel. These amendments make the definition ambiguous and will require an amendment to the law in order for the Retirement Fund to accurately apply that provision of the law. Director Blas stated that the Retirement Fund will submit to the Legislature suggested language to clarify the definition. The amendment is to include all law enforcement personnel. Director Blas stated that the way the bill was passed, it excludes the fire fighters from the Guam Airport Authority and it included all personnel from the Attorney General's Office. All other provisions of Public Law 36-130 may be applied. Director Blas stated that the opening of the DB 1.75 is not affected.

4. *Bill 2-37: An Act to Add a New Chapter 8B to Title 4 of the Guam Code Annotated Relative to Implementing the "Supplemental COLA Adjustment Act"* – Director Blas stated that Bill 2-37 and a draft position statement are attached for the Board's review. A public hearing has not been scheduled. The position statement is not final and is open for comments.

Financial Report

1. **Contributions** - Director Blas stated that as of January 18, 2023, all agencies are current with their Fiscal Year 2023 employee and employer contributions. Director Blas mentioned that Guam Memorial Hospital's payment is due on Monday, January 23, 2023.
2. **Financial Statements** - Director Blas stated that the books for the month ended December 31, 2022 are scheduled to close on January 31, 2023.
3. **Fiscal Year 2023 Retirees' Supplemental Benefits** - Director Blas stated that supplemental benefits for retirees and survivors for the month of January 2023 will be paid by the end of the month.
4. **Fiscal Year 2023 Medicare Reimbursements** - Director Blas stated that the Retirement Fund received the January 2023 allotment from the General Fund and reimbursements were processed accordingly.

V. LEGAL COUNSEL'S REPORT

No report was made at this time.

VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Artemio Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$7 Million monthly which continues through March 2023. A copy of the Cash Flow Statement is provided for the Board's review. Director Blas mentioned that the audit is currently ongoing.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that there was no Investment Committee Meeting this month. Treasurer Hernandez stated that as of January 13, 2023, the size of the Retirement Fund's portfolio was \$1,924,760,482.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for February 9, 2023. Annual review will be conducted with the Global Infrastructure Manager - KBI Global Investors.

B. Members and Benefits Committee

Vice Chair Leon Guerrero presented the Committee's January 2023 report to the Board of Trustees.

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 1 through 19, excluding Page 16 (Disability Case No. 22-002) which will be considered separately, based on the Committee's review and findings during their meeting of January 11, 2023. Without objection, the motion passed.

1. Disability Case No. 22-002

Vice Chair Leon Guerrero stated that the applicant is a 56 year old Respiratory Therapist with Guam Memorial Hospital Authority with 20+ years of service. The application was picked up on March 29, 2022. The date of application for disability is April 20, 2022. The updated medical evaluation was received on December 27, 2022. The reason for application is Colon Cancer, Splenic Flexure Carcinoma, Partial Pancreatic Tail Resection, and Splenectomy. The applicant was examined by two physicians in the mainland: Dr. Ki Young Chung on July 1, 2022 and Dr. Megan Witt on June 23, 2022. Dr. Chung gave a rating of 1% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Chung noted that the applicant will be reassessed in six months. Dr. Witt gave a rating of 38% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Witt also noted that the applicant will be reassessed in six months. The applicant's Primary Physician Dr. Margaret Sims gave a rating of 38% and indicated that the applicant is totally disabled. Vice Chair Leon Guerrero pointed out that Dr. Chung and Dr. Witt indicated in their report that the applicant will be reassessed in six months.

Vice Chair Leon Guerrero read out loud the definition of total and permanent disability: **“One which results from some impairment of body or mind which can be expected to result in death, or can be expected to last for a continuous period of not less than twelve (12) months. The impairment shall be one that substantially precludes a person from performing with reasonable regularity the substantial and material parts of any gainful work or occupation that he/she would be competent to perform if it were not for that impairment and if founded upon condition which render it reasonably certain that it will continue indefinitely.”**

Vice Chair Leon Guerrero stated that the two physicians estimated the impairment at significantly less than the 75% threshold and from reading their report, the numbers don't support the definition of total and permanent disability, but the treatment itself and the resulting conditions from that treatment and the cancer itself, is really affecting the applicant. The physicians did not look at the whole-person impairment. Director Blas stated that based on the AMA Guidelines that Dr. Chung used, he was only providing a percentage for pain and not necessarily for the actual disease itself or how it affects everything else. Director Blas stated that all the information provided in the reports received are taken into consideration. Vice Chair Leon Guerrero suggested that the two physicians be informed to reassess the applicant as indicated in their report. Vice Chair Leon Guerrero asked whether the process is to contact the applicant and not the physicians. Director Blas stated that the applicant will be contacted.

Treasurer Hernandez asked how often is a person on disability revisited. Director Blas stated that the person on disability goes through a reexamination twice in the first seven years.

Chairman Leon Guerrero stated that another physician is needed to assist the Retirement Fund. Treasurer Hernandez asked whether there's an open Request for Proposal (RFP) for a consultant. Director Blas replied, “No.” Director Blas stated that she could issue an RFP and then individuals could be encouraged to respond to the RFP.

At this time Chairman Leon Guerrero 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 Leon Guerrero indicated that no one came forward.

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to table Disability Case No. 22-002 pending the reassessment report from Dr. Ki Young Chung and Dr. Megan Witt. Without objection, the motion passed.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XI. ANNOUNCEMENTS

None

XII. ADJOURNMENT


There being no further business before the Board for the Defined Benefit Plan, on motion of Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 1:39 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of January 20, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on February 10, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas