



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY · SECURITY · REWARDS

**Lourdes A. Leon Guerrero**  
 Governor

**Joshua F. Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

**BOARD OF TRUSTEES**  
**Regular Meeting**  
 Friday, September 20, 2024, 12:30 P.M.  
 Retirement Fund Conference Room

**MINUTES**

**DEFINED BENEFIT**

*Trustees:*

**Antolina S. Leon Guerrero**  
 Chair

**George A. Santos**  
 Vice Chair

**Thomas H. San Agustin**  
 Secretary

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

**Katherine T.E. Taitano**  
 Trustee  
 Chair, Members and Benefits Committee

**David N. Sanford**  
 Trustee

**Vacant**  
 Trustee

**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 1:21 p.m. Friday, September 20, 2024 in the Retirement Fund Conference Room. Chair Antolina S. Leon Guerrero officiated.

**Board of Trustees Present:**

Antolina S. Leon Guerrero, Chair  
 George A. Santos, Vice Chair  
 Thomas H. San Agustin, Secretary  
 Artemio R.A. Hernandez, Treasurer  
 David N. Sanford, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Trustee

**Staff Present:**

Paula Blas, Director  
 Andrea Atalig, Recording Secretary

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. August 30, 2024 Regular Meeting

Secretary Thomas San Agustin, seconded by Vice Chair George Santos, moved to approve the Minutes of the August 30, 2024 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. The Retirement Fund published a list of deceased COLA Awardees on February 2, 2024, a second publication on August 2, 2024 in the Guam Daily Post, and on the GGRF website.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated September 13, 2024 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

### Financial Report

1. *Contributions* - Director Paula Blas stated that as of September 17, 2024, all agencies are current with their Fiscal Year 2024 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended July 2024 are scheduled to close on September 25, 2024 and books for month ended August 2024 is scheduled to close on October 11, 2024.

3. *Fiscal Year 2024 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of September 2024 will be paid by the end of the month.

4. *Fiscal Year 2024 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the September 2024 allotment from the General Fund and reimbursements were processed accordingly.

5. *Fiscal Year 2025 COLA* – Director Blas stated the FY2025 COLA is set at \$2,300 and is mandated to be paid no later than November 1, 2024.

Chair Leon Guerrero inquired on Milliman, Actuarial Consultant Fee increase. Director Blas stated the fee for FY-2024 will be \$55,000. The 2.5% used in the calculation for the last 20-year period comes

out to \$66,400 but it was negotiated down to \$55,000. For future valuations, the fee will be adjusted based on the CPI-U actual inflation rate and will be capped at no more than 2.5%.

## **V. LEGAL COUNSEL'S REPORT**

None

## **VI. TREASURER'S REPORT OF FINANCIAL STATUS**

### **A. Fiscal Year 2025 Proposed Budget**

Treasurer Hernandez stated that the FY2025 Proposed Budget is provided for the Board's review. The total budget request for FY2025 is \$8,145,353 (operating budget \$7,463,353 and asset budget \$682,000). There is a decrease of -4.2% from the FY2024 Budget (\$8,502,469). The description of the budget shows the increases and decreases in the operational budget and the asset acquisition budget. Director Blas stated the budget for building property improvements for FY-2024 will be carried over to FY-2025 for completion of existing improvements.

Treasurer Hernandez stated that there are no issues with Management's request in the proposed budget.

**Treasurer Artemio Hernandez, seconded by Trustee David Sanford, moved to approve the Fiscal Year 2025 Budget, as presented. Without objection, the motion passed.**

Treasurer Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$7 Million monthly which continues through September 2024. A copy of the Cash Flow Statement is provided for the Board's review.

## **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 September 13, 2024, the size of the Retirement Fund's portfolio was \$2,370,737,530.

Vice Chair Santos stated the legislature appropriated money over excess revenue that has not been realized and as a retirement board our job is the solvency of the Fund. Vice Chair Santos suggested to request funding from the excess revenue for the \$30 million or the balance that is owed to GGRF that was taken during the Carl Gutierrez Administration which is being paid through the contributions of active employees. If the balance is paid it may reduce the required contributions for future retirees, it would assist the future retirees and GGRF to received those funds now and put the money into the market. Chair Leon Guerrero stated the contributions are coming out of the employer and not the employee. Chair Leon Guerrero stated it is not in the Fund growing in the market. Treasurer Hernandez stated he understands the notion to receive the funds upfront to be able to get the unfunded paid down. Director Blas stated the amount owed was to be paid as a percentage of payroll but believes the amount has been paid. Director Blas will clarify when it was paid in full. Chair Leon Guerrero suggested a working session to address strategic planning.

**Informational Items**

1. *Asset Allocation Summaries*
2. *Income summary*
3. *Securities Lending*
4. *5 Year Plan*

**Next Quarterly Performance Review** - Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for November 25, 2024.

**B. Members and Benefits Committee**

Vice Chair Santos presented the Committee's September 2024 report to the Board of Trustees.

**Vice Chair George Santos, seconded by Treasurer Artemio Hernandez, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 10, based on the Committee's review and findings of the September 2024 report. Without objection, the motion passed.**

**VIII. OLD BUSINESS**

**IX. NEW BUSINESS**

**X. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

**XI. ANNOUNCEMENTS**

**XII. ADJOURNMENT**

**There being no further business before the Board for the Defined Benefit Plan, on motion of Vice Chair George Santos, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 1:57 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 20, 2024 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 25, 2024.**



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**THOMAS H. SAN AGUSTIN, Board Secretary**

**RECORDING SECRETARY:**



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**Andrea Atalig**