



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, December 18, 2020, 12:00 Noon  
 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 12:31 p.m. Friday, December 18, 2020, 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  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Secretary (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Jackie Blas, Recording Secretary

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. November 20, 2020 Regular Meeting

Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, moved to approve the Minutes of the November 20, 2020 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.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated December 11, 2020 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**

Director Paula Blas stated that on the Apollo case, the first distribution of the settlement proceeds was conducted in November 2020 and the second distribution will take place in July 2021. Director Blas stated that on the EQT case, the Judge ruled in favor of the Plaintiffs and the Court will set a hearing date.

### Financial Report

1. *Contributions* - Director Blas stated that as of December 15, 2020, all agencies are current with their Fiscal Year 2021 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended October 31, 2020 were closed on December 17, 2020.

3. *Fiscal Year 2021 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of December 2020 will be paid by the end of the month.

4. *Fiscal Year 2021 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the December 2020 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 current drawdown authorization of \$6 Million expires this month and would like to recommend to extend the current drawdown authority through March 2021.

**Treasurer Artemio Hernandez, seconded by Trustee George Santos, moved to approve the recommendation to extend the monthly drawdown authority of up to \$6 Million through March 2021. Without objection, the motion passed.**

Treasurer Hernandez stated that an update on the audit and valuation will be provided during next month's Board Meeting.

## VII. STANDING COMMITTEE REPORTS

### A. Investment Committee

Treasurer Hernandez reported that the Investment Committee Meeting was held on December 16, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of November 19, 2020 and the Minutes of the November 18 and 19, 2020 Due Diligence Meetings for the Quarter Ended September 30, 2020. Treasurer Hernandez stated that as of December 11, 2020, the market value was \$2,100,217,518. Treasurer Hernandez pointed out that the market value as of September 2019 was \$1,989,008,292.

Treasurer Hernandez stated that the manager search process will begin in the 1st Quarter of the Calendar Year for the Global Infrastructure and then the International Equity and U.S. Small Cap will begin in the 2nd Quarter. Vice Chair Antolina Leon Guerrero asked whether managers are being replaced. Treasurer Hernandez stated that the Global Infrastructure will be replacing the Master Limited Partnerships (MLPs) and the U.S. Small Cap and International Equity managers were terminated.

*Next Quarterly Performance Meeting* – Treasurer Hernandez stated that the next Quarterly Performance Meeting is scheduled for February 24 and 25, 2021.

### B. Members and Benefits Committee

Vice Chair Antolina Leon Guerrero presented the Committee's December 2020 report to the Board of Trustees.

**Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 14, based on the Committee's review and findings during their meeting of December 9, 2020. Without objection, the motion passed.**

## **DISABILITY CASE NO. 20-004**

Vice Chair Leon Guerrero stated that the applicant is a 54 year old Plant Instrument Technician II with the Guam Power Authority with approximately 15+ years of service. The date of application for disability is August 28, 2020. The reason for application is Interstitial Lung Disease. The applicant was examined by two Independent Medical Examiners (IMEs): Dr. Vincent Duenas on November 2, 2020 and Dr. E. Fred Schroeder on November 24, 2020. Dr. Duenas gave a rating of 65% whole-person impairment and indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Duenas noted that the applicant needs assistance with all Activities of Daily Living (ADL). Dr. Schroeder gave a rating of 76% or 83% whole-person impairment and also indicated that the impairment is permanent and precludes the applicant from gainful work. Dr. Schroeder noted a higher rating when co-morbidities of hypertension and chronic kidney disease are considered.

Chairman Leon Guerrero inquired about the disability threshold. Vice Chair Leon Guerrero stated that 75% is used as a threshold. Vice Chair Leon Guerrero stated that Dr. Duenas' report focused on the applicant's lung disease and did not consider the applicant's hypertension and chronic kidney disease, but he noted that the applicant needs assistance with ADL. Vice Chair Leon Guerrero stated that even with a 65% rating, she does not see how the applicant will be able to work. Director Blas stated that the 75% threshold gives the Board a benchmark, but you take the entire application, which includes the Department Head's statement and the Primary Physician's recommendation into consideration. Trustee George Santos stated that it's not only the percentage, but the total capacity of the applicant to be able to do the work. Vice Chair Leon Guerrero stated that you also need to look at the whole report and the IMEs' findings. Treasurer Hernandez asked whether the applicant was tested for COVID since the applicant was also diagnosed with hypoxemia. Vice Chair Leon Guerrero stated that there was no comment in any of the records with regards to COVID.

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 Trustee George Santos, moved to approve a full disability pension for Disability Case No. 20-004, based on the findings of the two (2) Independent Medical Examiners (IMEs), and the review of records. Votes as follows: Yes Votes - Trustee George Santos, Treasurer Artemio Hernandez, Vice Chair Antolina Leon Guerrero, Trustee David Sanford, Trustee Thomas San Agustin, and Chairman Wilfred Leon Guerrero. With six (6) "Yes" votes, the motion unanimously passed. Secretary Katherine Taitano was absent.**

### **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, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:59 p.m. Motion passed.

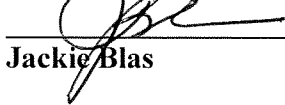
I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 18, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 29, 2021.



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KATHERINE T.E. TAITANO, Board Secretary

**RECORDING SECRETARY:**



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Jackie Blas