



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, January 19, 2024, 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 1:11 p.m. Friday, September 22, 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
 George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary

Staff Present:

Paula Blas, Director
 Andrea Atalig, Recording Secretary

Third Party Administrator Present:

Alice Tajeron, Director, Client Relations & Participant Engagement, Empower

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. December 15, 2023 Regular Meeting

Trustee George Santos, seconded by Trustee David Sanford, moved to approve the Minutes of the December 15, 2023 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 will publish a list of deceased COLA Awardees with their COLA award balances every six months for one year beginning in January 2024.

2. *Bernstein Litowitz Berger and Grossmann (BLBG)* - BLBG's Litigation Status Report dated January 12, 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 January 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 December 2023 are scheduled to close on January 31, 2024.

3. *Fiscal Year 2024 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of January 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 January 2024 allotment from the General Fund and reimbursements were processed accordingly.

V. LEGAL COUNSEL'S REPORT

None

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 31, 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. He further stated that as of January 16, 2024, the size of the Retirement Fund's portfolio was \$2,067,737,887.

Informational Items

1. *Asset Allocation Summaries -*
2. *Income summary*
3. *Securities Lending*
4. *5 Year Plan*
5. *Defined Contributions (DC) Plan to Defined Benefit 1.75 (DB1.75) Plan Transfers -*

Treasurer Hernandez stated that the election window for the DC Plan participants to transfer to the DB 1.75 Plan ended on December 29, 2023 and their membership was effective January 1, 2024.

According to management there were approximately 2,030 elections. Director Blas stated that starting January 1, 2024 any new employee of the Government of Guam will automatically be defaulted to the DC Plan and they will have the option to elect the DB 1.75 Plan within 30 days of hire.

Treasurer Hernandez stated the transfer of the DC Employee and Employer contributions for the participants to the DB 1.75 Plan commenced on January 5, 2024 and is expected to be completed by January 31, 2024. The allocation of the assets is provided in the attached November 2023 rebalancing worksheet as recommended by GGRF DB Investment Consultant, Maggie Rabovsky, Wilshire. Any funds in excess of \$80 million will be allocated to Core Bonds at a 60/40 split (IRM – 60% and Garcia Hamilton – 40%).

Director Blas stated that there are 1,530 participant elections to the DB1.75 with a total of approximately \$105.1 million that will be transferred from participant accounts. GGRF is in the process of transferring the funds for the remaining 500 participants who elected the last week of December 2023. The total funds to be transferred is expected to be approximately \$140 million.

6. *Next Quarterly Performance Review -* Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for February 15, 2024.

B. Members and Benefits Committee

Trustee George Santos presented the Committee's January 2024 report to the Board of Trustees.

Trustee George Santos, seconded by Trustee Thomas San Agustin, 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 of the January 2024 report. Without objection, the motion passed.

DISABILITY CASE

1. **Disability Case No. 21-006**

At this time Vice Chair Leon Guerrero asked if any applicants were present at this time. Director Blas stated no applicants were present during this time. Vice Chair Leon Guerrero stated the application was

picked up on April 20, 2021, the application was received on December 21, 2021, and was completed on November 15, 2023 when the second medical evaluation was received. The applicant is a 32-year-old, Accountant II with GDOE with 13 years of service. The reason for the application is end stage liver disease, stroke, and the applicant is bedridden. The applicant was examined by two Independent Medical Examiners (IME's): Dr. V. Duenas on August 28, 2023 and Dr. D. Lim on October 27, 2023. Dr. V. Duenas estimates the impairment of the whole person at 84%, indicates the impairment to be permanent and will preclude the applicant from work. Dr. D. Lim estimates the impairment of the whole person at 95%, indicates the impairment to be permanent and will preclude the applicant from work. Vice Chair Leon Guerrero states that based on the findings and recommendations of the two Independent Medical Examiners (IME's) she recommends the approval of Disability Application 21-006.

Treasurer Hernandez inquired on the benefits of disability retirement. Director Blas states that for this particular individual who is under the DB 1.75 Plan, disability benefits are 50% of their average annual salary with no penalties.

Vice Chair Antolina Leon Guerrero, second by Trustee George Santos, moved to approve a full disability pension for Disability Case No. 21-006, based on the findings of the two (2) Independent Medical Examiner (IMEs), and the review of records. Votes as follows: Yes Votes – Trustee Thomas San Agustin, Treasurer Artemio Hernandez, Chairman Wilfred Leon Guerrero, Vice Chair Antolina Leon Guerrero, Trustee George Santos, and Trustee David Sanford. With six (6) “Yes” votes, the motion unanimously passed.

2. Disability Case No. 22-006

Vice Chair Leon Guerrero stated the application was picked up on December 29, 2021, the application was received on August 8, 2022, and the application was completed on November 15, 2023 when the second medical examination report was received. The applicant is a 63-year-old Heavy Equipment Mechanic II for Guam Fire Department with 9+ years of service. The reason for the application is lower back pain, left shoulder pain, left knee pain, right hand pain, swelling, and hypertension. The applicant was examined by two Independent Medical Examiners (IME's): Dr. V. Duenas on September 1, 2023 and Dr. D. Lim on October 17, 2023. Dr. V. Duenas estimates the impairment of the whole person at 55%, indicates the impairment to be permanent and will preclude the applicant from work. Dr. D. Lim estimates the impairment of the whole person at 46%, indicates the impairment to be permanent and will preclude the applicant from work. Vice Chair Leon Guerrero points out the rating of total impairment is typically less than what is reported. Based on the physicians notes and their recommendations the findings of the impairment are permanent and will preclude the applicant from work.

Treasurer Hernandez inquired on how often disability benefits are reviewed. Director Blas stated it is twice during the first seven (7) years under disability retirement and may require additional medical examination at least once every five (5) years thereafter. The medical examination is not required after the member reaches regular retirement age or where years of actual service plus actual years on disability equals the number of years that would qualify the member to retire as a regular retiree, whichever is earlier.

Vice Chair Lina Leon Guerrero, second by Trustee George Santos, moved to approve a full disability pension for Disability Case No. 22-006, based on the findings of the two (2) Independent Medical Examiner (IMEs), and the review of records.

Vice Chair Leon Guerrero inquired on how a schedule is established for seven (7) years. Director Blas stated GGRF will schedule on the second or third year and then the fifth year. Vice Chair pointed out on page three (3) of four (4) of Dr. V. Duenas' report, "Patient Referral Related To This Visit" Dr. Walter Perez MD was cited as the patient referral. Vice Chair Leon Guerrero requested for clarification as to why Dr. Walter Perez MD was cited as the "Patient Referral Related To This Visit". Vice Chair Leon Guerrero asked that Disability Case No. 22-006 be tabled until there is further clarification.

Vice Chair Leon Guerrero, second by Trustee George Santos, moved to withdraw motion until further clarification on reference to "Patient Referral Related To This Visit: Perez, Walter MD" has been provided.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

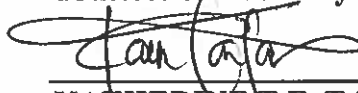
X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

XI. ANNOUNCEMENTS

XII. ADJOURNMENT

There being no further business before the Board for the Defined Benefit Plan, on motion of Trustee George Santos, seconded by Trustee David Sanford, and without objection, the meeting was adjourned at 1:36 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of January 19, 2024 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on February 16, 2024.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Andrea Atalig