



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 22, 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 12:45 p.m. Friday, September 22, 2023, in the Retirement Fund Conference Room. Vice Chair Antolina S. Leon Guerrero officiated.

Board of Trustees Present:

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:

Wilfred P. Leon Guerrero, Chairman (*Excused*)
 Katherine T.E. Taitano, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
 Andrea Atalig, Recording Secretary

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. August 25, 2023 Regular Meeting

Trustee Thomas San Agustin, seconded by Trustee George Santos, moved to approve the Minutes of the August 25, 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 September 8, 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

Financial Report

1. *Contributions* - Director Blas stated that as of September 19, 2023, all agencies are current with their Fiscal Year 2023 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended August 31, 2023 are scheduled to close on September 29, 2023.

3. *Fiscal Year 2023 Retirees' Supplemental Benefits* - Director Blas stated that supplemental benefits for retirees and survivors for the month of September 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 September 2023 allotment from the General Fund and reimbursements were processed accordingly.

Vice-Chair Leon Guerrero asked how the 2024 Group Health Insurance Open Enrollment is going. Director Blas stated letters were sent out to retirees September 11, 2023 to inform them of the process of open enrollment. Due to the automatic roll over of insurance coverage GGRF did not anticipate a large crowd, however, there were retirees coming in to cancel their insurance or to make changes to their current enrollment.

Director Blas noted a letter was received from Senator Telo Taitague on Bill No. 2-37 (COR) which was introduced earlier in the year. Bill 2-37 (COR) proposes to provide for a supplemental COLA

adjustment on a sliding scale schedule to retirees and survivors. A public hearing was held on April 20, 2023 and GGRF submitted testimony. Senator Taitague is inviting GGRF to participate in a round table discussion on October 2, 2023 to continue the discussions on Bill 2-37 (COR).

V. LEGAL COUNSEL'S REPORT

None

VI. TREASURER'S REPORT OF FINANCIAL STATUS

A. Fiscal Year 2024 Proposed Budget

Treasurer Hernandez stated the audit for the Retirement Fund was released on August 25, 2023. In the OPA highlights it mentioned the fiscal year ending rate of return was at a loss of -18% as of September 30, 2022. The audit states that for the 1st fiscal quarter ending December 2022 there was a positive rate of return of 7.55%, and at the end of the 2nd fiscal quarter ending March 31, 2023 in addition to 7.55% there was a 4.43% increase. Treasurer Hernandez points out that the Fund showed a slow recovery in the first three quarters of the fiscal year.

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 19, 2023, the size of the Retirement Fund's portfolio was \$1,936,258,979.

Action Items

Informational Items

- 1. Asset Allocation Summaries**
- 2. Income summary**
- 3. Securities Lending**
- 4. 5 Year Plan**
- 5. Next Quarterly Performance Review - Treasurer Hernandez stated that the next Quarterly Performance Review is scheduled for November 15 and 16, 2023.**

B. Members and Benefits Committee

Trustee Santos presented the Committee's September 2023 report to the Board of Trustees.

Trustee Geroge Santos, seconded by Treasurer Artemio Hernandez, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4-8, based on the Committee's review and findings of the September 2023 report. Without objection, the motion passed.

APPLICATION FOR DISABLED ADULT SURVIVOR BENEFITS

Director Blas stated that applicant, Jerry William Taylor is applying for disabled adult survivor benefits on his own behalf, Mr. Taylor is previously under his mother's Disabled Adult Survivor Benefits before the passing of his father. Mr. Taylor is the biological child of deceased retiree James John Taylor who passed away on February 13, 2023.

Trustee George Santos, second by Treasurer Artemio Hernandez, moved to accept the recommendation of Director Paula Blas to approve the Application for Disabled Survivor Benefits for Jerry William Taylor continued on Page 10, based on the Committee's review and findings of the September 2023 report. Without objection, the motion passed.

Vice Chair Leon Guerrero inquired on a retiree on page 5, a retiree with 35 years of service yet the percent of return is 63% which is unusually low for that many years of service. Director Blas states the individual is under DB 1.75 and 85% is equivalent to 49 years of creditable service. Effective January 1, 2024 it will be 40 years of creditable service is equivalent to 85%.

Trustee Sanford pointed out that on page 9 of Members and Benefits Committee Findings, under Section 8505 (DB 1.75) Disability Retirement Application, the length of service is not indicated. Director Blas indicated that for disability eligibility the employee must have a minimum of 5 years of creditable service, and will inform the Benefit Specialist to include the length of service in the report.

Trustee George Santos, seconded by Treasurer Artemio Hernandez, move to amend the motion to take the Disability Applications separately, pages 1 through 10 with the exclusion of the 2 Disability Applications. Without objection, the motion passed, as amended.

DISABILITY CASES

1. Disability Case No. 23-001

Vice Chair Leon Guerrero stated the application was picked up on December 5, 2023, the application was received on January 18, 2023, and was completed on August 24, 2023. 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 applicant is a 60-year-old, Customer Service Clerck with the Guam Housing Corporation with nine (9) years of service. The reason for the application is Ischemic Stroke. The applicant was examined by two Independent Medical Examiners (IME's): Dr. E. Schroeder on April 13, 2023 and Dr. V. Duenas on August 18, 2023. Dr. E. Schroeder finds the impairment to be estimated at 82% of the whole person, permanent in nature, and will preclude the applicant from work. In addition, the applicant's reason for the application noted is hypertension and diabetes. Dr. V. Duenas estimates the impairment of the whole person at 86%, indicates the impairment to be permanent in nature and will preclude the applicant from work. Additional conditions noted to include hypertension, diabetes resulting in blindness in the right eye.

Trustee Sanford questioned if Dr. V. Duenas was still examining for disability. Vice Chair Leon Guerrero stated he may have retired from his primary practice but he continues to hold his license. Director Blas stated he continues to review and evaluate GGRF disability cases.

Trustee George Santos, seconded by Treasurer Artemio Hernandez, moved to approve a full disability pension for Disability Case No. 23-001, based on the findings of the two (2) Independent Medical Examiners (IMEs), and the review of records. Votes as follows: Yes Votes – Trustee David Sanford, Treasurer Artemio Hernandez, Trustee George Santos, Trustee Thomas San Agustin, and Vice Chair Antolina Leon Guerrero. With five (5) “Yes” votes, the motion unanimously passed.

2. Disability Case No. 23-002

Vice Chair Leon Guerrero stated the application was picked up on February 1, 2023 and completed on August 24, 2023. The applicant is a 55-year-old teacher with Guam Department of Education with 26+ years of service. The reason for the application is Metastatic Breast Carcinoma Cancer and chronic cough. The applicant was examined by two Independent Medical Examiners (IME’s): Dr. E. Schroeder on April 27, 2023 and Dr. V. Duenas on August 22, 2023. Dr. E. Schroeder determines that the impairment is estimated at 85% of the whole person, the impairment is permanent in nature, and will preclude the applicant from working. Dr. E. Schroeder noted some additional conditions such as pulmonary metastases + effusion, anemia, hypertension, and diabetes. Dr. V. Duenas determines that the impairment is estimated at 72% of the whole person, permanent in nature and will preclude the applicant from work. Dr. V. Duenas noted additional conditions such as metastases to the lung, bone, pleural effusion, and respiratory distress.

At this time Treasurer Hernandez points out impairment estimate from two different medical professionals decreased from April to August. Vice Chair Leon Guerrero points out it is two different doctors and Dr. E. Schroeder included hypertension and Dr. V. Duenas did not.

Trustee George Santos, seconded by Trustee David Sanford, moved to approve a full disability pension for Disability Case No. 23-002, based on the findings of the two (2) Independent Medical Examiners (IMEs), and the review of records. Votes as follows: Yes Votes – Trustee David Sanford, Treasurer Artemio Hernandez, Trustee George Santos, Trustee Thomas San Agustin, and Vice Chair Antolina Leon Guerrero. With five (5) “Yes” votes, the motion unanimously 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 Trustee George Santos, seconded by Trustee Thomas San Agustin, and without objection, the meeting was adjourned at 1:10 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 22, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 20, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Andrea Atalig