



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, June 18, 2021, 12:00 Noon  
 Retirement Fund Conference Room

**MINUTES**

*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

**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 12:40 p.m. Friday, June 18, 2021, 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, Off-Island*)  
 Katherine T.E. Taitano, Secretary (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Diana Bernardo, Controller  
 Jackie Blas, Recording Secretary

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. May 21, 2021 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, moved to approve the Minutes of the May 21, 2021 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 June 11, 2021 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 second distribution of the settlement proceeds will take place in July 2021. Director Blas stated that on the EQT case, Treasurer Artemio Hernandez testified at a class representative deposition on June 3, 2021. Director Blas stated that she forwarded the email from Hannah Ross of BLBG to the Board regarding the deposition which looks favorable.

### Financial Report

1. *Contributions* - Director Blas stated that as of June 15, 2021, 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 May 31, 2021 are scheduled to close on June 30, 2021.

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

4. *Fiscal Year 2021 Medicare Reimbursements* - Director Blas stated that the Retirement Fund just received the June 2021 allotment from the General Fund, so the reimbursements were just processed. The funding is usually received by the 10th of the month.

## V. LEGAL COUNSEL'S REPORT

**Judge Anita Sukola** - Vice Chair Antolina Leon Guerrero inquired about the status of Judge Sukola's non-base pay with the University of Guam. Director Blas stated that the hearing is scheduled for sometime in August or September 2021.

**Bill 102-36 - Broadcasting of Public Meeting** - Treasurer Hernandez inquired about broadcasting of legal matters and executive sessions. Director Blas stated that executive sessions are authorized by law to be closed. Director Blas stated that the intend of the bill is to increase public access to information on government meetings, deliberations, and decision-making by requiring broadcasting of public meetings.

## VI. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Hernandez stated that the Retirement Fund is operating within its current drawdown authority of up to \$6 Million monthly which continues through September 2021.

Chairman Leon Guerrero inquired about the size of the retirees payroll. Director Blas stated that it is \$20 Million a month.

## VII. STANDING COMMITTEE REPORTS

### A. Investment Committee

Treasurer Hernandez reported that the Investment Committee Meeting was held on June 16, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 20, 2021, and tabled the Minutes of the May 19-20, 2021 Due Diligence Meetings. Treasurer Hernandez stated that as of June 11, 2021, the size of the Retirement Fund's portfolio is \$2,290,200,434.

**Global Infrastructure Request for Proposal (RFP)** - Treasurer Hernandez stated that the Selection Panel will be provided with an analysis related to the ten (10) offerors from Maggie Ralbovsky of Wilshire Associates. Director Blas stated that the Selection Panel will meet next week Wednesday at 11:00 a.m. Treasurer Hernandez stated that evaluations will be completed before the next Board Meeting.

**New Building Plan** - Treasurer Hernandez stated that Director Blas issued a Request for Quotation (RFQ) for a feasibility study of a new building. Responses for the RFQ should be available by next week.

**Asset Allocation** - Chairman Leon Guerrero inquired about the asset allocation. Director Blas stated that the reallocation will take place once the Global Infrastructure selection process is completed. Vice Chair Leon Guerrero stated that reallocation is pending the RFP process.

**Next Quarterly Performance Meeting** – Treasurer Hernandez stated that the next Quarterly Performance Meeting is tentatively scheduled for August 18 and 19, 2021. Treasurer Hernandez stated that Ms. Ralbovsky will be discussing the Investment Strategies. Director Blas stated that Ms. Ralbovsky will be providing information of where we are, where we want to be and examples of what other people have written in their statute.

**B. Members and Benefits Committee**

Vice Chair Leon Guerrero presented the Committee's June 2021 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 4 through 16, based on the Committee's review and findings during their meeting of June 10, 2021. Without objection, the motion passed.**

**DISABLED ADULT SURVIVOR BENEFITS - Page 17**

Vice Chair Leon Guerrero stated that Ethan Matthew T. Benavente is applying for Disabled Adult Survivor Benefits on his own behalf. Mr. Benavente is the biological child of deceased retiree Edward F. Benavente, who passed away on May 8, 2020. Mr. Benavente was accompanied by a relative who provided him with transportation to the Retirement Fund. He was able to complete and sign the Application for Death Benefit and/or Annuity Due form on his own with no assistance.

Vice Chair Leon Guerrero stated that in support of Mr. Benavente's application, he provided a copy of his birth certificate and two (2) Reports of Medical Examination of Minor Child forms. One of the forms indicated that the applicant is not disabled. Mr. Benavente has also provided a copy of Mr. Edward F. Benavente's death Certificate.

Vice Chair Leon Guerrero stated that the findings received did not meet the statutory requirements. The applicant was examined by two (2) physicians and one physician examined the applicant on October 22, 2020 and indicated that the applicant is incapable of self-support and the other physician examined the applicant on May 7, 2021 and indicated that the applicant is not disabled. Vice Chair Leon Guerrero stated that the applicant had one year from the death of his father to apply. The time to apply expired on May 8, 2021.

Director Blas stated that the applicant was 11 years old at the time his father retired. The retiree informed the Retirement Fund that he has a disabled child and the retiree was informed that he had to apply and obtain two physicians' certification that the child is disabled prior to the child's 18th birthday. Director Blas stated that the late Senator Ben Pangelinan amended the law so that an adult over 18 years old could apply, with two physicians' certification. Chairman Leon Guerrero asked how long has he been disabled. Vice Chair Leon Guerrero stated that the applicant was never certified as being disabled before his father passed away.

Trustee Thomas San Agustin stated that maybe the scheduling of an appointment in a timely manner during the time frame of the COVID situation was the applicant's setback. Vice Chair Leon Guerrero asked whether the Public Health Emergency extends to certain things. Director Blas stated that we could consider to use the Public Health Emergency as a way to have the applicant obtain a third physician's examination and give him a time frame to submit the report. Treasurer Hernandez asked whether the applicant could be referred to the Retirement Fund's Independent Medical Examiners (IMEs) - Dr. Vincent Duenas or Dr. Fred Schroeder. Director Blas stated that we could refer the applicant to the Retirement Fund's IMEs.

Trustee David Sanford pointed out that the medical examination form reads **REPORT OF MEDICAL EXAMINATION OF MINOR CHILD**, but the applicant is an adult. Director Blas stated that she will work on changing the form's title.

**Trustee Thomas San Agustin, seconded by Vice Chair Antolina Leon Guerrero, moved, that in light of the Governor's declaration of a Public Health Emergency, to approve to refer Ethan Matthew T. Benavente to one of the Retirement Fund's Independent Medical Examiners - Dr. Vincent Duenas or Dr. Fred Schroeder and obtain a third medical examination and that he be given a dateline to submit the medical report. Without objection, the motion passed.**

*Feasibility of Opening the DB 1.75 Plan* - Vice Chair Leon Guerrero stated that the M&B Committee was assigned to proceed with looking at the feasibility of opening up the DB 1.75 Plan as an alternative to prospective employees. Vice Chair Leon Guerrero stated that the Committee asked Director Blas to obtain a quote from Rich Wright of Milliman, Inc. to do an actuarial study and consider what that might cost. Vice Chair Leon Guerrero stated that reopening the plan will be for the new hires as of January 31, 2018 or an option to those employees who were not eligible. Treasurer Hernandez stated that it should be for new hires or employees of the government who were not under the DC Plan. Director Blas stated that employees can't get into the DB 1.75 Plan if they are not a member of the DC Plan. Chairman Leon Guerrero asked whether a recommendation will be submitted to the Legislature. Director Blas stated that the Retirement Fund is gathering data at this time to build a case. Vice Chair Leon Guerrero stated that reopening the DB 1.75 Plan is going to be good for the trust.

#### **VIII. OLD BUSINESS**

None

#### **IX. NEW BUSINESS**

None

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

None

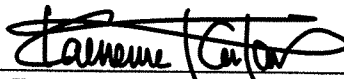
**XI. ANNOUNCEMENTS**

*Board Meetings* - Director Blas stated that the Board will maintain the 3rd Friday schedule for its monthly meetings.

**XII. ADJOURNMENT**

There being no further business before the Board for the Defined Benefit Plan, on motion of Trustee Thomas San Agustin, seconded by Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:15 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 18, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 16, 2021.



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KATHERINE T.L. TAITANO, Board Secretary

**RECORDING SECRETARY:**



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Jackie Blas