



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.
 Chair, Investment Committee

Thomas H. San Agustin
 Trustee

George A. Santos
 Trustee

David N. Sanford
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, September 25, 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 12:30 p.m. Friday, September 25, 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
 Diana Bernardo, Controller
 Jackie Blas, Recording Secretary

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. August 28, 2020 Regular Meeting

Treasurer Artemio Hernandez, seconded by Trustee George Santos, moved to approve the Minutes of the August 28, 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 September 17, 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 Court approved BLBG's Unopposed Distribution Motion. BLBG is now coordinating the First Distribution with the Claims Administrator and the firm plans on conducting the First Distribution in October 2020.

Director Blas stated that on the EQT case, the Defendants' Motion to Dismiss is pending and the Court has not set a hearing date.

Financial Report

1. *Contributions* - Director Blas stated that as of September 23, 2020, all agencies are current with their Fiscal Year 2020 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended August 31, 2020 are scheduled to close today.

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

4. *Fiscal Year 2020 Medicare Reimbursements* - Director Blas stated that the Retirement Fund received the September 2020 allotment from the General Fund and reimbursements were processed accordingly.

5. *Fiscal Year 2021 Group Health Insurance Open Enrollment* - Director Blas stated that the Government of Guam Health Insurance open enrollment ends today.

6. **Fiscal Year 2021 Annual COLA** - Director Blas stated that the Retirement Fund will begin processing the annual COLA.

V. LEGAL COUNSEL'S REPORT

No report was made at this time.

VI. TREASURER'S REPORT OF FINANCIAL STATUS

A. Fiscal Year 2021 Proposed Budget

Treasurer Artemio Hernandez stated that the FY2021 Proposed Budget is provided for the Board's review. Treasurer Hernandez stated that there is a reduction in the proposed budget of (207,452) -2.7% from the FY2020 Budget. The reductions were in the following under the Administrative Expense Budget: Travel & Transportation (30,000) -42.9%; Contractual Services (90,000) -5.4%; Supplies & Materials (10,000) -11.1%; Other - Director & Officers Insurance Premium (24,200) -2.1%. The proposed budget includes \$60,000 for COVID related expenses. Treasurer Hernandez stated that there is a reduction under the Asset Acquisition Budget of (100,000) 16.7% for the AS400 Equipment.

Chairman Leon Guerrero inquired about the following statement: "During FY2021, Management will continue to review the overall line of succession and seek to fill vacant positions to ensure continuity." Controller Diana Bernardo stated that the Retirement Fund has vacancies and there are certain positions that needs to be filled. There were six (6) Accountants hired two (2) years ago. Chairman Leon Guerrero asked whether employees are pursuing degrees. Controller Bernardo stated that the Accountants hired have degrees. Chairman Leon Guerrero inquired about the Retirement Fund's Staff Development Program. Controller Bernardo stated that several Clerks were hired on a limited term basis, and through on-the-job training, they qualified for the Benefit Specialist I position. The Benefit Specialist II and III positions were announced in 2019, but there were applicants that did not qualify. Controller Bernardo stated that two (2) Benefit Specialist I were promoted to Benefit Specialist II and the Clerks were then promoted to the Benefit Specialist I position. Controller Bernardo mentioned that the Pension Payroll Section had three (3) staff on board that have retired or moved on and over the last six (6) years the Retirement Fund hired five (5) Payroll Technicians.

Chairman Leon Guerrero inquired about the objective of employees furthering their education. Director Blas stated that they are encouraged to pursue higher education. Some employees started attending classes then stopped for some reason. Controller Bernardo stated that, due to personal reasons, two (2) employees have backed off on the Doc Pedro Sanchez Scholarship Program. Chairman Leon Guerrero stated that the Retirement Fund should keep up with it's Staff Development Program.

Trustee George Santos, seconded by Treasurer Artemio Hernandez, moved to approve the Fiscal Year 2021 Budget, as submitted. Votes as follows: Yes Votes - Trustee George Santos, Treasurer Artemio Hernandez, Vice Chair Antolina Leon Guerrero, Trustee Thomas San Agustin, Trustee David Sanford, and Chairman Wilfred Leon Guerrero. With six (6) "Yes" votes, the motion passed. Secretary Katherine Taitano was absent.

Treasurer Hernandez stated that Management is requesting to increase its current drawdown authority of \$5.5 Million monthly to \$6 Million through December 31, 2020.

Treasurer Hernandez inquired about the increase in the Administrative Expense in August of \$650,144. Director Blas stated that it's payment of the insurance premium for FY2020. Controller Bernardo stated that the Retirement Fund had an eighteen (18) month contract which expired in March 2020 and was extended to September 2020.

Treasurer Artemio Hernandez, seconded by Trustee George Santos, moved to approve to increase the current drawdown authority of \$5.5 Million monthly to \$6 Million through December 31, 2020. Without objection, the motion passed.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Investment Committee Meeting was held on September 23, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of August 27, 2020. Treasurer Hernandez stated that as of September 17, 2020, the size of the Retirement Fund's portfolio is \$2,001,702,092.

Treasurer Hernandez stated that Wilshire's monthly Asset Allocation and Performance Report for the period ended August 31, 2020 is provided for the Board's information. Treasurer Hernandez stated that the Fiscal Year to Date performance net of fees return is 6.2%.

Next Quarterly Performance Meeting – Treasurer Hernandez stated that the next Quarterly Performance Meeting is scheduled for November 18 and 19, 2020. Annual reviews will be conducted for Global REITs and Risk Parity Managers.

B. Members and Benefits Committee

Vice Chair Antolina Leon Guerrero presented the Committee's September 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 16, based on the Committee's review and findings during their meeting of September 16, 2020. Without objection, the motion passed.

Chairman Leon Guerrero inquired about the status of the Retiree Advocate's recommendation that was referred to the Members and Benefits (M&B) Committee for review. Trustee George Santos stated that it will be discussed at the next M&B Committee meeting.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

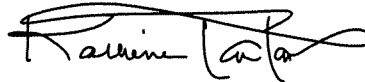
XI. ANNOUNCEMENTS

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 1:02 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 25, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 30, 2020.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas