



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, June 24, 2011, 12:00 p.m.
 Retirement Fund Conference Room

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

Antolina S. Leon Guerrero
 Secretary

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

Wilfred G. Aflague
 Trustee

MINUTES

DEFINED CONTRIBUTIONS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 12:25 p.m. Friday, June 24, 2011, in the Retirement Fund Conference Room. Acting Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Acting Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 Wilfred G. Aflague, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Joe T. San Agustin, Chairman
(Excused)
 Katherine T.E. Taitano, Trustee
(Excused)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary
 Alice Taijeron & Alan Fejeran, Great-West Retirement Services

Public Present:

Ricky Hernandez, Senator Ben Pangelinan's Office of Finance and Budget

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 27, 2011 Regular Meeting

On motion of Secretary Antolina Leon Guerrero, seconded by Trustee George Santos, and without objection, the Minutes of May 27, 2011 Regular Meeting were approved, subject to technical corrections. Motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives* – Director Paula Blas stated that the Members and Benefits (M&B) Committee received the requested information from Milliman Consulting, Inc. (Milliman). Director Blas stated that the details of the plan will be presented during the July 15, 2011 Committee meeting, and then it will be presented to the Board at their July 29, 2011 meeting. Director Blas stated that the Committee would like to see legislation presented to the Legislature by early August 2011.

Financial Report

1. *Contributions* – Director Blas stated that as of June 21, 2011, Guam Memorial Hospital Authority (GMHA) has not remitted contributions for ten (10) pay periods totaling \$1,372,512.31. All other agencies are current with their Fiscal Year 2011 employee and employer contributions. Secretary Antolina Leon Guerrero asked whether the outstanding balance was covered by the “Bailout Agreement.” Director Blas stated that it was taken care off through a reduction in the contribution rate. Director Blas stated that, by law, everything must be paid off by September 30, 2011. The law also stipulated that GMHA shall supplement an additional \$300,000 to make themselves current with their contributions. Trustee Wilfred Aflague asked what happens if GMHA does not get caught up by September 30, 2011. Director Blas stated that the Writ of Mandate is still pending before Judge Vernon Perez. Acting Chairman Leon Guerrero inquired about an ongoing lawsuit. Director Blas stated that some employees of GMHA filed a class action lawsuit in the Superior Court. The lawsuit actually falls under the jurisdiction of the District Court.

2. *Financial Statements* – Director Blas stated that the books for the month ending May 2011 were closed on June 17, 2011.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – May 2011

Director Blas stated that Alice Taijeron of Great-West Retirement Services (Great-West) provided at this meeting, the TPA Report for the month ending May 31, 2011 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Taijeron reported that the graph on the 401(a) Plan and the 457 Deferred Compensation Plan Account Summary shows the increase within the month from January through May 2011. Acting Chairman Leon Guerrero asked why there was a decrease of 1% in May. Ms. Taijeron stated that it was due to the market and withdrawals. Treasurer Gerard Cruz asked which class of employees make up the withdrawals. Ms. Taijeron stated that it is the teachers taking out their contributions for the summer. Secretary Leon Guerrero inquired about "Transfers In and Transfers Out." Ms. Taijeron stated that it is account transfers and rollovers going into the 401(a) and 457 Plan. Trustee Aflague asked whether, with the implementation of the new DB Plan, teachers will still be allowed to return to the DC Plan. Director Blas stated that they would have to go into the new DB Plan. Trustee George Santos stated that making it optional is something the M&B Committee was looking at. Director Blas stated that the option was to be able to move from the DC Plan to the DB Plan. Secretary Leon Guerrero stated that all new members will automatically go into the new DB Plan.

Treasurer Cruz asked what the Retirement Fund was doing before the DB and DC Plan were in effect. Director Blas stated that members had the option of going into Social Security. Rosalia Bordallo, General Accounting Supervisor, stated that the Committee needs to consider both the individuals who already have a retirement plan in place and those who don't. Mrs. Bordallo stated that the Committee may want to consider giving the option to the members who already have a retirement plan in place. Treasurer Cruz asked how many retired DB teachers are employed. Ms. Taijeron stated that there are about 100 retired teachers. Ms. Taijeron pointed out that there is still a class of retired teachers that are actively employed.

VII. INVESTMENT COMMITTEE REPORT

Treasurer Cruz reported that the Investment Committee meeting was held on June 10, 2011. The Committee reviewed and approved the Investment Committee Minutes of May 27, 2011.

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 Contribution Plan, on motion of Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:45 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 24, 2011 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 29, 2011.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas