



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

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

BOARD OF TRUSTEES
Regular Meeting
 Friday, September 30, 2011, 12:00 p.m.
 Retirement Fund Conference Room

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 12:24 p.m. Friday, September 30, 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, Great-West Retirement Services

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. August 26, 2011 Regular Meeting

On motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of August 26, 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 met on September 28, 2011. The Committee, along with Treasurer Gerard Cruz, reviewed Milliman's report on the reamortization of the unfunded liability. Director Blas stated that staff was instructed to go back to Milliman for a cost impact analysis of the survivor benefits increase from 50% to 60%. Director Blas stated that no decision needs to be made at this time.

Financial Report

1. *Contributions* – Director Blas stated that as of September 27, 2011, all agencies are current with their Fiscal Year 2011 employee and employer contributions. Director Blas stated that Guam Memorial Hospital Authority (GMHA) is remitting current pay period employer and employee contributions. The outstanding contributions are being remitted in compliance with Public Law 31-74. Director Blas stated that the amount remitted each payday is approximately \$100,000.00. Today is the last day for GMHA to pay off the outstanding balance in the amount of \$700,600. Controller Diana Bernardo asked whether retirement will be suspended if the outstanding balance is not paid today. Director Blas stated that she will check on this. Acting Chairman Leon Guerrero asked what will happen if the outstanding balance is not paid today. Director Blas stated that the Retirement Fund will file a Writ. Trustee Wilfred Aflague asked whether GMHA employees will still be able to refund. Director Blas replied, "Yes, but not retire." Trustee George Santos stated that this will close the window for those eligible to retire under the DC Plan. Treasurer Cruz asked whether there are any repercussions. Director Blas replied, "Yes, to the participants." Treasurer Cruz asked whether there is anything the Board needs to do if the outstanding balance is not paid by today. Director Blas stated that Legal Counsel will be attending today's Board meeting and this matter will be discussed.

2. *Financial Statements* – Director Blas stated that the books for the month ending August 2011 will be closed next week Monday, October 3, 2011.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – August 2011

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

Ms. Tajeron reported on assets and contributions:

401(a) Plan

Plan Assets (Period Ending July 31, 2011)	\$252,406,188.59
Plan Assets (Period Ending August 31, 2011)	242,105,000.05
Change in Assets	(10,301,188.54)
Percentage Change	-4.08%
Contributions (Period Ending July 31, 2011)	\$2,114,026.19
Contributions (Period Ending August 31, 2011)	2,209,000.53
Change in Contributions	94,974.34
Percentage Change	4.49%

457 Deferred Compensation Plan

Plan Assets (Period Ending July 31, 2011)	\$21,607,449.87
Plan Assets (Period Ending August 31, 2011)	20,896,500.34
Change in Assets	(710,949.53)
Percentage Change	-3.29%
Contributions (Period Ending July 31, 2011)	\$251,737.06
Contributions (Period Ending August 31, 2011)	374,501.44
Change in Contributions	122,764.38
Percentage Change	48.77%

Acting Chairman Leon Guerrero inquired about the change in contributions. Ms. Tajeron stated that it is due to the rehiring of Department of Education (DOE) employees. Ms. Tajeron stated that participants are canceling their contributions to the 457 Plan due to financial reasons and also with the holidays coming up.

Ms. Tajeron provided the following Participant Summary Report:

401(a) Plan

Active Participants with a Balance	10,314
Active Participants Contributing	6,894
Percent of Active Participants Contributing	67%
Full Withdrawals	105
Financial Hardships	08
First Contributions	74
Total Participants on Disability	57
August 31, 2011	03
July 31, 2011	01
June 30, 2011	01
May 31, 2011	02
April 30, 2011	01
March 31, 2011	01
February 28, 2011	01
January 31, 2011	03

Total Retiree Count	365
August 31, 2011	03
July 31, 2011	03
June 30, 2011	01
May 31, 2011	06
April 30, 2011	01
March 31, 2011	05
February 28, 2011	04
January 31, 2011	03

457 Deferred Compensation Plan

Active Participants with a Balance	1,344
Active Participants Contributing	994
Percent of Active Participants Contributing	74%
Full Withdrawals	07
Outstanding Loans	274
New Loans Processed	18
First Contributions	18

Ms. Taijeron reported that the total disbursement on the 401(a) Plan was \$793,043.81 and the participant count was 141. Secretary Leon Guerrero inquired about the 141 participant count. Ms. Taijeron stated that it does not necessarily match the full withdrawals.

Trustee Aflague inquired about the status of Secure Foundation. Ms. Taijeron stated that educational seminars are being conducted and participants are showing interest. Ms. Taijeron stated that Great-West can't market Secure Foundation. Trustee Santos asked whether the Board could market this since Great-West can't. Director Blas replied, "No."

VII. INVESTMENT COMMITTEE REPORT

No report was made at this time.

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 Trustee Wilfred Aflague, and without objection, the meeting was adjourned at 12:46 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 30, 2011 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 28, 2011.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas