



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, December 2, 2011, 12:00 p.m.
 Retirement Fund Conference Room

MINUTES

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

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 1:38 p.m. Friday, December 2, 2011, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Wilfred P. Leon Guerrero, Vice Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 George A. Santos, Trustee

Board of Trustees Absent:

Wilfred G. Aflague, Trustee (*Excused*)
 Katherine T.E. Taitano, Trustee
 (*Excused*)

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary
 Alice Tajeron, 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. October 28, 2011 Regular Meeting

On motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of October 28, 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 Legal Counsel is recommending that this be done in two phases, the first of which will be to close one plan first and then open up the Hybrid Plan. The other phase would be a plan to authorize the transfers with the regulations being decided on through a Plan Document by the Board. Legal Counsel will have something for the Board to review before the next Board meeting. Chairman San Agustin stated that the transfer should be in place. Director Blas stated that the transfer procedure will be stated in a Plan Document. Chairman San Agustin stated that he is a bit confused on having a law itself and then allow a Plan Document that can do more than what the basic law states. Director Blas stated that the Plan Document spells out what the benefits are and how distributions are taken without going through the Legislature. Chairman San Agustin stated that you can't include the transfer of the DB Plan and DC Plan in the Plan Document. Treasurer Gerard Cruz stated that there is going to be two plans – the DC Plan and the Hybrid Plan. Director Blas stated that the procedures will be included in the Plan Document which Legal Counsel will develop. Chairman San Agustin stated that he is trying to avoid any future conflicts. Chairman San Agustin suggested acting on this right away to get it passed by the Legislature.

Financial Report

1. **Contributions** – Director Blas stated that as of November 29, 2011, all agencies are current with their Fiscal Year 2012 employee and employer contributions. Director Blas reported that Guam Memorial Hospital Authority (GMHA) is now current.

2. **Financial Statements** – Director Blas stated that the books for the month ending September 2011 are scheduled to be closed on December 2, 2011. The books for Fiscal Year 2011 should be closed within a week or two.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – October 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 October 31, 2011 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Taijeron reported that the 401(a) Plan had total assets of \$248,534,824.49 as of October 31, 2011. There was an asset change of \$20,146,813.16 or a percentage change of 8.82% from September 30, 2011. The 457(b) Plan had total assets of \$21,552,158.11 as of October 31, 2011. The asset change was \$1,721,864.26 or a percentage change of 8.68% from September 30, 2011.

Ms. Taijeron reported that the 401(a) Plan had total contributions of \$3,205,377.77 as of October 31, 2011. There was a contribution change of \$584,208.33 or a percentage change of 22.29% from September 30, 2011. The 457(b) Plan had total contributions of \$421,375.76 as of October 31, 2011. There was a contribution change of \$163,236.62 or a percentage change of 63.24% from September 30, 2011.

Treasurer Cruz inquired about the participants on disability. Ms. Taijeron stated that there were no disability applicants in October 2011. Treasurer Cruz asked how many disability applications are still pending. Ms. Taijeron stated that there are about three applications pending. Chairman San Agustin asked how many are on disability. Ms. Taijeron replied, "There are 57 disability retirees." Secretary Antolina Leon Guerrero asked what the time frame is for processing disability applications. Ms. Taijeron stated that the length of time varies, depending of submission of the required documents from the doctors and employers. This process usually takes about a month. Director Blas stated that there are times when additional health reports are required. Chairman San Agustin asked whether Standard Insurance denies applicants. Ms. Taijeron stated that at least 100 applicants have been denied disability.

Vice Chairman Wilfred Leon Guerrero inquired about the total retiree count of 366. Ms. Taijeron stated that, as of October 31, 2011, there are 27 retirees in 2011. Chairman San Agustin inquired about the 7,549 active participants contributing and the 10,498 active participants with a balance. Director Blas stated that the 7,549 are active employees currently contributing and the 10,498 includes participants who are no longer working with no new contribution coming in. Trustee George Santos asked whether retirees who withdrew their money are eligible for the \$1,100.00 COLA. Ms. Taijeron replied, "Yes, if they are five years vested, they are entitled to COLA, Health Insurance and Life Insurance."

Ms. Taijeron stated that they are still conducting meetings with the various Human Resources offices. Meetings were held with Judiciary, Guam Memorial Hospital Authority, and Guam International Airport Authority. All other agencies that were scheduled had cancelled. The Department of Education is scheduled for December 27, 2011.

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 Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 2:00 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 2, 2011 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 27, 2012.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas