



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**  
 Thursday, April 26, 2012, 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 12:35 p.m. Thursday, April 26, 2012, 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  
 Wilfred G. Aflague, Trustee  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Trustee (*Excused*)

**Staff Present:**

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

**Public Present:**

Kimberly Muna & Andriana Quitugua, UOG Students

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. March 30, 2012 Regular Meeting**

**On motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of March 30, 2012 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 proposed DB/DC Hybrid legislation was reviewed and approved by the Board on March 30, 2012. Director Blas stated that Milliman's Cost of Proposed Plan Changes dated March 28, 2012, and the proposed Hybrid legislation were finalized and submitted to Senator Ben Pangelinan's Office on April 20, 2012. Director Blas stated that Senator Pangelinan is currently off-island and is expected back by next week. Director Blas stated that she has requested that the Retirement Fund be given at least a two-week lead time of the public hearing date. Secretary Antolina Leon Guerrero inquired as to why legislation is being transmitted to Senator Pangelinan. Director Blas stated that Senator Pangelinan has oversight of the Retirement Fund. Treasurer Gerard Cruz asked whether the proposed legislation on the Plan only. Director Blas replied, "Yes." Once it gets approved, then we will move forward with the rules and regulations. Chairman SanAgustin stated that this is a cost-cutting measure. Trustee George Santos stated that it is a factor in the Governor's cost reduction plan.

### **Financial Report**

**1. *Contributions*** – Director Blas stated that as of April 24, 2012, all agencies are current with their Fiscal Year 2012 employee and employer contributions.

**2. *Financial Statements*** – Director Blas stated that the books for the month ending March 2012 were closed on April 24, 2012.

## **VI. THIRD PARTY ADMINISTRATOR'S REPORT**

### **A. Contribution Report – March 2012**

Director Blas stated that Alice Taijeron of Great-West Retirement Services (Great-West) provided at this meeting, the TPA Report for the month ending March 31, 2012 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan. Ms. Taijeron stated that she reformatted the TPA report to include the "Participant Count" as requested by Chairman San Agustin. Ms. Taijeron reported that the 401(a) Plan had total assets of \$276,292,663.75 as of March 31, 2012. Chairman San Agustin asked whether there is any substantive change in Mercer Investment Consulting, Inc.'s (Mercer's) recent report compared to Ms. Taijeron's report. Chairman San Agustin suggested having a copy of Mercer's report provided to Ms. Taijeron and also to the Investment Committee. Ms. Taijeron stated that she will review Mercer's report.

Ms. Taijeron stated that her report includes a chart that shows the participant percentage and the asset allocation. Ms. Taijeron stated that 70% of the asset allocation is in the Fund of Funds. Vice Chairman Wilfred Leon Guerrero inquired about participation in the Fund of Funds and the Secure Foundation. Ms. Taijeron stated that the 70% of participants in Fund of Funds are by default. Ms. Taijeron stated that the participants do not have to choose other options. Vice Chairman Leon Guerrero just wondered why participants are in both funds.

Ms. Taijeron pointed out that the number of "Financial Hardships" on Page 7 should read 6. The number of hardship requests continues to decrease.

Chairman San Agustin inquired about the disability compensation. Director Blas stated that it is 66%. Chairman San Agustin inquired about the premium. Rosalia Bordallo, General Accounting Supervisor, stated that it is \$19.02, funded by the employers. Director Blas stated that there is no funding from the Retirement Fund. Trustee Wilfred Aflague inquired about the number of participants on disability. Director Blas stated that there are 65 participants on disability.

Vice Chairman Leon Guerrero inquired about yield. Ms. Taijeron stated that it is contributions. Ms. Taijeron stated that Page 3 of the report shows the market increase. Ms. Taijeron stated that Page 1 of 4 shows the investment performance of each fund. Vice Chairman Leon Guerrero stated that he would like to compare this with the DB Plan.

## **VII. INVESTMENT COMMITTEE REPORT**

Vice Chairman Leon Guerrero indicated that there is no report at this time as the Investment Committee meeting scheduled for April was moved to May 11, 2012.

## **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 Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:10 p.m. Motion unanimously passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 26, 2012 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 1, 2012.**



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**ANTOLINA S. LEON GUERRERO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**