



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 28, 2013, 12:30 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

**(Vacant)**  
 Members' & Benefits Committee,  
 Chairman

**Katherine T.E. Taitano**  
 Trustee

**James R.F. Duenas**  
 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 12:53 p.m. Friday, June 28, 2013, 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  
 Katherine T.E. Taitano, Trustee  
 James R.F. Duenas, Trustee

**Board of Trustees Absent:**

George A. Santos, 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:**

Ricky Hernandez, Senator Ben Pangelinan's Office  
 Dr. Randy Workman, Chairman, Society of Emeritus Professor and Retired Scholars

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. March 29, 2013 Regular Meeting, April 1, 2013 Reconvened Meeting, April 26, 2013 and May 31, 2013 Regular Meetings

On motion of Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, and without objection, the Minutes of March 29, 2013 Regular Meeting, April 1, 2013 Reconvened Meeting, April 26, 2013 and May 31, 2013 Regular Meetings 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 there is no specific date or month on when Bill 453-31 will be reintroduced in the 32nd Guam Legislature. Director Blas stated that Senator Ben Pangelinan's office is still working on the different types of modules to present to the Board before they introduce it into bill form. Senator Pangelinan's office is trying to figure out how to design the benefits portion of the plan. Director Blas stated that she will present the Board with Senator Pangelinan's proposal once she receives it.
2. **457 Deferred Compensation Plan** - Director Blas stated that the Government of Guam's Deferred Compensation Plan is a voluntary plan. Each member's participant in the plan shall be completely voluntary. Any changes to the participation in the plan will require statutory and plan document changes. Chairman San Agustin asked what the total percentage of participation is. Alice Taijeron of Great-West Retirement Services (Great-West) replied, "7%." Chairman San Agustin stated that he would like to see a breakdown of participants in the 457 Plan between the DC Plan and DB Plan. Ms. Taijeron stated that their goal is to increase participation in the 457 Plan. The participants are encouraged to participate in the 457 Plan. Chairman San Agustin asked whether there are flyers available. Ms. Taijeron stated that flyers are available and information on figures and rates are provided during the new employee orientation. Chairman San Agustin asked what the impact would be if it becomes mandatory. Ms. Taijeron stated that the new employees may have no problem, but the existing employees may not want to participate. Secretary Antolina Leon Guerrero stated that it may be better having it mandatory going forward for the new employees and on a small scale for the existing members so it won't be a huge impact on them. Director Blas stated that we could have an automatic enrollment with the option to opt out. Ms. Taijeron stated that, from their experience, they hear so many issues from the participants like they can't afford it etc. Trustee Katherine Taitano stated that it is clear that we have been trying to go in another direction with the Hybrid Plan. Chairman San Agustin stated that this matter will be brought up in the Hybrid Plan. Director Blas stated that the way the Hybrid Plan is designed is that participation in the 457 Plan is mandatory.

## **Financial Report**

1. **Contributions** - Director Blas stated that as of June 26, 2013, all agencies are current with their Fiscal Year 2013 employee and employer contributions.

2. **Financial Statements** - Director Blas stated that the books for the month ending May 2013 were closed on June 13, 2013.

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

### **A. Contribution Report – May 2013**

Director Blas stated that Ms. Tajeron provided the TPA Report for the month ending May 31, 2013 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan. Ms. Tajeron stated that there was an increase in assets in the 401(a) Plan of \$468,607.66 and an asset growth of .15%. There was a 1.76% asset growth in the 457 Plan. There was a decrease in contributions in the 401 Plan in May of (\$182,757.10) and an increase in contributions in the 457 Plan of \$45,132.62. Ms. Tajeron stated that participation in the 457 Plan is slowly increasing. Great-West continues with their seminars and educational meetings.

Ms. Tajeron provided the following Participant Summary Report:

#### **401(a) Plan**

Contributing Participants	7,650
First Contributions	60
Hardships	11
May LTD Participants (Total Remains at 56)	00
May Retirees (Total Retirees 508)	07
All Agency Meetings/Educational Seminars	03
Attendees	45
Scheduled Agency Site Visits	20
Completed Visits	12
Cancelled By Agency	08
Agency Attendees	101
Walk-In Participants	340

#### **457 Deferred Compensation Plan**

Contributing Participants	1,191
First Contributions	19
New Loans Processed	29
Outstanding Loans	344

#### **401(a) Plan – Participant Disbursement**

Participant Distributions -\$1,384,446.19	131
Retirement	53
Separation of Service	61
Other (Hardship/Death)	17

#### **457 Deferred Compensation Plan – Participant Disbursement**

Participant Distributions - \$131,575.92	41
Retirement	06
Separation of Service	06
Loans	29

Secretary Leon Guerrero inquired about the lower share class. Ms. Taijeron stated that she is waiting for Security's Compliance Review to clear the release of the hard copy regarding the lower share class.

Chairman San Agustin asked when the next Statement on Standards for Attestation Engagements (SSAE) Audit Report of Great-West is. Ms. Taijeron stated that the last one was in March or April of this year. The report is submitted annually.

#### **VII. INVESTMENT COMMITTEE REPORT**

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on June 14, 2013. The Committee reviewed and approved the minutes of the January 24, 2013 Due Diligence Meeting for the Quarter Ended December 31, 2012.

*Next Quarterly Performance Meeting* – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for July 25, 2013.

**Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to accept the Investment Committee Report. Without objection, the motion unanimously passed.**

#### **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 1:12 p.m. Motion unanimously passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 28, 2013 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 26, 2013.**

*ASL Guerrero*

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

**RECORDING SECRETARY:**

*Jackie Blas*

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**Jackie Blas**