



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

Katherine T.E. Taitano
 Trustee

Anthony C. Blaz
 Trustee

David M. O'Brien
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, November 21, 2014, 12:30 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 12:45 p.m. Friday, November 21, 2014, 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
 Gerard A. Cruz, Treasurer
 Katherine T.E. Taitano, Trustee
 Anthony C. Blaz, Trustee
 David M. O'Brien, Trustee

Board of Trustees Absent:

Antolina S. Leon Guerrero, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary
 Alice Tajeron, Director, Client Relations & Plan Counseling, Great-West Financial

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 31, 2014 Regular Meeting

Chairman San Agustin inquired about a statement Vice Chairman Wilfred Leon Guerrero made regarding having a planner at the Round Table discussion to answer questions. Trustee David O'Brien stated that it is something he had proposed some time ago of the Board having a Management Consultant to address issues facing the Board. Trustee O'Brien stated that we need to engage someone to research issues at the Board level and to keep the Board apprised on national and local retirement issues, trends and movements in the industry, transition of the new GASB regulations, etc. Chairman San Agustin so noted Trustee O'Brien's proposal.

Treasurer Gerard Cruz, seconded by Trustee David O'Brien, moved to approve the Minutes of the October 31, 2014 Regular Meeting, with correction noted and subject to further technical corrections. Without objection, the motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

I. Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives - Director Paula Blas stated that Vice Speaker B.J. Cruz held a round table discussion on Bill 394-32 on November 6, 2014 and will continue the discussions. Director Blas stated that no date has been set. Vice Chairman Leon Guerrero asked whether Vice Speaker Cruz is trying to get the bill passed. Director Blas stated that Vice Speaker Cruz mentioned that he will try to get the bill into the December Legislative Session. Director Blas stated that Senator Michael San Nicolas wants to make sure that Social Security is considered as an option. Chairman San Agustin stated that Social Security should be made a supplement. Director Blas stated that separating the new employees from the current employees by groups was also discussed at the round table meeting. Treasurer Gerard Cruz stated that we need to take care of the current employees. Trustee O'Brien asked whether the new employees will still be a part of the Hybrid Plan until Social Security becomes available. Treasurer Cruz stated that we just need to wait and see. Chairman San Agustin stated that there will be a transition period if and when the bill passes. Trustee O'Brien stated that there is a group that is saying that Social Security is not that difficult to achieve and it will not be retrospective. Treasurer Cruz stated that you could segregate positions. Director Blas stated that you could segregate the plans. Trustee O'Brien stated that it should be by class. Chairman San Agustin stated that if the Guam Power Authority (GPA) goes with Social Security, they will no longer be a part of GovGuam. Director Blas stated that if Social Security does become available, then the Legislature will then decide if they will participate. Director Blas stated that Social Security is something they can not offer at this time.

Treasurer Cruz inquired about the new contribution rate. Director Blas stated that she has not seen the amendment to the bill. Trustee O'Brien asked whether the Governor wants further discussions on the bill. Trustee Anthony Blaz stated that there should be a meeting with Vice Speaker Cruz along with the Governor and his Fiscal Team.

2. **Standard Insurance** - Director Blas stated that an updated summary report for October 2014 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Director Blas stated that there are no new applicants.

Financial Report

1. **Contributions** - Director Blas stated that as of November 18, 2014, all agencies are current with their Fiscal Year 2015 employee and employer contributions.

2. **Financial Statements** - Director Blas stated that the books for the month ending and fiscal year ending September 30, 2014 were closed on November 14, 2014.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – October 2014

Director Blas stated that Alice Tajjeron, Director, Client Relations & Plan Counseling, Great-West Financial (Great-West) provided the TPA Report for the month ending October 31, 2014 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajjeron reported that the 401(a) Plan had total assets of \$396,416,398.29. There was an increase of \$8,414,109.27 or 2.17%. There was a market growth of 1% from September to October 2014. There was an increase of 15% and a market growth of 14% from October 2013 to October 2014. The 457 Deferred Compensation Plan had total assets of \$39,597,919.64. There was an increase of \$949,963.43 or 2.46%. There was a market growth of 1% from September to October 2014. There was an increase of 18% and a market growth of 16% from October 2013 to October 2014.

The 401(a) Plan had total contributions of \$3,022,999.74. There was a decrease in contributions of \$56,404.70 or -1.83%. The 457 Deferred Compensation Plan had total contributions of \$431,765.44. There was a decrease of \$56,742.08 or -11.62%.

Ms. Tajjeron stated that the 401(a) Plan had 149 employee distributions totaling \$1,660,532.16. The 457 Plan had 36 participant distributions totaling \$248,509.73.

Ms. Tajjeron pointed out that the Baron Small Cap Fund is now DFA Small Cap. Ms. Tajjeron informed the Board that effective January 2015 Great-West Financial's new name will be Empower Retirement. Chairman San Agustin asked where will Secure Foundation be at. Director Blas stated that it will be the same. It is just a name change. Ms. Tajjeron stated that Empower Retirement has acquired Apple and Cisco in the 401(k).

Trustee O'Brien pointed out that most of the funds are in Fund of Funds and Secure Foundation. Trustee O'Brien inquired about the fees on Fund of Funds and Secure Foundation. Director Blas provided the fees to Trustee O'Brien. Trustee O'Brien stated that he would like to see the statistics on average of the Date Fund fees.

Treasurer Gerard Cruz, seconded by Trustee David O'Brien, moved to accept the Third Party Administrator's Report. Without objection, the motion unanimously passed.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Leon Guerrero reported that the Investment Committee Meeting was held on November 20, 2014. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 30, 2014.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for January 29, 2015.

Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, moved to accept the Investment Committee Report. Without objection, the motion unanimously passed.

B. Members and Benefits Committee

No report was made at this time.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

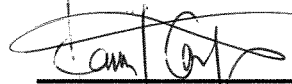
XI. ANNOUNCEMENTS

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 David O'Brien, and without objection, the meeting was adjourned at 1:07 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 21, 2014 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 19, 2014.



KATHERINE TAITANO, Acting Board Secretary

RECORDING SECRETARY:



Jackie Blas