



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, March 27, 2015, 12:30 p.m.  
 Retirement Fund Conference Room

*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

**MINUTES**

**Katherine T.E. Taitano**  
 Trustee

**Anthony C. Blaz**  
 Trustee

**David M. O'Brien**  
 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 12:40 p.m. Friday, March 27, 2015, 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  
 Anthony C. Blaz, Trustee

**Board of Trustees Absent:**

David M. O'Brien, Trustee (*Excused*)  
 Katherine T.E. Taitano, Trustee (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Rosalia Bordallo, General Accounting Supervisor  
 Jackie Blas, Recording Secretary  
 Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement

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

### **A. February 27, 2015 Regular Meeting**

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the Minutes of the February 27, 2015 Regular Meeting, subject to technical corrections. Without objection, the 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 Vice Speaker B.J. Cruz has indicated that Bill 002-33 will be deferred until after the Government of Guam audit has been completed in June 2015.

**2. Standard Insurance** - Director Blas stated that an updated summary report as of February 28, 2015 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information.

### **Financial Report**

**1. Contributions** - Director Blas stated that as of March 24, 2015, 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 February 28, 2015 were closed on March 19, 2015.

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

### **A. Contribution Report – February 2015**

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending February 28, 2015 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 \$418,208,210.72. There was an increase of \$16,793,645.08 or 4.18%. There was a market growth of 4% from January to February 2015. There was an overall increase of 14% including market growth of 13% from February 2014 to February 2015. The 457 Deferred Compensation Plan had total assets of \$42,872,746.58. There was an increase of \$1,907,472.20 or 4.66%. There was a market growth of 4% from January to February 2015. There was an increase of 19% with market growth of 18% from February 2014 to February 2015.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,740,036.99. There was a decrease in contributions of \$295,126.79 or -9.72%. The 457 Deferred Compensation Plan had total contributions of \$423,991.40. There was a decrease of \$144,236.23 or -25.38%.

Ms. Tajeron stated that the 401(a) Plan had 115 employee distributions totaling \$1,287,042.66. The 457 Plan had 27 participant distributions totaling \$150,163.69.

Secretary Antolina Leon Guerrero asked about a distribution of spousal benefits. Director Blas stated there are no survivor benefits per se. Ms. Tajeron stated that the remaining balance of a deceased retiree goes to the spouse. The spouse of a deceased retiree is entitled to the annual COLA and life insurance. Ms. Tajeron stated that members have the option to take a lump sum distribution or rollover to an IRA.

Vice Chairman Wilfred Leon Guerrero asked Ms. Tajeron about the format of the TPA report. Ms. Tajeron stated that she has been providing a monthly and an annual average per year. Vice Chairman Leon Guerrero stated that he wants to see DC growth in comparison to the DB Plan. Ms. Tajeron stated that she reports that information on a quarterly basis, but she will include a Fiscal Year to date summary on a monthly basis going forward.

Ms. Tajeron stated that notices were sent to the members regarding the change in funds. The blackout period will be on April 20, 2015. Chairman San Agustin asked whether there is an increase in participation in Secure Foundation. Ms. Tajeron replied, "Yes, and it will also increase after April 20, 2015." Chairman San Agustin inquired about the participant count in Secure Foundation. Ms. Tajeron stated that she will provide that information. Ms. Tajeron stated that Secure Foundation is now the default fund.

Ms. Tajeron informed the Board that Mr. John Borne of Empower Retirement will be here for the annual review on April 23, 2015 and he will make a presentation on the managed accounts and wholesale annuities.

**Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, 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 March 20, 2015. The Committee reviewed and approved the Investment Committee Meeting Minutes of February 26, 2015.

Vice Chairman Leon Guerrero inquired about the review of the TPA. Director Blas stated that the annual review will be on April 23, 2015. Vice Chairman Leon Guerrero stated that he would like to have an overall review annually. He also asked the Director to ask Terry Dennison to provide benchmarks that could be used in reviewing the TPA's performance.

***Next Quarterly Performance Meeting*** – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for April 23, 2015. Vice Chairman Leon Guerrero mentioned that he will be off-island during the April meeting.

**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**

Secretary Leon Guerrero stated that she, along with Trustee David O'Brien, met with Mr. David John of the Guam Chamber of Commerce regarding the Hybrid Plan. Discussion included taking care of the current members, new members, Social Security, costs, and alternative plans which will not create a new unfunded liability. Treasurer Gerard Cruz stated that Mr. John should provide the Board with a proposed solution or options of what he thinks will work, since the Board already provided its recommendations. Pursuant to earlier discussion, the Board agreed that its position would be to look at the alternatives submitted by Mr. John which should be presented to Vice Speaker Cruz. Secretary Leon Guerrero stated that a working session or roundtable discussion could then be held with the parties involved.

**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 1:25 p.m. Motion unanimously passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 27, 2015 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on April 24, 2015.**



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

**RECORDING SECRETARY:**

  

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**Jackie Blas**