



GOVERNMENT OF GUAM
RETIREMENT FUND

STABILITY · SECURITY · REWARDS

BOARD OF TRUSTEES

Regular Meeting

Friday, May 29, 2015, 12:30 p.m.
Retirement Fund Conference Room

MINUTES

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

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 12:52 p.m. Friday, May 29, 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
David M. O'Brien, Trustee
Anthony C. Blaz, 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

Third Party Administrator Present:

Grace Atalig, Empower Retirement

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. April 24, 2015 Regular Meeting

Chairman San Agustin inquired about the status of the 457 auto-enrollment/auto-escalation draft proposal from John Borne of Empower Retirement. Director Paula Blas stated that it will be submitted to the Members and Benefits Committee at their June 17, 2015 meeting.

Secretary Antolina Leon Guerrero, seconded by Trustee Anthony Blaz, moved to approve the Minutes of the April 24, 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 Blas stated that Secretary Antolina Leon Guerrero will cover this item under the Members and Benefits Committee Report.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of April 30, 2015 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Chairman San Agustin asked whether there is anyone close to the age of 65. Director Blas stated that there are two (2) individuals on LTD that will be 65 years old this year.

Financial Report

1. *Contributions* - Director Blas stated that as of May 26, 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 April 30, 2015 were closed on May 27, 2015.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – April 2015

Director Blas stated that Grace Atalig of Empower Retirement provided the TPA Report for the month ending April 30, 2015 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Atalig reported that the 401(a) Plan had total assets of \$422,072,298.04. There was an increase of \$4,558,850.37 or 1.09%. There was a market increase of 0.39% from March to April 2015. The 457 Deferred Compensation Plan had total assets of \$43,530,270.68. There was an increase of \$581,974.79 or 1.36%. There was a market increase of .002% from March to April 2015.

Ms. Atalig stated that the 401(a) Plan had total contributions of \$2,949,574.53. There was a decrease in contributions of \$107,634.34 or -3.52%. The 457 Deferred Compensation Plan had total contributions of \$496,887.21. There was a decrease of \$12,972.18 or -2.54%. Ms. Atalig stated that the 401(a) Plan had 120 employee distributions totaling \$1,714,336.78. The 457 Plan had 40 participant distributions totaling \$336,049.72.

Ms. Atalig stated that meetings with the Human Resources and Payroll personnel will commence next month. Trustee David O'Brien asked who determines if an individual qualifies for hardship. Ms. Atalig stated that the application is reviewed by Empower Retirement and then the Retirement Fund Director signs off on it. Trustee O'Brien asked whether the hardships have increased. Ms. Atalig stated that they have decreased.

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 Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on May 28, 2015. The Committee reviewed and approved the Investment Committee Meeting Minutes of April 23, 2015.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for July 30, 2015.

B. Members and Benefits Committee

Secretary Leon Guerrero stated that she and Trustee O'Brien, met with Senator Mike San Nicolas and David John regarding alternatives relative to the Hybrid bill that was presented by Vice Speaker B.J. Cruz. Secretary Leon Guerrero stated that Senator San Nicolas reported that he met with the Social Security Administration and Social Security did confirm that congressional action will be required to include prospective GovGuam employees under Social Security. Senator San Nicolas had further reported that Congresswoman Madeleine Bordallo would submit legislation. Secretary Leon Guerrero stated that Senator San Nicolas has indicated that Social Security will be for prospective employees of the Government of Guam once it becomes available.

After a lengthy discussion pertaining to the Hybrid bill and alternatives proposed by Senator San Nicolas, Secretary Leon Guerrero asked the Board if they would agree to ask Milliman to provide a cost-benefit analysis of the alternatives and to ask Senator San Nicolas to fund the analysis. The Board agreed to ask Milliman to provide an analysis and to ask Senator San Nicolas to fund the analysis.

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 Anthony Blaz, and without objection, the meeting was adjourned at 2:04 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 29, 2015 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 26, 2015.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas