



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 26, 2015, 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

**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 12:50 p.m. Friday, June 26, 2015, in the Retirement Fund Conference Room. Acting Chairman Wilfred Leon Guerrero officiated.

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Acting Chairman  
 Antolina S. Leon Guerrero, Secretary  
 Gerard A. Cruz, Treasurer  
 Katherine T.E. Taitano, Trustee  
 Anthony C. Blaz, Trustee

**Board of Trustees Absent:**

Joe T. San Agustin, Chairman (*Excused*)  
 David M. O'Brien, Trustee (*Excused*)

**Staff Present:**

Paula Blas, Director  
 Rosalia Bordallo, General Accounting Supervisor  
 Jackie Blas, Recording Secretary

**Third Party Administrator Present:**

Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement

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

### **A. May 29, 2015 Regular Meeting**

Secretary Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to approve the Minutes of the May 29, 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 as a result of many discussions between Senator Mike San Nicolas, David John, Trustee David O'Brien and Secretary Antolina Leon Guerrero, a draft amendment of Bill 2-33 (LS) is being proposed by Senator San Nicolas regarding the Hybrid Plan. The draft bill is attached for the Board's review and comments. Acting Chairman Leon Guerrero inquired about the public hearing. Director Blas stated that it would be sometime in July.

Director Blas pointed out that it will be difficult to implement the bill as it is written. Director Blas stated that Senator San Nicolas is proposing to establish a Social Security Retirement System for Government of Guam employees and wants the Retirement Fund to administer and be accountable for that system. Director Blas asked whether the Board wants to take responsibility for the Social Security System. Treasurer Gerard Cruz replied, "No." Director Blas stated that the bill also proposes to take the Cost of Living Allowances (COLA) and the Supplemental Annuity Benefits and make it a part of the Retirement Fund's administration and paid for through the contribution rate. The bill also proposes to have the Supplemental Annuity Benefits eligibility opened from October 1, 1995 to January 1, 2016.

Acting Chairman Leon Guerrero asked what the Board's course of action is. Director Blas stated that the Retirement Fund will meet with Vice Speaker B.J. Cruz regarding the draft bill. Director Blas stated that the proposed bill is currently with the Retirement Fund's Legal Counsel for review.

**2. *Standard Insurance*** - Director Blas stated that an updated summary report as of May 31, 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 June 23, 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 May 31, 2015 were closed on June 17, 2015.

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

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

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending May 31, 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 \$425,897,223.36. There was an asset growth of .91% and a market growth of .18%. The 457 Deferred Compensation Plan had total assets of \$44,352,840.31. There was an asset growth of 1.89% and a market growth of .55%. Acting Chairman Leon Guerrero recommended showing the market growth on a quarterly basis.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$3,048,552.10. There was an increase in contributions of \$98,997.57 or 3.36%. The 457 Deferred Compensation Plan had total contributions of \$583,219.48. There was an increase of \$86,332.27 or 17.37%. Ms. Taijeron stated that the 401(a) Plan had 115 employee distributions totaling \$1,903,725.32. The 457 Plan had 24 participant distributions totaling \$255,263.99. All contributions are up to date.

**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**

Acting Chairman Leon Guerrero reported that the Investment Committee Meeting was held on June 19, 2015. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 28, 2015 and the April 23, 2015 Due Diligence Meeting Minutes for the Quarter Ended March 31, 2015.

**5-Year Plan** – Acting Chairman Leon Guerrero stated that he would like to recommend having the 5-Year Plan for the DC Plan adopted at the Board level. Treasurer Cruz stated that this will include periodic reviews of all vendors.

**Treasurer Gerard Cruz, seconded by Trustee Anthony Blaz, moved to adopt the Defined Contribution Plan 5-Year Plan. Without objection, the motion unanimously passed.**

**Next Quarterly Performance Meeting** – Acting Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for July 30, 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**

This item was covered under the Director's Report.

**VIII. OLD BUSINESS**

None

**IX. NEW BUSINESS**

None

**X. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

**XI. ANNOUNCEMENTS**

None

**XII. ADJOURNMENT**

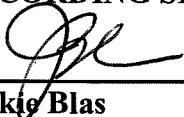
**There being no further business before the Board for the Defined Contribution Plan, on motion of Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:12 p.m. Motion unanimously passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 26, 2015 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 31, 2015.**



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

**RECORDING SECRETARY:**



**Jackie Blas**