



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
 STABILITY · SECURITY · REWARDS

Paula M. Blas  
 Director

Eddie Baza Calvo  
 Governor

Ray Tenorio  
 Lieutenant Governor

**BOARD OF TRUSTEES**

**Regular Meeting**

Wednesday, December 16, 2015, 12:00 Noon  
 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 12:30 p.m. Wednesday, December 16, 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
- David M. O'Brien, Trustee
- Katherine T.E. Taitano, Trustee

**Staff Present:**

- Paula Blas, Director
- Diana Bernardo, Controller
- Rosalia Bordallo, General Accounting Supervisor
- Jackie Blas, Recording Secretary

**Third Party Administrator Present:**

- Alice Tajeron, Director, Client Relations & Plan Counseling, Empower Retirement

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. November 20, 2015 Regular Meeting

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the November 20, 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 the public hearing on Bill 002-33 was held on November 19, 2015. Public testimony and concerns were presented by a number of Government of Guam employees. To adequately address the inquiries and comments received, Vice Speaker B.J. Cruz scheduled a couple of round table hearings. The first round table hearing was held on December 7, 2015 and the second one will take place in January 2016 to address additional questions or concerns. Director Blas stated that she is expecting another set of questions from Vice Speaker Cruz himself for the Retirement Fund to address. Trustee David O'Brien inquired about their key issues. Director Blas stated that they are looking at the possibility of reducing the age to retire from 65 to 62, and having a 2 or 3 tier benefit rate. Director Blas stated that Vice Speaker Cruz would like to report the bill out no later than February 2016.

2. **Standard Insurance** - Director Blas stated that an updated summary report as of November 30, 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 December 15, 2015, all agencies are current with their Fiscal Year 2016 employee and employer contributions with the exception of the Guam Memorial Hospital Authority (GMHA). Director Blas stated that GMHA is behind two (2) pay periods. Trustee O'Brien inquired about the amount due. Director Blas stated that the amount due is \$295,000. Chairman San Agustin stated that the Retirement Fund needs to see what the impact of the late contributions is. The unfunded liability is being affected. Chairman San Agustin stated that the lack of payment increases the drawdown. Vice Chairman Wilfred Leon Guerrero suggested to ask Milliman to look at what the impact of GMHA's lack of payment is.

Vice Chairman Leon Guerrero asked at what point the Board has to act on this. Director Blas stated that notices have been sent out that GMHA eligible employees are not allowed to retire. Secretary Antolina Leon Guerrero inquired about the process for dealing with a late payment. Director Blas stated that notices are sent to the GMHA Board, Governor, U.S. Department of Labor, and the Attorney General. A total of eight (8) notices have been sent to GMHA. Vice Chairman Leon Guerrero stated that we should ask the Retirement Fund's Legal Counsel what the Board's course of action is. Chairman San Agustin stated that this is affecting the future of the Retirement Fund.

2. **Financial Statements** - Director Blas stated that the books for the month ending October 31, 2015 were closed on December 15, 2015.

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

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

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending November 30, 2015 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Taijeron stated that the 401(a) Plan had total assets of \$422,694,215.67. There was an increase of \$2,357,750.26 or 0.56%. There was a market decrease of -0.18% from October to November 2015. There was a market decrease of -1.50% in the Second Quarter 2015 and -0.04% in the Third Quarter 2015. The 457 Deferred Compensation Plan had total assets of \$45,458,264.21. There was an increase of \$433,918.01 or 0.96%. There was a market decrease of -0.07% from October to November 2015. There was a market decrease of -1.31% in the Second Quarter 2015 and -0.04% in the Third Quarter 2015.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$3,105,613.38. There was an increase in contributions of \$407,021.89 or 15.08%. The 457 Deferred Compensation Plan had total contributions of \$484,857.28. There was a decrease in contributions of \$18,266.28 or -3.77%. Ms. Taijeron stated that the 401(a) Plan had 102 employee distributions totaling \$1,063,489.91. The 457 Plan had 24 participant distributions totaling \$209,990.64.

Ms. Taijeron stated that letters will be sent out on December 19, 2015 regarding the fund change (replacement of BlackRock to Secure Foundation 2015). The black out periods will be January 19, and 20, 2016.

For the record, Trustee O'Brien acknowledged Ms. Taijeron and the Empower Retirement staff for the enhanced reports and for having the reports ready for review as of the Members and Benefits (M&B) Committee meeting.

**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 December 11, 2015. The Committee reviewed and approved the Investment Committee Meeting Minutes of November 19, 2015 and the Minutes of the October 29, 2015 Due Diligence Meeting for the Quarter Ended September 30, 2015.

**Next Quarterly Performance Meeting** – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for January 28, 2016.

Trustee Anthony Blaz, seconded by Trustee David O'Brien, 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 Secretary Antolina Leon Guerrero, seconded by Trustee David O'Brien, and without objection, the meeting was adjourned at 1:05 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 16, 2015 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 29, 2016.



---

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

**RECORDING SECRETARY:**



---

**Jackie Blas**