



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, February 24, 2017, 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

David M. O'Brien
 Trustee

Albert H. Santos
 Trustee

DEFINED CONTRIBUTION

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 12:36 p.m. Friday, February 24, 2017, 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

Board of Trustees Absent:

Albert H. Santos, Trustee (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

Public Present:

Dave Burger, Burger & Comer
 Llewelyn Terlaje & Thomas Battung, Office of Public Accountability

Chairman San Agustin recommended suspending the meeting agenda and starting with the Defined Benefit Plan Meeting first. The Board indicated they have no objection to changing the order of business.

12:36 p.m. – Recessed Defined Contribution Plan Meeting and proceeded with the Defined Benefit Plan Meeting

1:40 p.m. – Reconvened Defined Contribution Plan Meeting

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. January 27, 2017 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee David O'Brien, moved to approve the Minutes of the January 27, 2017 Regular Meeting, subject to technical corrections. Without objection, the motion 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 Chairman San Agustin will recess today's meeting and this item will be discussed when the Board Meeting reconvenes next week.

2. Standard Insurance - Director Blas stated that an updated summary report as of January 31, 2017 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 February 21, 2017, all agencies are current with their Fiscal Year 2017 employee and employer contributions.

2. Financial Statements - Director Blas stated that the books for the month ended January 31, 2017 is expected to close today.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – January 2017

Director Blas stated that Alice Tajeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending January 31, 2017 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 \$477,741,926.15. There was an increase of \$9,287,780.32 or 1.98%. There was a market increase of 1% from December 2016 to January 2017. The 457 Deferred Compensation Plan had total assets of \$54,807,655.41. There was an increase of \$670,590.61 or 1.24%. There was a market increase of 0.4% from December 2016 to January 2017.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,980,258.57. There was a decrease in contributions of \$104,995.75 or -3.40%. The 457 Deferred Compensation Plan had total contributions of \$446,637.13. There was a decrease in contributions of \$222,953.40 or -33.30%. Ms. Taijeron stated that the 401(a) Plan had 150 employee distributions totaling \$2,261,256.48. The 457 Plan had 53 participant distributions totaling \$860,895.37.

Trustee David O'Brien asked Ms. Taijeron whether it is possible, for due diligence, to bring in someone from Empower Retirement who is on the investment side. Ms. Taijeron stated that funds are reviewed during the due diligence meeting conducted annually in April. Ms. Taijeron stated that she will speak to the Vice President, Robert Dwyer, regarding this. Trustee O'Brien suggested for someone to make a presentation to the Board on Secure Foundation. Ms. Taijeron stated that she will communicate with Empower Retirement's home office on making a presentation in April 2017.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on February 23, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of January 26, 2017 and the October 27, 2016 Due Diligence Meeting Minutes for the Quarter Ended September 30, 2016.

Expiration of Mercer Investment Consulting, Inc. Contract - Vice Chairman Leon Guerrero stated that Mercer's contract was extended for an additional three (3) years on April 2014. The contract expires on April 1, 2017. Vice Chairman Leon Guerrero stated that the Investment Committee recommends suspending the five (5) year requirement, and recommends that the contract be extended for another two (2) year period. The extension is due to the timing of implementing the Hybrid Plan (DB 1.75 and Guam Retirement Security Plan).

Vice Chairman Wilfred Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to accept the Investment Committee's recommendation to extend Mercer Investment Consulting, Inc.'s contract for another two (2) years, which will expire on April 1, 2019. Without objection, the motion passed.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for April 27, 2017.

Chairman San Agustin suggested that a resolution be presented recognizing and commending Mr. Terry Dennison for his services as an Investment Consultant. Director Blas indicated that she will prepare the resolution.

Treasurer Gerard Cruz, seconded by Trustee David O'Brien, moved to accept the Investment Committee Report. Without objection, the motion 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. RECESS

Secretary Antolina Leon Guerrero, seconded by Trustee David O'Brien, moved to recess the Defined Contribution Plan meeting, and without objection, the Board of Trustees meeting for the Defined Contribution Plan recessed at 2:00 p.m. on Friday, February 24, 2017, and will reconvene on Monday, February 27, 2017, at 1:00 p.m. in the Retirement Fund Conference Room. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 24, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 24, 2017.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas