



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 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 12:35 p.m. Friday, March 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
 Albert H. Santos, Trustee
 Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

David M. O'Brien, 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

Actuarial Consultant Present:

Richard Wright, Milliman, Inc.

Public Present:

Julian Janssen, Office of Senator Michael San Nicolas

II. REVIEW AND APPROVAL OF BOARD MINUTES

- A. February 24, 2017 Regular Meeting
- B. February 27, 2017 Reconvened Meeting

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the February 24, 2017 Regular Meeting, subject to technical corrections; and to table the Minutes of the February 27, 2017 Reconvened Meeting. 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 plan documents for the Defined Benefit 1.75 (DB 1.75), Government Retirement Security Plan (GRSP), Defined Contribution Retirement System (DCRS), and 457 Deferred Compensation Plan (457) were drafted by the Retirement Fund's Legal Counsel and were approved at the February 27, 2017 Board meeting. Director Blas stated that as part of the Administrative Adjudication process, the public hearing for the plan documents on the DB 1.75, GRSP, DCRS, and the 457 Plan was held on Tuesday, March 14, 2017. The finalized plan documents will be transmitted to the Legislature by Monday, March 27, 2017. Chairman San Agustin pointed out that the Legislature has 90 days to act on it.

2. **Standard Insurance** - Director Blas stated that an updated summary report as of February 28, 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 March 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 February 28, 2017 is expected to close today.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – February 2017

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending February 28, 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 \$489,355,437.15. There was an increase of \$11,613,511.00 or 2.43%. There was a market increase of 2.0% from January 2017 to February 2017. The 457 Deferred Compensation Plan had total assets of \$56,499,247.14. There was an increase of

\$1,691,591.73 or 3.09%. There was a market increase of 2.0% from January 2017 to February 2017. Ms. Tajeron mentioned that there was an increase in rollovers into the 457 Plan. Vice Chairman Wilfred Leon Guerrero asked why. Ms. Tajeron stated that the members are given their options like consolidation, access, and that there are no fees.

Ms. Tajeron stated that the 401(a) Plan had total contributions of \$3,145,114.13. There was an increase in contributions of \$164,855.56 or 5.53%. The 457 Deferred Compensation Plan had total contributions of \$648,615.75. There was an increase in contributions of \$201,978.62 or 45.22%. Ms. Tajeron stated that the 401(a) Plan had 138 employee distributions totaling \$1,157,461.83. The 457 Plan had 47 participant distributions totaling \$253,389.40. Ms. Tajeron stated that the withdrawals from the 401 and 457 has no major impact on the assets.

Ms. Tajeron stated that a copy of the 2017 DC Retiree List for February 2017 is provided. Vice Chairman Leon Guerrero inquired about "No Distribution Taken." Ms. Tajeron stated that it's an option an individual has on whether to keep their money in the plan. The money is available for whenever they want to withdraw it. Chairman San Agustin inquired about hardship. Ms. Tajeron stated that the hardship in the 401 is for foreclosure, eviction, medical, and funeral expenses. Treasurer Cruz inquired about the next TPA due diligence. Ms. Tajeron stated that it will be in April 2017.

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to accept the Third Party Administrator's Report. Without objection, the motion passed.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on March 17, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of February 23, 2017 and the October 27, 2016 Due Diligence Meeting Minutes for the Quarter Ended September 30, 2016.

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

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. ADJOURNMENT

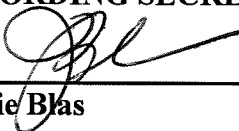
There being no further business before the Board for the Defined Contribution Plan, on motion of Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:50 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 24, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on April 28, 2017.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas