



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 24, 2016, 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 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 12:32 p.m. Friday, June 24, 2016, 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
 Katherine T.E. Taitano, Trustee
 Albert H. Santos, Trustee

Board of Trustees Absent:

Gerard A. Cruz, Treasurer (*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. ELECTION OF OFFICERS

Director Paula Blas stated that based on the By Laws for the Board of Trustees, the Election of Officers is conducted every two (2) years. Chairman San Agustin stated that Director Blas could entertain the nomination of officers or the members of the Board could elect to retain the positions of the current officers for the next two years.

Director Blas stated that the floor is open for nomination of officers.

Trustee Katherine Taitano nominated Joe T. San Agustin as Chairman of the Board, Wilfred P. Leon Guerrero as Vice Chairman, Antolina S. Leon Guerrero as Secretary, and Gerard A. Cruz as Treasurer. Trustee Albert Santos seconded the nomination. Trustee Katherine Taitano closed the nomination of officers. Votes as follows: Yes Votes - Secretary Antolina Leon Guerrero, Trustee Katherine Taitano, Vice Chairman Wilfred Leon Guerrero, Trustee Albert Santos, and Chairman Joe San Agustin. With five (5) "Yes" votes, the motion passed. Treasurer Gerard Cruz and Trustee David O'Brien were absent.

III. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 27, 2016 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, moved to approve the Minutes of the May 27, 2016 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

IV. CORRESPONDENCE

None

V. INFORMATIONAL ITEMS

None

VI. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives* - Director Blas stated that Vice Speaker B.J. Cruz had indicated that he will submit Bill 2-33 to the Legislature for an override of the Governor's veto, which was supposed to occur last month. Director Blas stated that Vice Speaker Cruz is currently off-island. Chairman San Agustin asked whether the Board should keep quiet and support the Governor with his veto, or pass a resolution urging the Legislature to override. Secretary Antolina Leon Guerrero stated that she supports getting a resolution passed urging the Legislature to override the Governor's veto. Vice Chairman Wilfred Leon Guerrero asked whether the DB 1.75 will be implemented if the Legislature overrides the Governor's veto. Chairman San Agustin replied, "Yes." Secretary Leon Guerrero stated that if the Legislature overrides the Governor's veto, we could move forward with the DB 1.75, with the increase in the DC contributions, and start the study with the cash balance plan.

After a lengthy discussion, the Board agreed to have Director Blas prepare a Board resolution to support the override. Chairman San Agustin suggested to attach a legal analysis to the resolution. Trustee Katherine Taitano also suggested that a printed ad and a press release be sent out. Secretary Leon Guerrero agreed.

Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, moved to approve to have the Director of the Retirement Fund prepare a Board Resolution urging the Legislature to override the Governor's veto of Bill 2-33. Without objection, the motion passed.

2. **Standard Insurance** - Director Blas stated that an updated summary report as of May 31, 2016 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 21, 2016, all agencies are current with their Fiscal Year 2016 employee and employer contributions. Chairman San Agustin asked whether the Guam Memorial Hospital Authority (GMHA) is current. Director Blas replied, "Yes, for the DC Plan." Director Blas pointed out that even if the DC Plan is current, the Retirement Fund is not accepting applications for retirement for both the DC Plan and the DB Plan.

2. **Financial Statements** - Director Blas stated that the books for the month ended May 31, 2016 were closed on June 21, 2016.

VII. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – May 2016

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending May 31, 2016 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 \$435,568,520.68. There was an increase of \$4,248,107.08 or 0.98%. There was a market increase of 0.30% from April to May 2016. The 457 Deferred Compensation Plan had total assets of \$47,456,052.74. There was an increase of \$289,846.01 or 0.61%. There was a market increase of 0.30% from April to May 2016.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,955,155.05. There was a decrease in contributions of \$379,556.05 or -11.38%. The 457 Deferred Compensation Plan had total contributions of \$434,140.70. There was a decrease of \$165,430.34 or -27.59%. Ms. Taijeron stated that the 401(a) Plan had 136 employee distributions totaling \$1,909,831.13. The 457 Plan had 46 participant distributions totaling \$612,050.96.

Ms. Taijeron stated that effective July 2016 Empower Retirement will start meeting with the various Human Resources, Personnel, and Payroll divisions on the first Friday of each month. Ms. Taijeron stated that they are seeing a high number of withdrawals from employees working 20 years. Ms. Taijeron stated that she would like to check with the Board if there are any legal options to minimize the withdrawals. Vice Chairman Leon Guerrero asked what is their reason for withdrawing. Ms. Taijeron stated that it's usually for personal debt.

Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, moved to accept the Third Party Administrator's Report. Without objection, the motion passed.

VIII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on June 17, 2016. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 26, 2016.

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

B. Members and Benefits Committee

Secretary Leon Guerrero stated that the M&B Committee will research options to limit the full withdrawals as discussed earlier under the TPA report.

IX. OLD BUSINESS

None

X. NEW BUSINESS

None

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

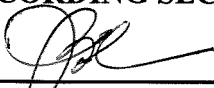
There being no further business before the Board for the Defined Contribution Plan, on motion of Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 1:15 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 24, 2016 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 29, 2016.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas