



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

**Eddie Baza Calvo**  
 Governor

**Ray Tenorio**  
 Lieutenant Governor

**Paula M. Blas**  
 Director

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

**BOARD OF TRUSTEES**  
**Regular Meeting**

Friday, August 26, 2016, 12:00 Noon  
 Retirement Fund Conference Room

**MINUTES**

**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 12:36 p.m. Friday, August 26, 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  
 Gerard A. Cruz, Treasurer  
 David M. O'Brien, Trustee  
 Albert H. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Trustee (*Excused*)

**Staff Present:**

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

**Third Party Administrator Present:**

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

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates

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

### **A. July 29, 2016 Regular Meeting**

Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the July 29, 2016 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 Vice Speaker B.J. Cruz is still pushing for an override of the Governor's veto of Bill 2-33. Director Blas provided the Board with the draft letter to be sent to all DC participants. The Board agreed to have the letter finalized and mailed to the DC participants.

**2. *Standard Insurance*** - Director Blas stated that an updated summary report as of July 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 August 23, 2016, all agencies, including the Guam Memorial Hospital Authority (GMHA), are current with their Fiscal Year 2016 employee and employer contributions.

Vice Chairman Wilfred Leon Guerrero inquired about the Department of Administration's non-payment of health insurance premiums. Director Blas stated that there is a \$14 Million shortfall. The Fiscal Year 2017 budget gives authority to the Governor to transfer to the FY2016 budget to cover the health insurance premiums. Trustee David O'Brien asked whether the FY2017 budget will have the same issue. Director Blas stated that it depends on enrollment and the shift of class or plan. Rosalia Bordallo, General Accounting Supervisor, stated that it also depends on the rates. Director Blas stated that the appropriation for FY2017 is \$30 Million.

**2. *Financial Statements*** - Director Blas stated that the books for the month ended July 31, 2016 is scheduled to close on August 30, 2016.

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

### **A. Contribution Report – July 2016**

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement, provided the TPA Report for the month ending July 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 \$452,062,582.22. There was an increase of \$15,295,628.96 or 3.50%. There was a market increase of 0.03% from June to July 2016. The 457 Deferred Compensation Plan had total assets of \$50,325,698.82. There was an increase of \$2,016,550.00 or 4.17%. There was a market increase of 0.03% from June to July 2016.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,750,000.67. There was a decrease in contributions of \$675,167.28 or -19.71%. The 457 Deferred Compensation Plan had total contributions of \$522,832.37. There was a decrease of \$465,097.90 or -47.08%. Ms. Taijeron stated that the 401(a) Plan had 159 employee distributions totaling \$1,740,353.78. The 457 Plan had 37 participant distributions totaling \$237,057.38.

Vice Chairman Leon Guerrero inquired about the decrease in contributions. Ms. Taijeron stated that it is just a timing issue. Trustee O'Brien asked whether there will be any changes due to the U.S. Department of Labor Fiduciary Rule. Ms. Taijeron replied, "No." Trustee O'Brien asked Ms. Taijeron to please report any updates to the Board. Ms. Taijeron indicated that she will keep the Board informed.

**Treasurer Gerard Cruz, seconded by Trustee Albert Santos, moved to accept the Third Party Administrator's Report. Without objection, the motion passed.**

## **VII. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Vice Chairman Leon Guerrero reported that the Investment Committee Meeting was held on August 25, 2016. The Committee reviewed and approved the Investment Committee Meeting Minutes of July 28, 2016.

*Next Quarterly Performance Meeting* – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for October 27, 2016.

### **B. Members and Benefits Committee**

Secretary Antolina Leon Guerrero stated that letters will be sent to all DC participants informing them of the status of Bill 2-33 and to encourage them to contact the Legislature in support of the override.

## **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, Treasurer Gerard Cruz moved to adjourn the meeting. Without objection, the meeting was adjourned at 1:00 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 26, 2016 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 30, 2016.**



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

**RECORDING SECRETARY:**



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**Jackie Blas**