



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, February 23, 2018, 12:00 Noon
 Retirement Fund Conference Room

MINUTES

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 12:30 p.m. Friday, February 23, 2018, 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
 Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

David M. O'Brien, Trustee (*Excused*)
 Albert H. Santos, 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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. January 26, 2018 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, moved to approve the Minutes of the January 26, 2018 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 on January 23, 2018, the DB 1.75 participants' DC funds in the amount of \$224,979,484.11 were deposited into the Retirement Fund's Northern Trust Administration Account and allocated to the Retirement Fund's Managers/Cash Account based on the asset reallocation. The DB 1.75 election window officially closed on January 31, 2018. Director Blas stated that the Retirement Fund is currently reconciling with Empower Retirement regarding the required funds to be transferred from DCRS participant accounts for DB 1.75 members. Payroll data for January 6, 2018 and January 20, 2018 pay periods are being audited for the appropriate minimum of 1% deductions to the 457 Plan. Secretary Antolina Leon Guerrero asked if this item eventually will no longer be in the Director's DC Report. Director Blas stated that the Retirement Fund expects the reconciliation to be a continuous process until the end of March 2018.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of January 31, 2018 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 22, 2018, all agencies are current with their Fiscal Year 2018 employee and employer contributions.

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

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – January 2018

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement, provided the TPA Report for the month ending January 31, 2018 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 \$347,703,817.78. There was a decrease of \$209,013,186.86 or -37.54%. There was a market increase of 2.00% from December 2017 to January 2018. The 457 Deferred Compensation Plan had total assets of \$69,954,075.48. There was an increase of \$2,511,787.90 or 3.72%. There was a market increase of 3.00% from December 2017 to January 2018.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$318,888.91. There was a decrease in contributions of \$2,625,788.01 or -89.17%. Ms. Taijeron stated that the decrease in contributions is due to a timing issue. The 457 Deferred Compensation Plan had total contributions of \$404,573.71. There was a decrease in contributions of \$153,407.24 or -27.49%.

Ms. Taijeron stated that the 401(a) Plan had 3,518 employee distributions totaling \$229,293,017.57. The 457 Plan had 47 participant distributions totaling \$414,307.28.

Mr. Taijeron stated that \$226,101,860.30 was transferred from the DC 401(a) Plan to the DB 1.75 Plan. Chairman San Agustin asked how many members transferred to the DB 1.75 Plan. Director Blas stated that roughly 3,500 members transferred to the DB 1.75 Plan, out of 8,000 DC 401(a) Plan members. Secretary Leon Guerrero inquired about the profile of the transfers to the DB 1.75 Plan. Director Blas stated that once the data is completed, then the Retirement Fund will be able to compile the demographics.

Ms. Taijeron reported that there are seven (7) DC retirees for the month of January 2018, which brings the total number of DC retirees to 1,020. Ms. Taijeron further reported that there will be a 24-hour blackout period sometime in April 2018 for the replacement of BlackRock Inflation Protected Bond (TIPs Fund) with the Vanguard Inflation-Protected Securities Fund.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on February 22, 2018. The Committee reviewed and approved the Investment Committee Meeting Minutes of January 25, 2018 and the Minutes of the April 16, 2017 Due Diligence Meeting.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for April 17, 2018.

B. Members and Benefits Committee

An update of the DB/DC Plan Alternatives 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, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:47 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 23, 2018 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 28, 2018.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas