



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
Wednesday, March 28, 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 12:20 p.m. Wednesday, March 28, 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
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
Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. February 23, 2018 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, moved to approve the Minutes of the February 23, 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 1.75 (DB 1.75), Defined Contribution Retirement System (DCRS) and Government Retirement Security Plan (GRSP) Plans* - Director Paula Blas stated that the Retirement Fund is still reconciling with Empower Retirement regarding the required funds to be transferred from DCRS participant accounts for DB 1.75 Plan 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. The Retirement Fund expects the reconciliation to be a continuous process until early April 2018.

Trustee Albert Santos asked whether there are any DB 1.75 members applying to retire. Controller Diana Bernardo stated that there are about six (6) members already on payroll.

Secretary Antolina Leon Guerrero inquired about any pending legislation. Director Blas stated that there is pending legislation regarding the Guam Retirement Security Plan (GRSP) funding source.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of February 28, 2018 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Director Blas stated that there are currently 54 participants on LTD.

Financial Report

1. *Contributions* - Director Blas stated that as of March 26, 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 January 31, 2018 closed March 8, 2018. The books for the month ended February 28, 2018 are scheduled to close on April 6, 2018.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – February 2018

Director Blas stated that Alice Tajeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending February 28, 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 \$338,934,686.26. There was a decrease of \$8,769,131.52 or -2.52%. There was a market decrease of -4.00% from January 2018 to February 2018. The 457 Deferred Compensation Plan had total assets of \$69,275,247.49. There was a decrease of \$678,827.99 or -0.97%. There was a market decrease of -3.00% from January 2018 to February 2018.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$4,156,797.41. There was an increase in contributions of \$3,837,908.50 or 1203.53%. The 457 Deferred Compensation Plan had total contributions of \$1,493,579.68. There was an increase in contributions of \$1,089,005.97 or 269.17%.

Ms. Taijeron stated that the 401(a) Plan had 201 employee distributions totaling \$2,396,558.60. The 457 Plan had 39 participant distributions totaling \$345,171.45.

Ms. Taijeron stated that a 60-day notice was sent to participants regarding a 24-hour blackout period which will occur on April 4, 2018 for the replacement of the BlackRock Inflation Protected Bond (TIPs Fund) with the Vanguard Inflation-Protected Securities Fund.

Ms. Taijeron mentioned that the Guam Memorial Hospital Authority (GMHA) is behind with their employer contributions so the Retirement Fund has suspended retirement for GMHA eligible employees. Director Blas stated that GMHA is current with their employee contributions.

Director Blas stated that a formal notice has been sent to GMHA. A copy of the notice was also sent to the Governor, Legislature, Attorney General, and the Office of Public Accountability. Vice Chairman Wilfred Leon Guerrero inquired about the timeframe of sending out the notice. Treasurer Gerard Cruz stated that remittance of contributions is due within 10 days from the pay day, so after 10 days a formal notice will be sent out.

Trustee Albert Santos, seconded by Treasurer Gerard Cruz, 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 March 23, 2018. The Committee reviewed and approved the Investment Committee Meeting Minutes of February 22, 2018 and the Minutes of the July 27, 2017 Due Diligence Meeting for the Quarter Ended June 30, 2017.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for April 17, 2018. Director Blas stated that the Third Party Administrator Annual Review is also scheduled at that time.

B. Members and Benefits Committee

An update of the DB 1.75, DCRS and GRSP Plans was covered under the Director's report.

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

Suspension Notice of Health Insurance Coverage - Vice Chairman Leon Guerrero inquired about the suspension of retirees' health insurance coverage. Director Blas stated that it is a cash situation with the Department of Administration (DOA). Director Blas stated that it is a liability of the Government of Guam to pay the government's share of health insurance premiums. Director Blas stated that the retirees' share is being remitted to the insurance providers. Secretary Leon Guerrero asked whether the active employees are affected. Director Blas stated that the active employees' premiums are current. DOA is behind in the General Fund payments for retirees' insurance. Director Blas stated that DOA is entering into separate agreements with the health insurance providers to keep them from suspending the retirees' insurance coverage.

XI. ANNOUNCEMENTS

None

XII. ADJOURNMENT

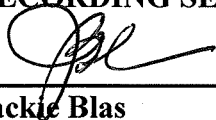
There being no further business before the Board for the Defined Contribution Plan, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:44 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 28, 2018 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on April 27, 2018.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas