



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, May 26, 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 12:25 p.m. Friday, May 26, 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
 David M. O'Brien, Trustee
 Albert H. Santos, Trustee

Board of Trustees Absent:

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

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. April 28, 2017 Regular Meeting

Chairman San Agustin stated that, at the last Board meeting, he had requested for a trend analysis in which Ms. Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement stated that she will work towards including the trend analysis in her monthly and quarterly reports. Ms. Taijeron apologized for not having the analysis available. Ms. Taijeron stated that she has provided the information to Cameron Systemans of Mercer Investment Consulting, Inc. Secretary Antolina Leon Guerrero stated that Mercer would then provide the information to the Board by the July 2017 Due Diligence meeting.

Trustee David O'Brien, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the April 28, 2017 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 by May 30, 2017, approximately 20 agencies would have been visited and 50 education seminars would have been conducted. Director Blas stated that in addition to the agency seminars, additional seminars will continue to be conducted at the Retirement Fund, as the schedule permits. The agency visits should be completed by the end of June 2017. Director Blas stated that the various agency Human Resources personnel will be trained in July 2017.

Chairman San Agustin inquired about the members' reaction. Director Blas stated that it's kind of mixed. Director Blas stated that the type of benefits are explained during the seminars and the presenters are not leaning towards any one plan. Vice Chairman Wilfred Leon Guerrero asked whether there are any recurring issues at the seminars. Director Blas stated that members are asking the same line of questions. Vice Chairman Leon Guerrero inquired about the number of members converting. Director Blas stated that the majority of the members are leaning towards the DB 1.75. Director Blas stated that an income comparison request form on the DC 401(a), DB 1.75 and the GRSP is made available for the members at every seminar. Secretary Leon Guerrero inquired about the turnaround time on the comparison. Director Blas stated that it's 35-40 days. Trustee David O'Brien asked whether the full information of the two (2) options will be available by January 1, 2018 for all new employees. Director Blas stated that she will work on getting the details for the new employees.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of April 30, 2017 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 59 members on LTD and they are also eligible to make an election. Letters will also be sent to them regarding the options available. Their transfer won't take place until January 1, 2018 or until their disability benefits end.

Financial Report

1. Contributions - Director Blas stated that as of May 23, 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 April 30, 2017 were closed on May 19, 2017.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – April 2017

Director Blas stated that Ms. Taijeron provided the TPA Report for the month ending April 30, 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 \$501,265,589.77. There was an increase of \$7,677,520.45 or 1.56%. There was a market increase of 1.00% from March 2017 to April 2017. The 457 Deferred Compensation Plan had total assets of \$58,311,703.03. There was an increase of \$1,173,229.59 or 2.05%. There was a market increase of 1.00% from March 2017 to April 2017.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,987,123.92. There was a decrease in contributions of \$1,054.54 or -0.04%. The 457 Deferred Compensation Plan had total contributions of \$543,743.78. There was a decrease in contributions of \$17,494.79 or -3.12%. Ms. Taijeron stated that the 401(a) Plan had 152 employee distributions totaling \$1,916,398.87. The 457 Plan had 47 participant distributions totaling \$211,260.46.

Ms. Taijeron stated that Empower Retirement has been meeting with participants in reference to the DB 1.75. Ms. Taijeron stated that Empower Retirement informs the participants that once they receive their income comparison, they may schedule an appointment to go over it. Secretary Leon Guerrero asked what Empower Retirement's role in the presentations is. Director Blas stated that they do the DC 401(a) Plan and the 457 Plan. Trustee O'Brien asked whether Ms. Taijeron has a sense on how many participants will be staying in the DC 401(a). Ms. Taijeron stated that the participants are waiting for their income comparison before making a decision.

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 May 25, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of April 27, 2017.

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

B. Members and Benefits Committee

This item 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

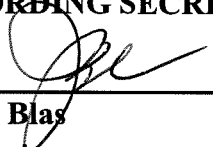
There being no further business before the Board for the Defined Contribution Plan, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:56 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 26, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 30, 2017.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas