



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, September 29, 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 12:09 p.m. Friday, September 29, 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

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

### **A. August 25, 2017 Regular Meeting**

Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, moved to approve the Minutes of the August 25, 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 the amendments for the Defined Benefit 1.75 (DB 1.75) were passed in the Fiscal Year 2018 Executive Budget. Director Blas stated that as of September 26, 2017, the Retirement Fund has sent out approximately 4,000 Estimated Retirement Income Comparisons (ERIC). As of September 25, 2017, there were 1,024 elections made. The deadline for converting is tomorrow, September 30, 2017, and the Retirement Fund will be open from 8:00 a.m. to 5:00 p.m. to process members making an election. Director Blas stated that she'll be able to rerun the numbers once the election period closes. Milliman's assumption was 50-55% of membership. Vice Chairman Wilfred Leon Guerrero inquired about the unfunded liability. Director Blas stated that it is \$136 Million. Trustee David O'Brien stated that if less members convert, the unfunded liability is bound to be less.

**2. *Standard Insurance*** - Director Blas stated that an updated summary report as of August 31, 2017 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 September 26, 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 August 31, 2017 is scheduled to close on September 30, 2017.

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

### **A. Contribution Report – August 2017**

Director Blas stated that Alice Taijeron, Director, Client Relations & Plan Counseling, Empower Retirement provided the TPA Report for the month ending August 31, 2017 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajjeron stated that the 401(a) Plan had total assets of \$523,270,068.83. There was an increase of \$764,995.71 or 0.15%. There was a market increase of 0.01% from July 2017 to August 2017. The 457 Deferred Compensation Plan had total assets of \$61,942,322.53. There was an increase of \$330,897.34 or 0.54%. There was a market increase of 0.01% from July 2017 to August 2017.

Ms. Tajjeron stated that the 401(a) Plan had total contributions of \$2,839,780.71. There was a decrease in contributions of \$47,632.82 or -1.65%. The 457 Deferred Compensation Plan had total contributions of \$563,774.77. There was a decrease in contributions of \$133,268.32 or -19.12%. Ms. Tajjeron stated that the 401(a) Plan had 197 employee distributions totaling \$2,427,908.76. The 457 Plan had 47 participant distributions totaling \$404,013.38. Vice Chairman Leon Guerrero inquired about the decrease. Ms. Tajjeron stated that it's a timing issue.

Ms. Tajjeron stated that a detailed copy of the DC Retiree List for August is provided for the Board's information. Ms. Tajjeron stated that 17 participants retired in August. Ms. Tajjeron stated that of the 17 retirees, 10 took full withdrawals. Trustee O'Brien asked whether participants on Secure Foundation that are retiring are taking their balance out. Ms. Tajjeron stated that many of the participants on Secure Foundation that are retiring are taking full withdrawals.

Ms. Tajjeron mentioned that Empower Retirement continues to process DB/DC transfers enrolling in the 457 Plan. Director Blas mentioned that the participants are voluntarily contributing higher than the required 1% of their base salary.

**Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, 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 September 22, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of August 24, 2017.

*Next Quarterly Performance Meeting* – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for October 19, 2017.

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

An update of the DC/DB 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 12:28 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 29, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 20, 2017.**

*ASh Guerrero*

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

**RECORDING SECRETARY:**

  
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Jackie Blas