



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, November 17, 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, November 17, 2017, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

**Board of Trustees Present:**

Joe T. San Agustin, Chairman  
 Gerard A. Cruz, Treasurer  
 Antolina S. Leon Guerrero, Secretary  
 David M. O'Brien, Trustee  
 Albert H. Santos, Trustee

**Board of Trustees Absent:**

Wilfred P. Leon Guerrero, Vice Chairman (*Excused*)  
 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

**Investment Consultant Present:**

Maggie Ralbovsky, Wilshire Associates

**Public Present:**

Joey Leon Guerrero, Guam Ancestral Lands Commission

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

### **A. October 20, 2017 Regular Meeting**

Chairman San Agustin asked whether the Retirement Fund's Resolution No. 2017-05 regarding the Guam Retirement Security Plan (GRSP) was transmitted to the Legislature. Director Paula Blas replied, "Yes, the resolution, along with the draft legislation, has been submitted to the Legislature."

Chairman San Agustin inquired about Bill No. 179-34. Director Blas stated that Bill 179 was discussed at the last Board meeting. Director Blas stated that Legal Counsel provided a legal opinion. Chairman San Agustin stated that Legal Counsel's opinion is that the bill does not apply to the Retirement Fund's Investment Managers. Director Blas stated that the Retirement Fund, as a Trust, is not an employer. The bill is designed for private companies. Chairman San Agustin stated that the bill also does not apply to Northern Trust because they do not disburse funds. Secretary Antolina Leon Guerrero asked whether it applies to Empower Retirement. Director Blas replied, "No, because Empower Retirement is a Third Party Administrator for the Government of Guam Retirement Fund. Treasurer Gerard Cruz asked why the bill does not apply to Empower Retirement. Alice Tajeron, Director, Client Relations & Plan Counseling, Empower Retirement stated that it's the way the bill was written. Treasurer Cruz stated that he thought that the intent of the bill was to ensure that federal withholding taxes at the time of disbursement were properly given to the Department of Revenue and Taxation. Director Blas stated that the intent of the bill is to get organizations to register with the Department of Revenue and Taxation.

**Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, moved to approve the Minutes of the October 20, 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 Blas stated that the Retirement Fund met with the various Human Resources (HR), Payroll and Information Technology (IT) personnel regarding the implementation of the new retirement plans which will become effective January 1, 2018. Director Blas stated that the implementation will be during the first pay period in January which ends January 6, 2018. This will result in a split pay period; there will be tax issues, accrual of leave issues and payroll deduction issues. Treasurer Cruz asked whether there is a date that could be agreed on. Director Blas stated that she checked with the Retirement Fund's Legal Counsel and it can't be done. Treasurer Cruz stated that it should be a full pay period instead of half a pay period. Director Blas stated that half of the pay period would be with the old rate (2017) and the other half will be with the new rate (2018). Treasurer Cruz suggested to ask the Legislature to make an amendment to use a full pay period. Chairman San Agustin suggested to get it in a rider and that the language should read: "As administratively determined." Director Blas consider options before finalizing a solution.

2. **Standard Insurance** - Director Blas stated that an updated summary report as of October 31, 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 55 participants on LTD.

### **Financial Report**

1. **Contributions** - Director Blas stated that as of November 14, 2017, 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 September 30, 2017 is scheduled to close on November 30, 2017.

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

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

Director Blas stated that Ms. Taijeron provided the TPA Report for the month ending October 31, 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 \$541,738,240.49. There was an increase of \$8,069,509.79 or 1.51%. There was a market increase of 1.00% from September 2017 to October 2017. The 457 Deferred Compensation Plan had total assets of \$64,694,355.64. There was an increase of \$1,302,630.79 or 2.05%. There was a market increase of 1.00% from September 2017 to October 2017.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$3,299,557.58. There was an increase in contributions of \$264,529.52 or 8.72%. The 457 Deferred Compensation Plan had total contributions of \$626,723.09. There was a decrease in contributions of \$6,615.19 or -1.04%. Ms. Taijeron stated that the 401(a) Plan had 180 employee distributions totaling \$3,309,426.49. The 457 Plan had 45 participant distributions totaling \$327,615.21.

Ms. Taijeron stated that there are 8,453 active participants. There's a total of 995 DC retirees. Six (6) participants retired in the month of October - three (3) with no distribution taken, two (2) full withdrawals, and one (1) partial withdrawal. Chairman San Agustin asked whether the retirees were informed of the Hybrid Plan. Director Blas replied, "Yes, before the September 30, 2017 deadline."

**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**

Treasurer Cruz reported that the Investment Committee Meeting was held on November 16, 2017. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 19, 2017.

**Next Quarterly Performance Meeting** – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for January 25, 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 1:02 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 17, 2017 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 27, 2017.**



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

**RECORDING SECRETARY:**



**Jackie Blas**