



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. 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

Albert H. Santos
 Trustee

Vacant
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, February 22, 2019, 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 12:01 p.m. Friday, February 22, 2019, 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
 Albert H. Santos, Trustee

Board of Trustees Absent:

Gerard A. Cruz, Treasurer (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

Grace Atalig, Interim Relationship Manager, Empower Retirement

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

Public Present:

Dave Burger, Burger & Comer

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. January 25, 2019 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, moved to approve the Minutes of the January 25, 2019 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. 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 an updated report is provided for the Board's information. Director Blas stated that at the January 25, 2019 Board Meeting, the Board agreed to move forward with the recommendation to submit legislation to repeal the statute to eliminate the GRSP. The Retirement Fund's Legal Counsel is drafting legislation to repeal the statute.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of January 31, 2019 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 20, 2019, all agencies are current with their Fiscal Year 2019 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended December 31, 2018 are scheduled to close on February 25, 2019.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – January 2019

Director Blas stated that Grace Atalig, Interim Relationship Manager, Empower Retirement, provided the TPA Report for the month ending January 31, 2019 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Atalig stated that the 401(a) Plan had total assets of \$332,139,266.60. There was an increase of \$19,184,784.74 or 6.13%. There was a market increase of 5.2% from December 2018 to January 2019. The 457 Deferred Compensation Plan had total assets of \$74,771,080.92. There was an increase of \$5,128,297.05 or 7.36%. There was a market increase of 6.0% from December 2018 to January 2019.

Ms. Atalig stated that the 401(a) Plan had total contributions of \$2,800,473.26. There was an increase in contributions of \$946,330.50 or 51.04%. The 457 Deferred Compensation Plan had total contributions of \$970,476.50. There was an increase in contributions of \$393,470.34 or 68.19%.

Ms. Atalig stated that the 401(a) Plan had 226 employee distributions totaling \$3,193,229.48. The 457 Plan had 63 participant distributions totaling \$546,426.63.

Ms. Atalig stated that the 401(a) Plan has a total of 5,399 participants receiving employer contributions. The 457 Plan has 4,324 contributing participants. Ms. Atalig stated that there were 19 retirees in the month of January. The total number of retirees is 1,146.

Chairman San Agustin stated that he is concerned that some of the participants suffered a market loss and immediately decided to withdraw their contributions. Chairman San Agustin suggested to communicate with the participants regarding the market fluctuation and inform the participants to wait for a few months before making a decision to withdraw. Ms. Atalig stated that Empower Retirement does speak to the participants and the participants are informed of their options. Secretary Antolina Leon Guerrero asked whether there is a waiting period on distributions. Director Blas stated that she will check if a waiting period could be imposed.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Vice Chairman Wilfred Leon Guerrero reported that the Investment Committee Meeting was held on February 21, 2019. The Committee reviewed and approved the Investment Committee Meeting Minutes of January 24, 2019.

Next Quarterly Performance Meeting – Vice Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for April 25, 2019.

Expiration of Mercer Investment Consulting, Inc. Contract - Director Blas informed the Board that Mercer's contract expires on March 31, 2019. Director Blas asked if the Board would like to extend Mercer's contract for an additional 2 years. Chairman San Agustin asked whether the Board is satisfied with Mercer's performance. The Board indicated that there are no issues with Mercer and agreed to extend Mercer's contract for an additional 2 years. Secretary Leon Guerrero stated that an evaluation should be made within a year so that a recommendation could be made to the Board on whether or not to issue a Request for Proposal (RFP).

Vice Chairman Wilfred Leon Guerrero, seconded by Trustee Albert Santos, moved to approve to extend Mercer Investment Consulting, Inc.'s contract for an another two (2) years, which will expire on March 31, 2021. Without objection, the motion passed.

B. Members and Benefits Committee

An update of the DB 1.75, DCRS and GRSP Plans was covered under the Director's report. Vice Chairman Leon Guerrero inquired about an appropriation for the GRSP. Director Blas stated that it's regarding legislation that was introduced to take \$200,000 that was appropriated in the budget law for the GRSP. Director Blas stated that the legislation introduced is proposing to reallocate funding to the Guam Election Commission (GEC) for expenses incurred for the election and to the Guam Police Department (GPD) to fund security cameras.

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

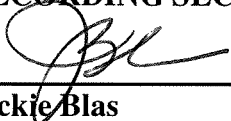
There being no further business before the Board for the Defined Contribution Plan, on motion of Secretary Antolina Leon Guerrero, seconded by Trustee Albert Santos, and without objection, the meeting was adjourned at 12:16 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 22, 2019 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 27, 2018.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas