



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
 Wednesday, March 27, 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 12:22 p.m. Wednesday, March 27, 2019, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 Albert H. Santos, Trustee
 Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

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

Staff Present:

Paula Blas, Director
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

Grace Atalig, Interim Relationship Manager, Empower Retirement

Actuarial Consultant Present:

Richard Wright, Milliman, Inc.

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. February 22, 2019 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee Katherine Taitano, moved to approve the Minutes of the February 22, 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.

2. Standard Insurance - Director Blas stated that an updated summary report as of February 28, 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 March 26, 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 January 31, 2019 were closed on March 14, 2019 and the books for the month ended February 28, 2019 are scheduled to close on March 29, 2019.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – February 2019

Director Blas stated that Grace Atalig, Interim Relationship Manager, Empower Retirement, provided the TPA Report for the month ending February 28, 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 \$339,428,681.96. There was an increase of \$7,289,415.36 or 2.19%. There was a market increase of 1.5% from January 2019 to February 2019. The 457 Deferred Compensation Plan had total assets of \$77,084,842.93. There was an increase of \$2,313,762.01 or 3.09%. There was a market increase of 2.0% from January 2019 to February 2019.

Ms. Atalig stated that the 401(a) Plan had total contributions of \$2,238,867.40. There was a decrease in contributions of \$561,605.86 or -20.05%. The 457 Deferred Compensation Plan had total contributions of \$818,176.65. There was a decrease in contributions of \$152,299.85 or -15.69%.

Ms. Atalig stated that the 401(a) Plan had 164 employee distributions totaling \$2,118,627.92. The 457 Plan had 44 participant distributions totaling \$278,390.65.

Ms. Atalig stated that the 401(a) Plan has a total of 5,444 participants receiving employer contributions. The 457 Plan has 4,438 contributing participants. Ms. Atalig pointed out that the implementation of the 457 Plan Auto Enrollment is working out well. Chairman San Agustin asked whether participants could take out a loan on the 457 Plan. Ms. Atalig replied, "Yes, there is a loan provision on the 457 Plan."

Ms. Atalig stated that there were 13 retirees in the month of February. The total number of retirees is 1,160.

Treasurer Gerard Cruz, seconded by Trustee Albert Santos, moved to accept the Third Party Administrator's Report. Without objection, the motion passed.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Gerard Cruz reported that the Investment Committee Meeting was held on March 15, 2019. The Committee reviewed and approved the Investment Committee Meeting Minutes of February 21, 2019.

Next Quarterly Performance Meeting – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is scheduled for April 25, 2019.

B. Members and Benefits Committee

Trustee Katherine Taitano stated that the draft legislation (*AN ACT TO REPEAL PUBLIC LAW NO. 33-186:5 AND ARTICLE 6, CHAPTER 8, TITLE 4, OF THE GUAM CODE ANNOTATED, RELATIVE TO THE GUAM RETIREMENT SECURITY PLAN {GRSP}*) is provided for the Board's review. Trustee Taitano added that Resolution No. 2017-05 (*RELATIVE TO A CASH BALANCE PLAN TO BE KNOWN AS THE GUAM RETIREMENT SECURITY PLAN*) was adopted by the Board in October 2017 is attached to the draft legislation.

Director Blas stated that Board Resolution 2017-05 was to prepare and submit a draft bill that would include provisions necessary to comply with the Internal Revenue Code (IRC) requirements concerning cash balance plans; to ensure compliance with the Lamorena Order; and to submit further documents to the Director of the Department of Revenue and Taxation, as necessary to comply with the IRC requirements concerning cash balance plans as are applicable to the Government of Guam Retirement Fund.

Director Blas stated that she asked the Retirement Fund's Legal Counsel to include reconsideration of the Board's resolution in the legislative intent of the bill. Trustee Taitano asked what weight the reconsideration has on Resolution No. 2017-05. Treasurer Cruz stated that upon doing the research to comply with Resolution No. 2017-05, the Board found that significant changes would need to be made to the GRSP law. The Board found that it would be more efficient to completely repeal the GRSP and conduct a study that results in a more comprehensive program that encompasses the goals of the GRSP. Director Blas suggested to have another resolution not to implement the GRSP at all. Secretary Leon Guerrero agreed and asked Legal Counsel to create a new resolution and revise the bill for Board consideration.

Chairman San Agustin inquired about a \$500,000 appropriation. Director Blas stated that it was an appropriation in the budget law for the GRSP, which has since been reallocated for other purposes.

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, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:49 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 27, 2019 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on April 26, 2019.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas