



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

BOARD OF TRUSTEES

Regular Meeting

Friday, May 25, 2018, 12:00 Noon
Retirement Fund Conference Room

MINUTES

Eddie Baza Calvo
Governor

Ray 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

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 12:29 p.m. Friday, May 25, 2018, in the Retirement Fund Conference Room. Acting Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Acting Chairman
Antolina S. Leon Guerrero, Secretary
Gerard A. Cruz, Treasurer
David M. O'Brien, Trustee
Albert H. Santos, Trustee

Board of Trustees Absent:

Joe T. San Agustin, 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 Taijeron, Relationship Manager, Empower Retirement
Grace Atalig, Retirement Plan Counselor, Empower Retirement

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. April 27, 2018 Regular Meeting

Trustee David O'Brien, seconded by Secretary Antolina Leon Guerrero, moved to approve the Minutes of the April 27, 2018 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 1.75 (DB 1.75), Defined Contribution Retirement System (DCRS) and Government Retirement Security Plan (GRSP) Plans* - Director Paula Blas stated that the Retirement Fund is still reconciling with Empower Retirement regarding the required funds to be transferred from DCRS participant accounts for DB 1.75 Plan members. The Retirement Fund expects the reconciliation to be a continuous process until the end of May 2018.

Treasurer Gerard Cruz inquired about the GRSP legislation. Director Blas stated that Senator Michael San Nicolas' Office is reviewing the Retirement Fund's draft legislation. Treasurer Cruz mentioned that Senator San Nicolas is trying to get in touch with him. Treasurer Cruz suggested that Director Blas schedule a working session with Senator San Nicolas and the Retirement Fund Board. Acting Chairman Leon Guerrero asked to have Senator San Nicolas speak to Director Blas. Treasurer Cruz stated that he will inform Senator San Nicolas that the Board is willing to address GRSP issues.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of April 30, 2018 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 May 22, 2018, all agencies are current with their Fiscal Year 2018 employee and employer contributions with the exception of Guam Memorial Hospital Authority (GMHA). Director Blas stated that the employee and employer contributions are current. It's the unfunded portion that is not being paid. Director Blas stated that the Retirement Fund is still not entertaining retirement for GMHA eligible employees. Director Blas stated that another letter has been sent to GMHA. Secretary Antolina Leon Guerrero asked what the next step is. Director Blas replied, "A Writ."

2. *Financial Statements* - Director Blas stated that the books for the month ended April 30, 2018 were closed on May 24, 2018.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – April 2018

Director Blas stated that Alice Taijeron, Relationship Manager, Empower Retirement, provided the TPA Report for the month ending April 30, 2018 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan. Ms. Taijeron mentioned that Jonathan Kreider, Vice President, Investment Products, Great-West Financial, attended yesterday's due diligence meeting and he addressed concerns about where the Retirement Fund is currently at with Secure Foundation.

Ms. Taijeron stated that the 401(a) Plan had total assets of \$334,675,284.34. There was an increase of \$2,109,682.39 or 0.63%. There was a market decrease of -0.20% from March 2018 to April 2018. The 457 Deferred Compensation Plan had total assets of \$70,015,913.44. There was an increase of \$1,518,831.29 or 2.22%. There was a market increase of 0.60% from March 2018 to April 2018.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,673,745.59. There was an increase in contributions of \$314,053.54 or 13.31%. The 457 Deferred Compensation Plan had total contributions of \$1,101,627.21. There was an increase in contributions of \$153,350.06 or 16.17%.

Ms. Taijeron stated that the 401(a) Plan had 213 employee distributions totaling \$3,002,275.68. The 457 Plan had 67 participant distributions totaling \$833,288.10. Ms. Taijeron stated that there are 7 retirees for the month of April 2018.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Acting Chairman Leon Guerrero reported that the Investment Committee Meeting was held on May 24, 2018. The Committee reviewed and approved the Investment Committee Meeting Minutes of April 26, 2018.

Next Quarterly Performance Meeting – Acting Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for July 26, 2018.

B. Members and Benefits Committee

An update of the DB 1.75, DCRS and GRSP Plans 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 12:43 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 25, 2018 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on June 22, 2018.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas