



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, August 31, 2018, 12:00 Noon
 Retirement Fund Conference Room

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

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 12:24 p.m. Friday, August 31, 2018, in the Retirement Fund Conference Room. Acting Chairman Wilfred 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
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

Alice Taijeron, Relationship Manager, Empower Retirement

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. July 25, 2018 Regular Meeting

Treasurer Gerard Cruz, seconded by Trustee Albert Santos, moved to approve the Minutes of the July 25, 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 reconciliation process has been completed. Trustee David O'Brien inquired about the status of the DB 1.75. Director Blas stated that staff are working on the eligibility for August and September.

2. **Standard Insurance** - Director Blas stated that an updated summary report as of July 31, 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 August 28, 2018, all agencies are current with their Fiscal Year 2018 employee and employer contributions with the exception of Guam Memorial Hospital Authority (GMHA). GMHA is currently in arrears for a total amount of \$1,128,108.76. Director Blas stated that she spoke to Benita Manglona from GMHA regarding the outstanding contributions and Ms. Manglona stated that GMHA will try to pay the current contributions and then pay a prior pay period off. Trustee O'Brien asked whether Ms. Manglona indicate how GMHA was going to make payment. Director Blas replied, "No, but it may be through the 1% BPT or through collection on their receivables. Trustee O'Brien asked how many pay periods will it take GMHA to pay off the arrears. Director Blas replied, "5 or 6 pay periods." Secretary Antolina Leon Guerrero asked when will GMHA eligible employees be able to retire. Director Blas stated that when the amount in arrears is paid off which should be by November or December 2018. Director Blas mentioned that there are eligible GMHA employees ready to retire including disability retirement applicants. Director Blas stated that GMHA payments will be monitored monthly. Trustee O'Brien suggested having Ms. Manglona articulate GMHA's payment plan in a memorandum for the Board's review. Director Blas stated that she will communicate with Ms. Manglona regarding putting GMHA's payment plan in writing.

2. **Financial Statements** - Director Blas stated that the books for the month ended July 31, 2018 were closed on August 30, 2018.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – July 2018

Director Blas stated that Alice Taijeron, Relationship Manager, Empower Retirement, provided the TPA Report for the month ending July 31, 2018 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 \$342,356,334.13. There was an increase of \$3,313,805.53 or 0.98%. There was a market increase of 0.40% from June 2018 to July 2018. The 457 Deferred Compensation Plan had total assets of \$73,929,718.80. There was an increase of \$1,925,224.66 or 2.67%. There was a market increase of 2.00% from June 2018 to July 2018.

Ms. Taijeron stated that the 401(a) Plan had total contributions of \$2,126,108.37. There was a decrease in contributions of \$1,203,290.38 or -36.14%. The 457 Deferred Compensation Plan had total contributions of \$747,398.15. There was a decrease in contributions of \$199,175.83 or -21.04%.

Ms. Taijeron stated that the 401(a) Plan had 405 employee distributions totaling \$3,134,102.87. The 457 Plan had 46 participant distributions totaling \$313,005.42.

Ms. Taijeron stated that there are 10 retirees in July 2018. Trustee O'Brien asked whether there will be an increase of retirees. Ms. Taijeron stated that the Retirement Fund will see an increase of retirees in the month of September 2018.

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

Acting Chairman Leon Guerrero reported that the Investment Committee Meeting was held on August 30, 2018. The Committee reviewed and approved the Investment Committee Meeting Minutes of July 24, 2018.

Next Quarterly Performance Meeting – Acting Chairman Leon Guerrero informed the Board that the next Quarterly Performance Meeting is scheduled for October 24, 2018. Director Blas mentioned that the Due Diligence Meeting will be conducted in the morning of October 24th and the Board Meeting will follow in the afternoon.

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

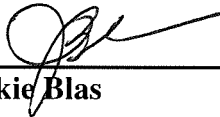
There being no further business before the Board for the Defined Contribution Plan, Secretary Antolina Leon Guerrero moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:54 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 31, 2018 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 28, 2018.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas