

GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
Governor

Joshua F. Tenorio
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
Chairman

Antolina S. Leon Guerrero
Vice Chair

Katherine T.E. Taitano
Secretary
Chair, Members and Benefits Committee

Gerard A. Cruz
Treasurer
Chair, Investment Committee

Artemio R.A. Hernandez, Ph.D.
Trustee

Thomas H. San Agustin
Trustee

George A. Santos
Trustee

BOARD OF TRUSTEES
Regular Meeting
Friday, November 15, 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 12:23 p.m. Friday, November 15, 2019, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
Antolina S. Leon Guerrero, Vice Chair
Gerard A. Cruz, Treasurer
Artemio R.A. Hernandez, Trustee
Thomas H. San Agustin, Trustee
George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
Jackie Blas, Recording Secretary

Third Party Administrator Present:

Grace Atalig, Retirement Plan Counselor, Empower Retirement

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 29, 2019 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve the Minutes of the October 29, 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 a public hearing on Bill No. 177-35 (repeal of the GRSP) was held on November 14, 2019. Chairman Wilfred Leon Guerrero, Vice Chair Antolina Leon Guerrero, Treasurer Gerard Cruz, Trustee Artemio Hernandez, Legal Counsel Vince Camacho, Maggie Ralbovsky, and Paula Blas attended the Public Hearing. Director Blas stated that Bill 177-35 will be entertained in the January 2020 Legislative Session.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of October 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 November 12, 2019, all agencies are current with their Fiscal Year 2020 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended September 30, 2019 are scheduled to close on November 29, 2019.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – October 2019

Director Blas stated that Grace Atalig, Retirement Plan Counselor, Empower Retirement, provided the TPA Report for the month ending October 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 \$360,132,901.24. There was an increase of \$6,142,751.98 or 1.74%. There was a market increase of 0.8% from September 2019 to October 2019. The 457 Deferred Compensation Plan had total assets of \$86,457,980.84. There was an increase of \$2,663,819.60 or 3.18%. There was a market increase of 1.5% from September 2019 to October 2019. Ms. Atalig stated that the increase was due to market as well as contributions.

Ms. Atalig stated that the 401(a) Plan had total contributions of \$3,441,306.50. There was an increase in contributions of \$1,422,522.19 or 70.46%. The 457 Deferred Compensation Plan had total contributions of \$1,405,259.53. There was an increase in contributions of \$851,042.68 or 153.56%. Ms. Atalig stated that the increase was due to payroll timing.

Ms. Atalig stated that the 401(a) Plan had 181 employee distributions totaling \$2,488,110.72. The 457 Plan had 56 participant distributions totaling \$323,273.82.

Ms. Atalig stated that the 401(a) Plan has a total of 6,057 participants receiving employer contributions. The 457 Plan has 5,611 contributing participants. First contributions had 171 in the 401(a) Plan and 112 in the 457 Plan. Ms. Atalig stated that there were 3 retirees in the month of October. The total number of retirees is 1,235. Ms. Atalig stated that of the 3 retirees in October, 1 took a full withdrawal and 2 took partial withdrawals.

Ms. Atalig informed the Board that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, would like to do the final presentation on the Proposed Managed Account which will include all the data requested by the M&B Committee. Ms. Atalig stated that Empower Retirement will send out letters to all participants that they have ninety (90) days to opt out of the Managed Account. A total of three (3) notices (90-day, 60-day, and 30-day) will be sent out before anyone is mapped into Managed Account. There will be a total of six (6) months of notifications to all participants about Managed Account services and opting out. Notifications will be sent by mail, email and postcard.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Cruz reported that the Investment Committee Meeting was held on November 14, 2019. The Committee reviewed and approved the Investment Committee Meeting Minutes of October 28, 2019 and the October 28, 2019 Due Diligence Meeting Minutes for the Quarter Ended September 30, 2019.

Treasurer Cruz inquired about the status of the change of share classes for Galliard. Ms. Atalig stated that it has been completed.

Next Quarterly Performance Meeting – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for January 30, 2020.

B. Members and Benefits Committee

An update of the DB 1.75, DCRS and GRSP Plans was covered under the Director's report.

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

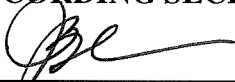
There being no further business before the Board for the Defined Contribution Plan, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:32 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 15, 2019 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 20, 2019.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas