

BOARD OF TRUSTEES
Regular Meeting
Friday, February 8, 2008, 12:00 p.m.
Retirement Fund Conference Room

MINUTES

DEFINED CONTRIBUTIONS

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 2:05 p.m. Friday, February 8, 2008, 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
Gerard A. Cruz, Treasurer
James J. Taylor, Secretary
George A. Santos, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee
Antolina S. Leon Guerrero, Trustee

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Rosalia Bordallo, General Accounting Supervisor
Jackie Blas, Recording Secretary

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. January 11, 2008 Regular Meeting

On motion of Trustee George Santos, seconded by Treasurer Gerard Cruz, and without objection, the Minutes of January 11, 2008 Regular Meeting were approved, subject to corrections. Motion passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

I. Request for Proposal (RFP): Third Party Administrator – Director Paula Blas stated that this matter is an administrative hearing before the Office of the Public Auditor (OPA)/Procurement Appeals Hearing Officer. The hearing was held on January 21, 2008. Director Blas stated that the OPA/Procurement Appeals Hearing Officer will be issuing his decision on February 20, 2008. Director Blas stated that an audio version of the hearing is posted on the OPA website.

Chairman San Agustin stated that, after speaking with the auditor, there are some questions about forfeitures, payments and costs per participant. Chairman San Agustin stated that the auditor is making a review of the Defined Contributions (DC) Plan. Chairman San Agustin stated that the auditor had a question of the rent being free. The auditor was also talking about getting reimbursement from the DC Plan. Controller Diana Bernardo stated that Public Law 28-141 allowed the use of forfeitures for general and administrative expenses. Prior to that the Retirement Fund allocated money to the DC Plan. That has been fully reimbursed. Controller Bernardo stated that the only pending items with the auditor is the allocation of interest to the participants and the allocation of the change in value. Chairman San Agustin asked what is being done with the money that is reimbursed to the Retirement Fund. Controller Bernardo stated that she would meet with Dave Burger to go over this issue. Chairman San Agustin stated that there is a need to show what the cost is to administer the DC Plan. Controller Bernardo stated that she is working on making sure that money is allocated.

Chairman San Agustin inquired about the issue with the Invesco money. Controller Bernardo stated that the auditor is saying that .65 basic points are charged to participants. Controller Bernardo stated that this is a pending item. Chairman San Agustin stated to reflect on reducing the cost per participant.

Hardship Withdrawal – Director Blas reported that there were four (4) hardship withdrawals in January 2008. Director Blas stated that prior to the hardship amendment, there were 12-16 withdrawals a month.

Financial Report

I. Contributions – Director Blas stated that as of February 5, 2008, all agencies are current with their Fiscal Year 2008 employee and employer contributions.

2. **Financial Statements** – Director Blas stated that the books for the month ending January 2008 will be closed on February 12, 2008. The draft financials for the Fiscal Year ended September 30, 2007 were issued on February 1, 2008. Director Blas stated that the Audit Committee will be meeting to discuss the full audit report.

VI. INVESTMENT COMMITTEE REPORT

Vice-Chairman Wilfred Leon Guerrero reported that the Investment Committee meeting was held on January 25, 2008. The Investment Committee reviewed and approved the Investment Committee Minutes of November 30, 2007.

Third Party Administrator Request for Proposal (RFP) – Vice-Chairman Leon Guerrero reported that Management provided the Investment Committee with an update on the status of the Third Party Administrator RFP.

VII. OLD BUSINESS

A. Contribution Report – January 2008

Director Blas stated that Mike Perez, Great West Retirement Services, submitted, for this meeting, a copy of the Defined Contribution (DC) Plan and the Deferred Compensation (457) Plan report for the month of January 2008.

Mr. Perez's report shows that the Defined Contribution Plan (DC) has 6,744 participants with a total contribution amount of \$843,515.92. The Deferred Compensation Plan (457) has 813 participants with a total contribution amount of \$109,017.34.

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

The Northern Trust Company (Northern Trust) – Chairman San Agustin mentioned that Northern Trust was listed as number five (5) on the "Top 25 Large Bank Performers" in the country. This article appeared in the *Bank Directors' Magazine*. Chairman San Agustin inquired about the transition of Northern Trust. Director Blas stated that representatives from Northern Trust, Singapore Office, would be coming to Guam to train Retirement Fund staff.

X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Secretary James Taylor, and without objection, the meeting was adjourned at 2:20 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 8, 2008 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 28, 2008.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas