

BOARD OF TRUSTEES

Regular Meeting

Thursday, May 29, 2008, 12:00 p.m.

Retirement Fund Conference Room

MINUTES

DEFINED BENEFITS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 12:05 p.m. Thursday, May 29, 2008, in the Retirement Fund Conference Room. Acting Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Acting Chairman
Gerard A. Cruz, Treasurer
George A. Santos, Trustee
Katherine T.E. Taitano, Trustee
Antolina S. Leon Guerrero, Trustee

Board of Trustees Absent:

Joe T. San Agustin, Chairman
James J. Taylor, Secretary

Staff Present:

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

Public Present:

Clint Ridgell, KUAM
Frank Hill, Retiree
Ted & Gloria Nelson, Retirees
Dorothea S. Constantino, Retiree
Juan T. Lizama, Retiree
David & Maria Sulio, Retirees
Frederick B. Quinene, Retiree

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. February 22, 2008 Reconvened Meeting, March 14, 2008 and April 25, 2008 Regular Meetings

Trustee George Santos, seconded by Trustee Katherine Taitano, moved to defer approval of the Minutes of February 22, 2008 Reconvened Meeting, March 14, 2008 and April 25, 2008 Regular Meetings. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-93)* –

Director Paula Blas stated that Public Law 29-04 mandated the assignment of the TeleGuam Holdings LLC promissory note of \$10 Million to the COLA Class. The assignment was signed by the Government of Guam and TeleGuam and turned over to the COLA Class attorney. Director Blas stated that the Bank of Guam obtained all the documents required by the bank to purchase the note at \$9 Million. The Retirement Fund received the \$9 Million on May 20, 2008, which was deposited into an account specifically for that distribution. The General Fund checks were cut on May 21, 2008 and transmitted back to the Treasurer of Guam for disbursement.

Director Blas stated that Public Law 29-18 mandated the Department of Administration (DOA) to issue certificates of claim to COLA Awardees. The Attorney General (AG) issued their opinion to DOA in December 2007 instructing them to proceed with issuing these certificates. Director Blas stated that the certificates will not be issued until the TeleGuam promissory note has been assigned, sold, and funds have been disbursed.

Director Blas stated that Public Law 29-19 authorized Governor Felix Camacho to issue a second bond of \$115 Million to pay off the COLA Awards and past due tax refunds. Director Blas stated that the current market trends are not favorable at this time and there is no market for non-investment grade bonds. The Guam Economic Development and Commerce Authority (GEDCA) will continue to move forward to prepare the credit and is planning to issue the credit sometime during the third quarter.

2. *Request for Proposal (RFP): Custodial Bank Services* - Director Blas stated that Chairman San Agustin had requested for a section-by-section analysis of the custody agreement. Director Blas stated that Legal Counsel is requesting that she review this with the Board via a teleconference or video conference rather than submitting it in writing. Treasurer Gerard Cruz stated that he is okay with a video conference.

3. *Request for Proposal (RFP): Real Estate Investment Trusts (REITS)* – Director Blas stated that the contract is with the actual manager for review, and then it will go to the Retirement Fund's Legal Counsel.

Director Blas stated that the contract for IRM is ready for signature. Trustee Antolina Leon Guerrero asked how long are the contracts for. Director Blas stated that there is no term limit.

4. Request for Proposal (RFP): U.S. Domestic Small Capitalization Core Equity -

Director Blas stated that the contract is with the actual manager for review, and then it will go to the Retirement Fund's Legal Counsel.

5. Request for Proposal (RFP): Legal Services - Director Blas stated that Trustee Katherine Taitano will be making her report at the next Board meeting on the firms that were interviewed on May 28, 2008.

6. Request for Proposal (RFP): U.S. Domestic Core Fixed Income - Director Blas stated that the contract is with the actual manager for review, and then it will go to the Retirement Fund's Legal Counsel.

7. Request for Proposal (RFP): U.S. Domestic Large Capitalization Growth Equity - Director Blas stated that the contract is with the actual manager for review, and then it will go to the Retirement Fund's Legal Counsel.

8. Request for Proposal (RFP): Proxy Voting Services - Director Blas stated that the policy would be ready shortly. Acting Chairman Leon Guerrero asked when the Board could expect the policy. Rosalia Bordallo, General Accounting Supervisor, stated that it should be ready at the next Investment Committee Meeting in June.

9. Public Law 28-38 - Director Blas stated that the monthly interest payments for the Guam Public School System (GPSS) and Guam Memorial Hospital Authority (GMHA) are current.

Financial Report

1. Contributions - Director Blas stated that 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 April 2008 were closed on May 9, 2008.

3. Fiscal Year 2008 Retirees' Supplemental Benefits - Director Blas stated that the supplemental benefits for retirees and survivors for the month of April 2008 have been paid.

4. Medicare Reimbursements - Director Blas stated that the Retirement Fund continues to receive the Fiscal Year 2008 monthly allotments and payments are processed accordingly.

Treasurer Gerard Cruz asked whether Legal Counsel was asked about the issue of the contributions coming in. Director Blas replied, "Yes, Legal Counsel will look into this matter." Director Blas stated that the question was similar to a 401 question on trying to segregate the individual investment for a member. Legal Counsel has stated that you can not individually invest for each individual member. Director Blas stated that Legal Counsel will put this in writing. Trustee Leon Guerrero inquired about the Disaster Recovery Plan. Director Blas stated that it's due on September 30, 2008.

VI. LEGAL COUNSEL'S REPORT

No report was made at this time.

VII. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Cruz stated that the Treasurer's Report is provided, at this meeting. It covers the Retirement Fund's Statement of Plan Assets (unaudited) for both the Defined Benefit (DB) Plan and the Defined Contribution (DC) Plan for the month ended April 30, 2008. Treasurer Cruz stated that we are showing \$1.6 Billion in assets. There have been some market movements that were not in the Retirement Fund's favor. Treasurer Cruz stated that with regards to cash flow, the Retirement Fund is operating within its authority. There has been no need to draw down principal since December 2007. As Treasurer Cruz stated that we may need to draw down \$4 Million, Mrs. Bordallo stated that there was a \$4 Million drawdown in May 2008. Treasurer Cruz stated that the Retirement Fund will have an ending cash balance of \$1.2 Million to carry forward. Trustee Leon Guerrero asked what was the authorized drawdown amount. Treasurer Cruz replied, "\$5 Million."

VIII. STANDING COMMITTEE REPORTS

A. Members and Benefits Committee

Trustee George Santos presented his Committee's May 2008 report to the Board of Trustees.

Trustee George Santos, seconded by Treasurer Gerard Cruz, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 13, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of May 14, 2008 and subsequent meetings thereafter. Without objection, the motion passed.

Trustee Santos stated that the Retirement Fund received a copy of the Superior Court's Decision on the Saville case. The Court's decision would require the full Board to review all medical applications. This may be problematic for the Board with regards to the privacy of the individual applying for medical disability. This does not solve the present situation between Saville vs. the Retirement Fund. Trustee Santos stated that the Retirement Fund's Legal Counsel has provided two options for the Board to consider: 1) The Retirement Fund may appeal the Court's decision by June 2, 2008, or 2) The Retirement Fund may settle this matter with the Saville estate. Trustee Santos stated that the Members and Benefits Committee recommends dealing with the current issue with Saville and taking the second recommendation of Legal Counsel which is to settle the matter with the Saville estate. Trustee Leon Guerrero asked what the \$49,700.00 is for. Director Blas stated that it is the full disability retirement benefits excluding interest. Trustee Leon Guerrero asked what is the \$17,805.00 for. Director Blas stated that it is the survivor benefit. Treasurer Cruz asked whether the settlement would be a no contest. Trustee Santos stated that it is not contested.

Trustee Leon Guerrero inquired about future disability applications. Trustee Santos stated the Members and Benefits Committee would have to consider this and have further dialogue regarding it. Trustee Leon Guerrero stated that the Retirement Fund may have to add an additional Board member to the Members and Benefits Committee. Director Blas stated that adding another member may create an open government meeting situation. Director Blas stated that we need to have the statute amended to delegate more authority to a committee. Trustee Leon Guerrero asked who the judge in the Saville case is. Director Blas replied, "Judge Elizabeth Barrett-Anderson." Trustee Leon Guerrero stated that she is surprised of the Judge's findings.

Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, moved to approve to accept the Retirement Fund's Legal Counsel's second recommendation which is to settle this matter with the Saville estate. Without objection, the motion passed.

Trustee Santos stated that Melvin Castro did not submit any application for military credit until recently. Mr. Castro failed to submit his application within the limitations allowed by statute. Trustee Santos stated that the Members and Benefits Committee recommends disapproval of Mr. Castro's request based on the basis of failure to submit an application with the limitations allowed by statute.

Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Page 15, based on the Committee's review and findings during their meeting of May 14, 2008 and subsequent meetings thereafter. Without objection, the motion passed.

B. Investment Committee

Treasurer Cruz reported that the Investment Committee met on May 8 and 9, 2008. The Committee reviewed and approved the Investment Committee Minutes of April 11, 2008. Treasurer Cruz stated that the Committee met with Terry Dennison and Ashish Shrestha from Mercer Investment Consulting, Inc. Treasurer Cruz stated that the Committee discussed the status of the following contracts:

1. Real Estate Investment Trusts (REITs)
2. U.S. Domestic Small Capitalization Core Equity
3. U.S. Domestic Core Fixed Income
4. U.S. Domestic Large Capitalization Growth Equity

Treasurer Cruz stated that, according to Mr. Dennison, although he previously recommended termination of Franklin as a Fixed Income Manager, he currently feels we should retain both Franklin and Aberdeen. Treasurer Cruz further stated that, according to Mr. Dennison, in light of a concern he raised relative to the selection of one of the new managers, he recommended that the Selection Committee reevaluate their selection. Acting Chairman Leon Guerrero stated that the selection made by the Investment Committee was not part of Mercer's short list. Treasurer Cruz stated that, according to Mr. Dennison, if the selection was made outside of Mercer's short list, Mercer will not be responsible for their performance. Acting Chairman Leon Guerrero stated that the Investment Committee conceded that that was the case. It will be the Board's

responsibility. Treasurer Cruz stated that there is a directive in place that was passed by the Board. Director Blas stated that the directive is to terminate Aberdeen, retain Franklin, and pick up Davis Hamilton and IRM for fixed income. Mrs. Bordallo stated that Mr. Dennison wanted to retain RCM. Treasurer Cruz stated that Mr. Dennison should put it in writing and be responsible for it. Acting Chairman Leon Guerrero asked whether Management is looking for a new direction. Acting Chairman Leon Guerrero stated that the Board has made a decision and that has not changed. Director Blas stated to move forward and maintain the Board's directive. Director Blas stated that, as it stands now, there will be four managers that will be or have been terminated: Oppenheimer, Aberdeen, RCM, and Davis Hamilton for the large cap growth.

Treasurer Cruz stated that the Investment Committee recommends the following:

1. **Custodian Bank Services** - The Investment Committee recommends that the services of the new custodian hired to replace First Hawaiian Bank will be effective October 1, 2008.
2. **U.S. Domestic Large Capitalization Value Equity** - Relative to the termination of Oppenheimer and recruitment of Robeco, the Investment Committee recommends that 100% of the assets in Oppenheimer's portfolio be transferred to Robeco who will sell those assets which it does not want to hold.

Treasurer Cruz reported on the status of the following:

1. **Proxy Voting Request for Proposal (RFP)** - The Investment Committee has directed Management to prepare a Draft Proxy Voting Policy for review by the Committee.
2. **Exchange Traded Funds (ETFs)** – A legislative hearing was held on May 8, 2008 on Bill 283 – “An Act to Add a New Section 8158.1 to Article 1, Chapter 8, Title 4 of the Guam Code Annotated Relative to Authorizing the Board of Trustees to Invest Retirement Fund Assets at Cost in Exchange Traded Funds.” Director Blas stated that the Legislature will be going into session soon.
3. **130-30 Funds** – According to Mr. Dennison, none of the incumbent managers are authorized to invest in 130-30 Funds.

Treasurer Cruz stated that Mr. Dennison discussed the following:

1. Investment Performance of the Defined Benefit (DB) Plan for the Quarter Ended March 31, 2008
2. The Funds Asset Allocation Policy
3. The First quarter 2008 Market Environment
4. The U.S. Dynamic Asset Allocation

Treasurer Cruz stated that, based on discussions with Mr. Dennison, he noted the following:

1. The Board should fund REITs at the 10% maximum approved asset allocation, as bonds are expected to be undervalued. Mr. Dennison indicated that, REITs have corrected and are much closer to fair value.
2. The Board should move investments from Domestic Large Capitalization Equity to Domestic Small Capitalization Equity slowly, rather than investing 10% in Domestic Small Capitalization at once, since Domestic Small Capitalizations are slightly overvalued.

3. Mr. Dennison will review the target allocations and provide a range for moving from overvalued to undervalued investments.
4. Mr. Dennison will work with Management to develop a policy for rebalancing.
5. The Board should consider investing 5% in Opportunistic Investments, a new asset class. Mr. Dennison further noted that this could be done via investments in ETFs, which include investments in commodities.

Acting Chairman Leon Guerrero stated that the Investment Committee has agreed to stay with the current allocation.

Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero, moved to accept Mercer Investment Consulting, Inc.'s recommendations to consider establishing a new asset class entitled Opportunistic Investments. Without objection, the motion passed.

Treasurer Cruz stated that the June 30, 2008 quarterly performance meeting with Mercer Investment Consulting, Inc. is scheduled for August 28 and 29, 2008.

C. Audit Committee

No report was made at this time.

D. Governmental Liaison

No report was made at this time.

IX. OLD BUSINESS

None

X. NEW BUSINESS

A. Public Law 29-80 (Retiree Advocate/Representative on the Health Insurance Negotiating Team)

Director Blas stated that Public Law 29-80 which was passed on May 9, 2008 authorizes the Retirement Fund Board to appoint a government of Guam retiree advocate to be a member of the health insurance negotiations team. The intent of the law was to allow retirees to have an advocate regarding their health care needs. Director Blas stated that she issued an advertisement in the newspaper requesting for interested government of Guam retirees to submit their resumes. We received seven resumes which were given to the two Trustees who were appointed to the Selection Panel. The two trustees are Antolina Leon Guerrero and George Santos. Trustee Leon Guerrero stated that they received the seven resumes all of whom are government of Guam retirees. Trustee Leon Guerrero stated that they reviewed the retirees' experiences and found two having some health negotiations experience in the past. Treasurer Cruz inquired about the term of the appointed retiree advocate. Trustee Leon Guerrero stated that the law does not specify the term.

At this time, Acting Chairman Leon Guerrero recognized Mrs. Gloria Nelson, President of Dinana Para I Direchun Guahan Retirees and Survivors, Inc. Mrs. Nelson stated that the idea of having a retiree advocate came from Dinana. Mrs. Nelson stated that Dinana encouraged Senator Ben Pangelinan to include a retiree in the negotiations team through public law. Mrs. Nelson stated that Dinana carefully selected three individuals who are interested in filling this seat. Mrs. Nelson stated that the following individuals are informed citizens who can represent and protect the interests of our island's retirees: Mr. Jose Chargualaf, Mr. Ben Meno, and Mrs. Ana San Nicolas. These individuals were involved in health negotiations and are highly recommend by Dinana. Mrs. Nelson requested for the Board to select one who cares, one who is capable and is able to carry out the task.

Former Senator Ted Nelson, Retiree, stated that the Board needs to select someone who is knowledgeable and willing to represent the retirees. Senator Nelson feels that Mr. Chargualaf is a strong advocate as well as Mrs. San Nicolas. Senator Nelson stated that he is appealing to the Board to select someone who will stand up for the retirees. Mrs. Nelson mentioned that there is a rumor that the Acting Chairman's sister-in-law and cousin, namely Carmen Kasperbauer and Carlos San Agustin, are being selected. Mrs. Nelson stated that neither one ever showed up at any of the meetings.

Acting Chairman Leon Guerrero stated that the Retirement Fund came into the picture after the bill was passed into law. A request for submission of resumes was then advertised in the newspaper and then two Board Trustees were appointed to oversee the review of the resumes. Acting Chairman Leon Guerrero stated that he is concerned that Mrs. Nelson mentioned names that may not be relevant.

Trustee Santos stated that there were seven resumes submitted: Evelyn T. Akimoto, Superior Court of Guam retiree, Frank G. Blaz, Guam Power Authority retiree, Michael D. Carlson, Guam Legislature retiree, Jose S.N. Chargualaf, Department of Corrections retiree, Peter C. Mayer, Guam Power Authority retiree, Carmen A. Kasperbauer, Department of Education retiree and Ana S.A. San Nicolas, Department of Education retiree. Trustee Santos stated that based on Public Law 29-80, there are no criteria except for the Retirement Fund Board of Trustees to appoint a government of Guam retiree. Trustee Santos stated that there were two retirees with health negotiations experience. The two are: Frank G. Blaz and Michael D. Carlson. Trustee Santos stated that the two were, with twenty-four hour notice, who they would recommend to the Board. Now on the table is the input from the retirees from Dinana.

Senator Nelson stated that he is concerned of representation; that we need a strong advocate who will report back to Dinana and the Retirement Fund; someone who is always at the court hearings, the Governor's Office, the Retirement Fund Office and at the meetings in Mangilao. Senator Nelson continued, we need someone who has demonstrated participation. Trustee Leon Guerrero stated that the way the health negotiations are set up is not a very positive approach to providing health care for retirees and active employees. There is a menu of services already predefined. At no time is the negotiations team asked what the menu of services should include. The Board is in a great position to begin to look at the scope of services that are covered in the government health plan and begin to identify those services and the level of care the retirees need.

Trustee Leon Guerrero said that she is not sure whether next week's negotiations will be able to address the concerns presented today. Trustee Leon Guerrero stated that we should start now before next year's negotiations to identify what is going to benefit our retirees. Trustee Leon Guerrero stated that the retiree advocate appointed today will not have a huge impact during next week's negotiations.

Mrs. Nelson suggested sending out a survey to both active employees and retirees on what their needs are. There is a responsibility of the Board to prepare what needs to go into the package that the government of Guam is putting in. Mrs. Bordallo made a comment that the Legislature failed the retirees in knowing the deadline that exist for the negotiations. The Request for Proposal (RFP) went out in March 2008. The negotiating team is now negotiating for rates. In March, the Legislature should have brought up the matter of having a retiree sit in the meeting. Mr. Frank Hill, Retiree, stated that the delay was due to the Legislature not having a majority leader in place at that time. Mr. Hill stated that the retiree advocate will not be able to speak on negotiations since the package is ready. Mr. Hill stated that the Board needs to get input from the retirees. Don't sign the contract until they hear the needs of the retirees. On a separate note, Mrs. Nelson requested for a copy of the Retirement Fund's newsletter for off-island retirees.

Mr. John Lizama, Retiree, stated that the insurance companies want more money than what the retirees could afford. Mr. Lizama stated that he can not afford the deductible. Mr. Lizama stated that he still has not met his \$1,500.00 deductible.

Treasurer Cruz stated that we need to square away the terms of the appointment. Acting Chairman Leon Guerrero stated that the Board could make it an indefinite appointment. Trustee Leon Guerrero stated that the appointment should be subject to an annual review. Treasurer Cruz asked whether the appointed retiree advocate would be reporting to the Board. Director Blas stated that the appointee should be reporting to the Board. Treasurer Cruz stated that the Board needs to square away some housekeeping items on what is expected from this appointee. Mrs. Nelson stated that the Board should provide direction. Acting Chairman Leon Guerrero stated that the retiree advocate would be a part of the negotiation team. Trustee Leon Guerrero stated that since the scope of the plan is already laid out, the negotiations team would only be negotiating rates. Mrs. Bordallo stated that whatever rates were negotiated is still subject to the Governor's approval. Treasurer Cruz stated that it may be too late for this year, but we will have the opportunity for next year's negotiations. Treasurer Cruz recommended that the Board develop some criteria for the appointee to include guidelines and terms and to be reviewed annually.

Mr. Hill stated that we could still make changes on what is being covered. Mrs. Bordallo stated that they can not make the changes because the RFP will have to be cancelled and then reissued. Mrs. Bordallo stated that this will then cause a delay in the coverage period. Mr. Hill stated that it should not be a done deal since the contract has not been signed. Trustee Leon Guerrero asked who the director of the Retirement Fund represents as a member of the negotiations team. Director Blas stated that she represents the Retirement Fund as a whole.

Director Blas stated that there is a misconception that the retirees' needs are not communicated. Their needs are communicated in terms of the utilization of the types of services provided. It does not mean we can not continue to add more services to the menu. Director Blas stated that there are costs associated on top of it. The cost will increase as you add on to the menu. Mr. Hill stated that the retirees are asking to negotiate affordable rates. Director Blas stated that you are looking at the retirees' status which is no different from an active employee. Mr. Hill stated that there are a lot of differences with retirees versus an active employee. Director Blas stated that they shifted the subsidy for government contributions to assist retirees from paying more. This cost the government more money. Mr. Hill stated that Frank Campillo from Calvo's Insurance, is saying that retirees are driving up the cost which is not true. Acting Chairman Leon Guerrero stated that another factor is that there was only one bidder. Mrs. Nelson stated that Staywell is still doing business on Guam after they got rid of the retirees.

Mrs. Nelson stated that Dinana will not put someone there to allow businesses to make profits. Mr. Lizama stated that the insurance companies will not lose a penny. This government needs to help the retirees. The retirees can not afford the deductibles. Mr. Fred Quinene, Retiree, stated that he never received any paper asking retirees what their medical needs are to help alleviate the problems when seeing the doctor. There is a need to survey the retirees on what is needed from them to be negotiated.

Trustee Santos stated that after taking the public's input into consideration and Trustee Cruz's input regarding administrative matters on Public Law 29-80, the Selection Committee would like to revisit their recommendation and now recommend Mrs. Ana S.A. San Nicolas to meet the needs of Public Law 29-80 to serve for a period of one year and to be reevaluated annually. Acting Chairman Leon Guerrero stated that the retiree advocate will not only be negotiating but also should be gathering information and defining the retirees' needs. Trustee Leon Guerrero asked that Mrs. San Nicolas introduce ideas of concerns of the level of coverage and the deductibles. Acting Chairman Leon Guerrero stated that at least 50% of retirees and survivors are not insured. Director Blas stated that 50% are enrolled and it does not mean that the other 50% are not insured. Mr. Hill stated that the Retirement Fund should initiate a survey to all retirees for their input prior to next year's negotiations. Mrs. Nelson stated that the Retirement Fund could still get a survey out while negotiations are ongoing. Mr. Quinene stated that he recommends that the Board send retirees or survivors to attend training on health insurance negotiations.

In closing, Mr. Quinene mentioned that he is the son of late Senator Jesus Reyes Quinene who created the government of Guam retirement program. Mr. Quinene stated that he is proud of the fact that no one co-sponsored the bill when his father brought the bill before the Legislature back in 1951. Mr. Quinene stated that he is also proud that his father's name is placed in front of this building. Mr. Quinene stated that he would like to see a portrait of his father posted up in this building. Trustee Leon Guerrero asked Mr. Quinene to provide his father's portrait. Mr. Quinene stated that the Board is knowledgeable of where to obtain his father's picture.

Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, moved to accept the Selection Committee's recommendation to appoint Ana S.A. San Nicolas to meet the needs of Public Law 29-80 as a member in the Negotiating Team to advocate for health care benefits to serve for a period of one year and to be reevaluated annually. Without objection, the motion passed.

XI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XII. ANNOUNCEMENTS

None

XIII. ADJOURNMENT

There being no further business before the Board for the Defined Benefits Plan, on motion of Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:55 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 29, 2008 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 25, 2008.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas