

## **BOARD OF TRUSTEES**

### **Regular Meeting**

Friday, June 27, 2008, 12:00 p.m.  
Retirement Fund Conference Room

### **MINUTES**

<b>DEFINED CONTRIBUTIONS</b>
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#### **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 1:30 p.m. Friday, June 27, 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 (*Off-Island*)  
James J. Taylor, Secretary (*Off-Island Conf*)

#### **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. March 14, 2008, April 25, 2008 and May 29, 2008 Regular Meetings**

**On motion of Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero, and without objection, the Minutes of March 14, 2008 Regular Meeting were approved, subject to corrections. Motion passed.**

**Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero, moved to table approval of the Minutes of April 25, 2008 and May 29, 2008 Regular Meetings. Without objection, the motion passed.**

## **III. CORRESPONDENCE**

None

## **IV. INFORMATIONAL ITEMS**

None

## **V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY**

**1. *Request for Proposal (RFP): Third Party Administrator (TPA)*** - Director Paula Blas stated that negotiations are still ongoing. Treasurer Gerard Cruz stated that panel will be meeting next week.

### **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 May 2008 were closed on June 11, 2008.

## **VI. INVESTMENT COMMITTEE REPORT**

Treasurer Cruz reported that the Investment Committee meeting was held on June 13, 2008. The Committee reviewed and approved the Investment Committee Minutes of May 9, 2008. Treasurer Cruz stated that Management provided the Committee with an update on the status of the TPA RFP.

Treasurer Cruz stated that a summary of Participation by Asset Class and Investment Option is provided, at this meeting, for the Board's information. Treasurer Cruz reported on the move out of stable value. Treasurer Cruz stated that the Investment Committee has been working hard to reduce the exposure to stable value as an investment option because of its low return nature. Treasurer Cruz stated that a large proportion of the assets are sitting in the profile fund series. Treasurer Cruz stated that the Investment Committee may want to look at reissuing or a search process. Treasurer Cruz stated that having more participants in the profile fund is a good thing.

Treasurer Cruz stated that this quarter closes in a couple of days. Treasurer Cruz stated that at the last investment review, there were some managers who were on the watch list. Treasurer Cruz stated that Mercer Investment Consulting, Inc. (Mercer) is supposed to provide a new watch list and the Investment Committee needs to look whether the same managers are on the same watch list.

Trustee Katherine Taitano inquired about the non-contributing participants on the (401)(a) and 457 plans. Director Blas stated that these are individuals who still have money but are no longer employed with the Government of Guam. Treasurer Cruz asked whether they have rights for forfeiture. Director Blas stated that it depends on whether they are vested. Rosalia Bordallo, General Accounting Supervisor, stated that if the cap is less than \$3,500.00 they are refunded. Acting Chairman Leon Guerrero stated that he does not remember the Board taking this action. Director Blas stated that it may be under the Public Pension Protection Act where it regulated new types of treasury regulations. Acting Chairman Leon Guerrero asked whether there is a federal law that the Retirement Fund has to comply with. Director Blas replied, "Yes." Director Blas stated that the number of non-contributing participants is too high.

## **VII. OLD BUSINESS**

### **A. Contribution Report – June 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 June 2008.

Mr. Perez's report shows that the Defined Contribution Plan (DC) has 6,858 participants with a total contribution amount of \$871,052.24. The Deferred Compensation Plan (457) has 882 participants with a total contribution amount of \$111,587.49.

## **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, on motion of Trustee George Santos, seconded by Trustee Katherine Taitano, and without objection, the meeting was adjourned at 1:41 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 27, 2008 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 25, 2008.**

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**James J. Taylor, Board Secretary**

**RECORDING SECRETARY:**

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**Jackie Blas**