

BOARD OF TRUSTEES

Regular Meeting

Friday, August 29, 2008, 10:00 a.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 3:06 p.m. Friday, August 29, 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
Antolina S. Leon Guerrero, Trustee

Board of Trustees Absent:

George A. Santos, Trustee
Katherine T.E. Taitano, Trustee

Staff Present:

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

Public Present:

Terry Dennison, Mercer Investment Consulting, Inc.

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. July 25, 2008 Regular Meeting

Trustee Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, moved to table approval of the Minutes of July 25, 2008 Regular Meeting. 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 – Director Paula Blas stated that the Service Agreement negotiations are ongoing. Treasurer Gerard Cruz stated that the panel is negotiating a service level agreement.

2. Great West Retirement Services – Director Blas stated that the Annual Review for the quarter ended June 30, 2008 took place on August 29, 2008. The report will be covered by the Investment Committee.

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 July 2008 were closed on August 11, 2008.

VI. INVESTMENT COMMITTEE REPORT

Vice-Chairman Wilfred Leon Guerrero reported that the Investment Committee meeting was held on August 8, 2008. The Committee reviewed and approved the Investment Committee Minutes of July 11, 2008. Vice-Chairman Leon Guerrero stated that during the meeting, Management provided the Committee with an update on the status of the Third Party Administrator Request for Proposal.

Vice-Chairman Leon Guerrero further reported that the Investment Committee met with Terry Dennison from Mercer Investment Consulting, Inc. on August 28, 2008. The Committee also met with Kent Morris, Mike Perez, and Alice Tajeron from Great West Retirement Services. Vice-Chairman Leon Guerrero stated that during the meeting, Mr. Dennison discussed the following:

1. Investment Performance of the Defined Contribution Plan for the Quarter Ended June 30, 2008.
2. Mercer lost its confidence in the Blackrock Aurora Fund due to consistently poor performance.

Director Blas stated that the staff is preparing demographic information as requested. Great West provided a copy, at this meeting, of the Mid Blend Options Fund Performance Review as of June 30, 2008. Vice-Chairman Leon Guerrero stated that a request was made for Mercer to provide possible replacement candidates. Vice-Chairman Leon Guerrero suggested having Mercer conduct a research and make a recommendation. Mr. Dennison stated that he will have his recommendation ready for the next Board meeting via phone conference. Treasurer Cruz stated that there is no need for the Board to make a decision at this time. Secretary James Taylor stated that the communication was to get back to him. Treasurer Cruz suggested replying to Mr. Michael Stoil saying that it did not fit the investment options at this time. Director Blas stated that she will write the letter to Mr. Stoil about his personal wish for additional investment choices.

Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee Antolina Leon Guerrero, moved to accept the Investment Committee Report and Recommendation. Without objection, the motion passed.

Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero, moved to reply to Mr. Michael Stoil's letter saying that it did not fit the investment options at this time. Without objection, the motion passed.

VII. OLD BUSINESS

A. Contribution Report – August 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 August 2008.

Mr. Perez's report shows that the Defined Contribution Plan (DC) has 5,906 participants with a total contribution amount of \$780,486.81. The Deferred Compensation Plan (457) has 861 participants with a total contribution amount of \$112,824.34.

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

A. November and December Regular Board Meetings / Quarter Ending September 30, 2008 Performance Meetings

Director Blas stated that the November Board meeting falls right after Thanksgiving Day and the December Board meeting falls right after Christmas Day. Mr. Dennison suggested to combine the November and December Board meetings. Director Blas suggested to hold the Board meeting on December 12, 2008 and the Quarter Ending September 30, 2008 Performance Meetings on December 11 and 12, 2008.

Audit – Treasurer Cruz stated the open items were discussed yesterday with the auditor.

X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Treasurer Gerard Cruz, seconded by Trustee Antolina Leon Guerrero, and without objection, the meeting was adjourned at 3:19 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 29, 2008 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 31, 2008.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas