

BOARD OF TRUSTEES
Regular Meeting
Friday, December 5, 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 4:30 p.m. Friday, December 5, 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
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. October 3, 2008 Reconvened Meeting and October 31, 2008 Regular Meeting

Trustee George Santos, seconded by Treasurer Gerard Cruz, moved to table the Minutes of October 3, 2008 Reconvened Meeting and October 31, 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 is ongoing.

2. Request for Proposal (RFP): Defined Contribution Plan Investment Consultant Services – Director Blas stated that the RFP closed on October 24, 2008. The Selection Panel will consist of Chairman Joe San Agustin, Trustee Antolina Leon Guerrero, and Rosalia Bordallo, General Accounting Supervisor.

Financial Report

1. Contributions – Director Blas stated that all agencies are current with their Fiscal Year 2009 employee and employer contributions.

2. Financial Statement – Fiscal Year 2008 Audit – Director Blas stated that the books for the month ending October 2008 were closed on November 28, 2008. The books for the fiscal year ending September 30, 2008 were closed on November 10, 2008 and the audit for Fiscal Year 2008 is ongoing.

VI. INVESTMENT COMMITTEE REPORT

Vice-Chairman Wilfred Leon Guerrero reported that the Investment Committee meeting was held on November 14, 2008. The Committee reviewed and approved the Investment Committee Minutes of October 31, 2008.

Third Party Administrator - Vice-Chairman Leon Guerrero stated that on November 14, 2008, Management provided the Committee with an update on the status of the Third Party Administrator Request for Proposal.

Defined Contribution Plan Contribution Rate - Vice-Chairman Leon Guerrero stated that the Committee recommended moving forward with drafting the bill to increase the defined contribution rate in incremental phases from 5 to 6% then from 6 to 7%.

Vice-Chairman Leon Guerrero stated that the Investment Committee also held its September 30, 2008 Quarterly Performance Review with Mercer Investment Consulting, Inc. on December 4, 2008. Vice-Chairman Leon Guerrero stated that the following was discussed and approved by the Committee for Board action:

1. **Replacement of BlackRock Aurora Fund** – Vice-Chairman Leon Guerrero stated that, as recommended by Terry Dennison from Mercer Investment Consulting, Inc., the Investment Committee recommends the following:
 - a. Replacement of BlackRock Aurora due to continued poor performance
 - b. That Mercer Investment Consulting, Inc. perform a search for a replacement manager

Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee Antolina Leon Guerrero, moved to approve to proceed with the process of replacing BlackRock Aurora and for Mercer Investment Consulting, Inc. to perform a search for a replacement manager. Without objection the motion passed.

VII. OLD BUSINESS

A. Contribution Report – November 2008

Director Blas stated that Mike Perez, of 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 November 2008.

Mr. Perez's report shows that the Defined Contribution Plan (DC) has 6,799 participants with a total contribution amount of \$919,349.58. The Deferred Compensation Plan (457) has 880 participants with a total contribution amount of \$113,827.19.

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 Antolina Leon Guerrero, seconded by Treasurer Gerard Cruz, and without objection, the meeting was adjourned at 4:50 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 5, 2008 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on February 27, 2009.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas

Board of Trustees Regular Meeting
December 5, 2008
Page 3 of 3