

GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

BOARD OF TRUSTEES
Regular Meeting
Friday, March 27, 2009, 12:00 p.m.
Retirement Fund Conference Room

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

Antolina S. Leon Guerrero
Secretary

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

Wilfred G. Aflague
Trustee

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 12:20 p.m. Friday, March 27, 2009, 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
Antolina S. Leon Guerrero, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Rosalia Bordallo, General Accounting Supervisor
Jackie Blas, Recording Secretary
Mike Perez, Great-West Retirement Services

Public Present:

Alfred Duenas, Senator Ben Pangelinan's Office
Angelica Okada, Senator Ben Pangelinan's Office

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. February 27, 2009 Regular Meeting and March 6, 2009 Reconvened Meeting

Secretary James Taylor, seconded by Trustee Gerard Cruz, moved to table the Minutes of February 27, 2009 Regular Meeting and March 6, 2009 Reconvened Meetings. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. **Request for Proposal: Third Party Administrator** – Director Paula Blas stated a copy of the draft agreement with Great West Retirement Services has been provided to the Selection Panel for their review. Director Blas stated that she will then proceed with Legal Counsel to review. Chairman San Agustin stated that the Board should consider the agreement for approval before it is circulated for signature. Trustee Antolina Leon Guerrero stated that the Selection Panel will make a recommendation to the Board. Vice-Chairman Wilfred Leon Guerrero stated that he was informed by respondents of the RFP that they were not informed of the outcome. Treasurer Gerard Cruz stated that the Office of the Public Auditor (OPA) mentioned that there may be a potential protest if the respondents are not informed. Trustee Leon Guerrero asked what is the process. Treasurer Cruz stated that once a selection is made, the other bidders must be informed, and then negotiations will proceed. Director Blas stated that the Selection Panel is trying to finish up with negotiations.

2. **Replacement of American Bond Funds of America** – Director Blas stated that at the March 6, 2009 Board meeting, Mercer Investment Consulting, Inc. (Mercer) was asked to conduct a search for a replacement fund for the American Bond Funds of America. Director Blas stated that Mr. Terry Dennison reported that he should have Mercer's recommendation for a replacement fund available by mid April 2009. Chairman San Agustin asked what prompted the replacement. Director Blas stated that it was from the previous due diligence meeting.

3. **Hybrid Defined Benefit (DB)/Defined Contribution (DC) Plan** – Director Blas stated that at the March 6, 2009 Board meeting, Mercer briefly discussed the advantages and disadvantages of a DB and DC Plan. Director Blas stated that the Retirement Fund is currently gathering the data for the DC Plan and further discussion on alternative retirement plan designs will take place at the next Mercer quarterly performance meeting in May 2009.

Financial Report

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

2. **Financial Statements** – Director Blas stated that the books for the month ending February 2009 were closed on March 17, 2009.

VI. INVESTMENT COMMITTEE REPORT

No report was made at this time.

VII. OLD BUSINESS

A. Contribution Report – February 2009

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 February 2009.

Mr. Perez's report shows that the Defined Contribution Plan (DC) has 7,033 participants with a total contribution amount of \$938,749.64. The Deferred Compensation Plan (457) has 871 participants with a total contribution amount of \$117,657.71. Chairman San Agustin asked what is the cash flow of the \$938,749.64. Rosalia Bordallo, General Accounting Supervisor, stated that it goes into the individual accounts. Mrs. Bordallo stated that the initial cash goes through the Retirement Fund.

Chairman San Agustin stated that he would like to see how the DC Plan is doing. Mr. Perez stated that he will make the information available. Trustee Leon Guerrero asked whether the report is provided. Mr. Perez stated that he does provide a quarterly performance report. Chairman San Agustin stated that he would like to see a month-to-month comparison. Mr. Perez stated that he will provide a month-to-month comparison. Trustee Leon Guerrero asked whether performance is on a monthly basis. Mr. Perez stated that the current contract has an annual review submission. Chairman San Agustin stated that he would like to make it quarterly. Trustee Leon Guerrero stated that it will be very helpful since the Retirement Fund is looking at options, including to change to hybrid. Treasurer Cruz asked whether Great-West is receiving more phone calls because of the current market. Mr. Perez stated that some of the participants are not concerned but that a market volatility seminar is being offered to participants. Mr. Perez stated that Great-West conducts mandatory new employee orientations. Mr. Perez stated that he tries to do large departments as one seminar. Mr. Perez stated that Great-West has newsletters and a website available for the participants. Director Blas stated that only the Guam Public School System (GPSS) requires new employee orientation before completing their process of employment. Chairman San Agustin stated that he needs a feedback from Great-West of what is being done with the DC Plan.

Chairman San Agustin recommended adding the Third Party Administrator (TPA) Report as a new agenda item. Vice-Chairman Leon Guerrero suggested adding the TPA Report on the agenda after the Director's Report.

Vice-Chairman Wilfred Leon Guerrero, seconded by Secretary James Taylor, moved to add the Third Party Administrator (TPA) Report as a new agenda item after the Director's Report. Without objection, the motion passed.

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

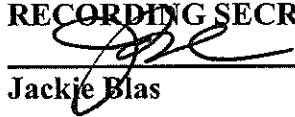
There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Secretary James Taylor, and without objection, the meeting was adjourned at 12:47 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of March 27, 2009 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 31, 2009.



Antolina S. Leon Guerrero, Board Secretary

RECORDING SECRETARY:



Jackie Blas