



GOVERNMENT OF GUAM  
**RETIREMENT FUND**  
STABILITY · SECURITY · REWARDS

**Felix P. Camacho**  
Governor

**Michael W. Cruz, M.D.**  
Lieutenant Governor

**Paula M. Blas**  
Director

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Friday, September 25, 2009, 12:00 p.m.  
Retirement Fund Conference Room

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 12:16 p.m. Friday, September 28, 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
- Antolina S. Leon Guerrero, Secretary
- Gerard A. Cruz, Treasurer
- Wilfred G. Aflague, Trustee
- George A. Santos, Trustee
- Katherine T.E. Taitano, Trustee

**Staff Present:**

- Paula Blas, Director
- Diana Bernardo, Controller
- Jackie Blas, Recording Secretary
- Mike Perez, Great-West Retirement Services

**Public Present:**

- Jan Hail, KUAM

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. August 28, 2009 Regular Meeting

On motion of Secretary Antolina Leon Guerrero, seconded by Trustee George Santos, and without objection, the Minutes of August 28, 2009 Regular Meeting were approved, subject to corrections. Motion passed.

## III. CORRESPONDENCE

None

## IV. INFORMATIONAL ITEMS

None

## V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. **Hybrid Defined Benefit (DB)/Defined Contribution (DC) Plan** – Director Paula Blas stated that at the July 31, 2009 Board meeting she distributed options for a Hybrid Plan as prepared by Richard Wright of Milliman, Inc. (Milliman), the Retirement Fund's actuary.. Director Blas stated that the plan options were referred to the Members and Benefits (M&B) Committee for their review and recommendation. Director Blas stated that the M&B Committee held a work session on September 9, 2009 and expect to have something to present to the Board by the October meeting.

2. **Investment Fund Options** – Director Blas stated that at the August 28, 2009 Board meeting, the Board approved adding an Actively Managed Treasury Inflation Protected Securities (TIPS) Funds and switching to Target Date Funds for the 401(a) Defined Contribution and 457 Plans. Director Blas stated that Great-West Retirement Services (Great-West) currently does not have the mapping capabilities for the Target Date Funds but they will begin the technical requirements to implement these Funds. Director Blas stated that Mercer Investment Consulting, Inc. (Mercer) has been authorized to conduct the search for the Target Date Funds and will commence the search upon receiving the implementation date from Great-West. Director Blas stated that Great West will have the mapping capability completed by March 2010. Director Blas stated that she will inform Mercer. Treasurer Gerard Cruz asked whether this is to replace the profile funds. Director Blas replied, "Yes." Director Blas stated that currently, the default is the conservative. The Target Date Funds will be used as a default.

### Financial Report

1. **Contributions** – Director Blas stated that as of September 22, 2009, all agencies are current with their Fiscal Year 2009 employee and employer contributions.

2. **Financial Statement** – Director Blas stated that the books for the month ending August 2009 were closed on September 11, 2009.

## VI. THIRD PARTY ADMINISTRATOR'S REPORT

Director Blas stated that Mike Perez of Great-West has provided, at this meeting, the TPA Report for the month ending August 31, 2009 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan. Mr. Perez stated that it was requested at the August 28, 2009 Board meeting to include the 12B1 Fees in the TPA report. Mr. Perez stated that it will be included in the TPA Report for the October 30, 2009 Board meeting.

Mr. Perez reported that the 401(a) Plan had a total asset of \$175,376,637.56 as of July 31, 2009, and \$180,318,028.98 as of August 31, 2009. Mr. Perez stated that there was an asset change of \$4,941,391.42 or 2.82%. The 457(b) Plan had a total asset of \$12,966,096.69 as of July 31, 2009, and \$13,247,130.08 as of August 31, 2009. The asset change was \$281,033.39 or 2.17%. The highest percentage change came from Dreyfus/Standish International Fixed Income with 8.91%. Mr. Perez stated that the total contribution amount in the 401(a) was \$1,790,818.20. The 457(b) had a contribution amount of \$196,558.62. The highest percentage came from Stable Return Premier with 14.78%. Mr. Perez stated that the assets by asset class in the 401(a) shows 63% in the profile portfolio. The 457(b) shows 25% in the profile portfolio.

Mr. Perez reported on participant statistics:

### **401(a) Plan**

Active Participants (with a balance)	9,371
Active Participants Contributing	6,146
Percent of Active Participants Contributing	66%
Full Withdrawals	54
Financial Hardships	9
First Contributions (New)	35

### **457(b) Plan**

Active Participants (with a balance)	1,132
Active Participants Contributing	819
Percent of Active Participants Contributing	72%
Full Withdrawals	6
Outstanding Loans	179
New Loans Processed	14
First Contributions (New)	4

Mr. Perez reported that the highest 401(a) Plan disbursement was "Payment to Self" in the amount of \$522,201.27. The highest 457(b) Plan disbursement was "Loan." Mr. Perez stated that participants borrow from their money and it is payroll-deducted back into their account.

Secretary Antolina Leon Guerrero inquired about the active participants with balances. Mr. Perez stated that they are non-contributing participants. Vice-Chairman Wilfred Leon Guerrero inquired about the payment to self. Mr. Perez stated that the participants are no longer employed and the money goes to them. Vice-Chairman Leon Guerrero asked whether the 457 Plan is a supplement. Director Blas replied, "Yes."

Trustee Katherine Taitano inquired about the pending agencies. Mr. Perez reported that there are seven departments left to be contacted to schedule a meeting. Mr. Perez stated that Great-West is still working with the Department of Education (DOE) on meetings.

Chairman San Agustin requested to include a benchmark of all funds. Mr. Perez stated that he will include it in the TPA report. Vice-Chairman Leon Guerrero inquired about the average returns. Mr. Perez stated that the participants received quarterly average return statements.

## **VII. INVESTMENT COMMITTEE REPORT**

Vice-Chairman Leon Guerrero reported that the Investment Committee meeting was held on September 11, 2009. The Committee reviewed and approved the Investment Committee Minutes of August 14, 2009. Vice-Chairman Leon Guerrero stated that no Board action is required at today's meeting.

Vice-Chairman Leon Guerrero reported on the following informational item:

*1. Investment Committee Goals and Objectives* – Vice-Chairman Leon Guerrero stated that the Investment Committee reviewed the Draft Matrix, which is subject to further discussion during the next Committee meeting. Vice-Chairman Leon Guerrero requested for input from Great-West on the five-year plan. Mr. Perez stated that he will provide input.

## **VIII. OLD BUSINESS**

### **A. Contribution Report – August 2009**

Director Blas stated that Mr. Perez of Great-West submitted, for this meeting, a copy of the DC Plan and the Deferred Compensation (457) Plan report for the month of August 2009.

Mr. Perez's report shows that the DC Plan has 7,003 participants with a total contribution amount of \$950,986.36. The Deferred Compensation Plan has 828 participants with a total contribution amount of \$101,230.99.

Chairman San Agustin asked what the average contribution is. Director Blas replied, "3%." Vice-Chairman Leon Guerrero pointed out that the DC Plan total contribution amount is \$950,986.36. Vice-Chairman Leon Guerrero asked why the TPA report shows \$1,790,818.20. Mr. Perez stated that the report on the \$950,986.36 is for the pay period. The report on the \$1,790,818.20 is for the month.

## **IX. NEW BUSINESS**

None

## **X. OPEN DISCUSSION / GENERAL PUBLIC INPUT**

None

**XI. ANNOUNCEMENTS**

None

**XII. ADJOURNMENT**

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:50 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 25, 2009 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 30, 2009.



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**ANTOLINA S. LEON GUERRERO, Board Secretary**

**RECORDING SECRETARY:**



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**Jackie Blas**