



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, October 30, 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 12:20 p.m. Friday, October 30, 2009, in the Retirement Fund Conference Room. Acting Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Vice-Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 Wilfred G. Aflague, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Joe T. San Agustin, Chairman (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. September 25, 2009 Regular Meeting

On motion of Secretary Antolina Leon Guerrero, seconded by Trustee George Santos, and without objection, the Minutes of September 25, 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 there are additional amendments on the plan options and are still under review by the M&B Committee.

2. **Investment Fund Options** – Director Blas stated that at the August 28, 2009 Board meeting, the Board approved adding an actively managed TIPS Funds and Target Date Funds to the 401(a) DC 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 and will begin the technical requirements to implement these Funds by March 2010. Director Blas stated that Mercer Consulting, Inc. (Mercer) has been notified of the target date and has been authorized to conduct the search for the Target Date Funds.

3. **12b(1) Fees** – Director Blas stated that in compliance with the Service Level Guarantee with Great-West, Great-West will be providing the 12b(1) fee information at the end of each quarter. Director Blas stated that this report will be available no later than forty-five (45) days after the quarter ends. Director Blas stated that for the quarter ending September 30, 2009, the fee information will be available by November 15, 2009.

Financial Report

1. **Contributions** – Director Blas stated that as of October 27, 2009, all agencies are current with their Fiscal Year 2010 employee and employer contributions. Acting Chairman Leon Guerrero inquired about the contribution rate. Director Blas stated that it is now 26.04%.

2. **Financial Statements** – Director Blas stated that the books for the month ending September 30, 2009 are scheduled to close on November 6, 2009. Director Blas stated that the books for the Fiscal Year ending September 30, 2009 are scheduled to close on November 10, 2009. Director Blas stated that the audit will then commence.

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 September 30, 2009 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mr. Perez reported that the 401(a) Plan had a total asset of \$186,987,390.09 as of September 30, 2009. The 457(b) Plan had a total asset of \$14,051,736.97 as of September 30, 2009. Mr. Perez stated that Great-West hit the \$200 Million mark of combined assets.

Mr. Perez stated that the total contribution amount in the 401(a) was \$2,025,762.98. The 457(b) had a contribution amount of \$323,469.80.

Mr. Perez reported on participant statistics:

401(a) Plan

Active Participants (with a balance)	9,559
Active Participants Contributing	6,864
Percent of Active Participants Contributing	72%
Full Withdrawals	50
Financial Hardships	5
First Contributions (New)	237

457(b) Plan

Active Participants (with a balance)	1,130
Active Participants Contributing	832
Percent of Active Participants Contributing	74%
Full Withdrawals	4
Outstanding Loans	181
New Loans Processed	15
First Contributions (New)	1

Mr. Perez reported that the highest 401(a) Plan disbursement was "Payment to Self" in the amount of \$338,113.72. Mr. Perez stated that this is from the 50 "Full Withdrawals." The highest 457(b) Plan disbursement was "Loan" in the amount of \$40,719.85. Treasurer Gerard Cruz asked how many loan defaults does Great-West have. Mr. Perez stated that there are about 2 or 3 defaults. Mr. Perez stated that the penalty is that the amount due is taxable and that the participant is no longer eligible for another loan.

Acting Chairman Leon Guerrero stated that the contribution rate on the DC plan is increasing. Mr. Perez asked whether the Retirement Fund could afford it if the hybrid plan is in place. Director Blas stated that the hybrid plan will increase the rate. Acting Chairman Leon Guerrero stated that Great-West and the Retirement Fund needs to work together on the hybrid plan and set up a timetable. Director Blas stated that the target is for the November meeting to get the plan options to the Board on the hybrid plan. Mr. Perez stated that in looking at enhancing the DC Plan, he would like to get the Member Services involved in communicating with the departments. Mr. Perez stated that he would like to work closely with the Member Services.

Trustee Wilfred Aflague inquired about the window of allowing the DB Plan members to transfer to the DC Plan. Director Blas stated that it is conducted yearly from March to May. Mr. Perez stated that there was only one transfer this year. Director Blas stated that with the hybrid plan, there may be no need to transfer. Mr. Perez stated that members with over twenty (20) years of service are not eligible to transfer. Mr. Perez suggested that there should be an age limit included.

VII. INVESTMENT COMMITTEE REPORT

Acting Chairman Leon Guerrero reported that the Investment Committee meeting was held on October 16, 2009. The Committee reviewed and approved the Investment Committee Minutes of September 11, 2009.

Acting Chairman Leon Guerrero reported on the following informational items:

1. *Investment Committee Goals and Objectives* – Acting Chairman Leon Guerrero stated that the Investment Committee reviewed the Draft Matrix, which is subject to further discussion during the next Committee meeting.

2. *Agenda for September 30, 2009 Quarterly Performance Meetings* – Acting Chairman Leon Guerrero stated that the Investment Committee reviewed the Agenda for the September 30, 2009 Quarterly Performance Meeting and Annual Manager Reviews, which is scheduled for December 16, 17, and 18, 2009.

VIII. OLD BUSINESS

A. Contribution Report – September 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 September 2009.

Mr. Perez's report shows that the DC Plan has 7,114 participants with a total contribution amount of \$866,470.99. The Deferred Compensation Plan (457) has 830 participants with a total contribution amount of \$103,141.49.

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 Secretary Antolina Leon Guerrero, seconded by Trustee George Santos, and without objection, the meeting was adjourned at 12:45 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of October 30, 2009 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on November 20, 2009.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas