



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, November 20, 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 1:26 p.m. Friday, November 20, 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
- Rosalia Bordallo, General Accounting Supervisor
- Jackie Blas, Recording Secretary
- Mike Perez, Great-West Retirement Services

Public Present:

- Alfred Duenas, Senator Ben Pangelinan's Office

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 30, 2009 Regular Meeting

On motion of Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of October 30, 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 the Members and Benefits Committee is awaiting the revised option from Milliman Consulting, Inc. (Milliman) prior to making their recommendations to the Board. Director Blas stated that the revised option from Milliman should be completed by the end of this month.

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) 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 Investment Consulting, Inc. (Mercer) has been authorized to conduct the search for the Target Date Funds and will commence the search.

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. Director Blas stated that the 12b(1) fees are included in the Third Party Administrator (TPA) Report. Director Blas stated that the 12b(1) fees is in the amount of \$260,000 for three quarters worth of remittances. Director Blas stated that this covers the administrative costs for the TPA. Mike Perez of Great-West stated that we should get an amount every quarter. Mr. Perez stated that some funds report the amounts monthly and some quarterly. Chairman San Agustin stated that the reporting should be uniform.

4. *Administrative Services Corporation (ASC) Protest Appeal* - Director Blas stated that ASC filed an appeal with the Office of the Public Auditor (OPA) on the contract award to Great-West. Director Blas stated that the OPA has scheduled the status hearing for November 30, 2009 and Carlsmith Ball will be representing the Retirement Fund. Director Blas stated that there is no stay on the current contract with Great-West. Chairman San Agustin inquired about the timeframe to appeal. Director Blas stated that it is within fourteen (14) days of the award.

Financial Report

1. **Contributions** – Director Blas stated that as of November 17, 2009, all agencies are current with their Fiscal Year 2010 employee and employer contributions.
2. **Financial Statements** – Director Blas stated that the books for the Fiscal Year ending September 30, 2009 will be closed by Tuesday next week.

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 October 31, 2009 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Chairman San Agustin inquired about the 12b(1) fees proposed legislation. Rosalia Bordallo, General Accounting Supervisor, stated that a fee is charged to each participant and the fees are rebated back. Treasurer Cruz stated that it off-sets the total plan costs. Mrs. Bordallo asked how is the 457 charged. Mr. Perez stated that it is charged the same way.

Mr. Perez reported that the meetings are almost completed. Mr. Perez stated that the Retirement Fund is pending a meeting with the Human Resources (HR) person. Director Blas so noted Mr. Perez's statement.

Mr. Perez stated that the annual review for 2009 will be held in March 2010. Mr. Perez stated that he will work with Management on this.

Treasurer Cruz asked Mr. Perez whether the implementation of the Target Date Funds by March 2010 still on schedule. Mr. Perez replied, "Yes."

VII. INVESTMENT COMMITTEE REPORT

Vice-Chairman Wilfred Leon Guerrero reported that the Investment Committee meeting was held on November 17, 2009. The Committee reviewed and approved the Investment Committee Minutes of October 16, 2009. Vice-Chairman Leon Guerrero stated that there are no action items for the Board.

Vice-Chairman Leon Guerrero stated that the Committee reviewed the Investment Committee Goals and Objectives Draft Matrix and indicated that it will be submitted for approval during the January 2010 Board meeting.

VIII. OLD BUSINESS

A. Contribution Report – October 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 October 2009.

Mr. Perez's report shows that the DC Plan has 7132 participants with a total contribution amount of \$976,448.15. The Deferred Compensation Plan (457) has 830 participants with a total contribution amount of \$98,015.34.

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 1:39 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 20, 2009 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 18, 2009.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas