



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, February 26, 2010, 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 2:05 p.m. Friday, February 26, 2010, 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  
 George A. Santos, Trustee  
 Katherine T.E. Taitano, Trustee

**Board of Trustees Absent:**

Wilfred G. Aflague, Trustee (*Excused*)

**Staff Present:**

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

**Public Present:**

Alfred Duenas, Senator Ben Pangelinan's Office

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. January 22, 2010 Regular Meeting**

**On motion of Treasurer Gerard Cruz, seconded by Trustee George Santos, and without objection, the Minutes of January 22, 2010 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 Richard Wright of Milliman Consulting, Inc. (Milliman) will present the alternatives on March 11, 2010 to the Retirement Fund Board, the Executive and Legislative branches, the Public Auditor, Attorney General, and other stakeholders. The presentation is scheduled from 9:00 a.m. to 12:00 noon at the Sheraton Media Room located at the first floor of the Sheraton Hotel. Director Blas stated that after the presentation, a meeting with the Retirement Fund's Legal Counsel will be held at the Retirement Fund. Treasurer Gerard Cruz recommended to also hold the 2:00 p.m. meeting at the Sheraton. Director Blas stated that she will check to see whether the Media Room will be available for the afternoon.

Director Blas also mentioned that the actuarial valuation will be held on March 12, 2010 at 10:00 a.m. at the Retirement Fund.

**2. Investment Fund Options** – Director Blas stated that at the December 18, 2009 Board meeting, the Board approved adding the BlackRock TIPS Fund and the Barclays Global Investors Target Date Funds now known as the BlackRock LifePath Funds, to the 401(a) DC and 457 Plans. Director Blas stated that the Target Date Funds will also serve as the Default Fund. Notification to participants will take place at least 60 days prior to implementation. Director Blas stated that full implementation will take place on April 14, 2010. Director Blas stated that notices were already sent to the participants.

**3. Third-Party Administrator (TPA) Annual Review** – Director Blas stated that the annual review for Great-West Retirement Services (Great-West) is scheduled for March 24, 2010. Vice-Chairman Wilfred Leon Guerrero inquired about the official comment regarding the contribution rate. Secretary Antolina Leon Guerrero stated that Mr. Wright will discuss the different rates during his presentation on March 11, 2010.

**4. Administrative Services Corporation (ASC) Protest Appeal** – Director Blas stated that ASC filed an appeal with the Office of Public Accountability (OPA) on the contract award with Great-West. The OPA held the formal hearing on December 21, 2009 with a supplemental hearing on January 13, 2010. Director Blas stated that a decision was expected to be released no later than 5:00 p.m., February 12, 2010. As of February 19, 2010, the decision has not been released.

## Financial Report

1. **Contributions** – Director Blas stated that as of February 23, 2010, all agencies are current with their Fiscal Year 2010 employee and employer contributions.
2. **Financial Statements** – Director Blas stated that the books for the month ending January 2010 were closed on February 19, 2010.
3. **Fiscal Year 2010 Audit** – Director Blas stated that the audit for Fiscal Year ending September 30, 2009 has been completed. The final audit reports are scheduled to be issued and released by March 1, 2010.

*Trustee Katherine Taitano was excused from the meeting at this time (2:20 p.m.).*

## **VI. THIRD PARTY ADMINISTRATOR'S REPORT**

### **A. Contribution Report – January 2010**

Director Blas stated that Mike Perez of Great-West has provided, at this meeting, the TPA Report for the month ending January 31, 2010 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mr. Perez's report shows that the 401(a) Plan had total assets of \$196,731,329.14 as of January 31, 2010. There was an asset change of (\$2,261,480.37) or a percentage change of -1.14% from December 31, 2009. The 457(b) Plan had total assets of \$14,925,437.00 as of January 31, 2010. The asset change was (\$265,838.01) or a percentage change of -1.75% from December 31, 2009. The total contribution amount in the 401(a) was \$2,129,275.30. The 457(b) had a contribution amount of \$243,057.47.

Mr. Perez stated that he added data of DC retirees' disbursement. Mr. Perez stated that there were 201 "Full Lump Sum" disbursements totaling \$6,216,607.00 with an average of \$30,031.92. The total funds accumulated were \$9,120,768.01. The percentage of retirees taking a "Full Lump Sum" is 79%. Mr. Perez stated that the number of retirees with a 457 account is 39. The percentage of retirees with a 457 account is 15%. The average account value for retirees with a 457 account at retirement is \$52,682.31 and the average account value for retirees without a 457 account at retirement is \$31,829.54.

Mr. Perez reported on the annuity and periodic payment data. Mr. Perez stated that the term certain annuities purchased is 7. The average term is 7 years. The life annuities purchased is 1. The amount used for purchase is \$29,024.88. The term certain periodic payments initiated is 3. The average term is 5.33 years. The amount certain periodic payments initiated is 11. The average monthly payment is \$908.05. Secretary Leon Guerrero asked whether the participants choose their payoff option. Mr. Perez replied, "Yes." Secretary Leon Guerrero asked whether Mr. Perez has included the Target Date in his presentations. Mr. Perez replied, "Yes, it is ongoing."

Chairman San Agustin asked whether the Attorney General's Office responded regarding the new employee orientation. Mr. Perez stated that he continues to contact the departments who have not responded. Chairman San Agustin also pointed out that the Guam Fire Department (GFD) does not want their employees to attend the new employee orientation.

Chairman San Agustin recommended documenting, for the record, the departments with no response or who have declined to attend the orientation.

**VII. INVESTMENT COMMITTEE REPORT**

Vice-Chairman Leon Guerrero reported that the Investment Committee meeting was held on February 19, 2010. The Committee reviewed and approved the Investment Committee Minutes of January 8, 2010.

**VIII. OLD BUSINESS**

None

**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 Treasurer Gerard Cruz, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 2:26 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 26, 2010 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on March 26, 2010.**



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

**RECORDING SECRETARY:**



**Jackie Blas**