

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, April 30, 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 BENEFITS

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 12:51 p.m. Friday, April 30, 2010, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

Board of Trustees Present:

Joe T. San Agustin, Chairman
 Antolina S. Leon Guerrero, Secretary
 Gerard A. Cruz, Treasurer
 Wilfred G. Aflague, Trustee
 George A. Santos, Trustee
 Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

Wilfred P. Leon Guerrero, Vice-Chairman,
 (Off-Island)

Staff Present:

Paula Blas, Director
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary

Public Present:

John Cruz, Retiree
 Nicholas Captain of Captain, Hutapea & Associates

Chairman San Agustin recommended suspending the meeting agenda to entertain Mr. Juan T. Cruz and the Members and Benefits (M&B) Committee Report.

II. MEMBERS AND BENEFITS COMMITTEE REPORT

A. Juan T. Cruz

Director Paula Blas reported that Mr. Cruz was originally placed on disability retirement. Chairman San Agustin asked when. Director Blas replied, "2001." Director Blas stated that the disability application processing timeline is included in the packet. Chairman San Agustin stated that if the Board had placed him on disability retirement, then the Board should be the one to remove him from disability retirement. Chairman San Agustin stated that the examining physician determined that Mr. Cruz no longer met the requirements for total and permanent disability. The Board ratified the physician's decision. Secretary Antolina Leon Guerrero stated that the mandatory medical review found Mr. Cruz no longer disabled. Trustee George Santos stated that Mr. Cruz optioned for optional retirement.

At this time Chairman San Agustin asked Mr. Cruz if he would like to address the Board. Mr. Cruz stated that he was on medical disability in 1994 and was removed from medical disability in 2001 and was then placed on regular retirement. Mr. Cruz stated that he never received notification as to why he was removed from his disability pension. Mr. Cruz stated that two female employees from the Retirement Fund interviewed him and told him he no longer is disabled. Mr. Cruz stated that he showed the two employees his x-rays. Mr. Cruz stated that his bones are deteriorating as he ages. Mr. Cruz stated that he is suffering right now, he can hardly walk. Chairman San Agustin asked Mr. Cruz his age. Mr. Cruz replied, "63." Mr. Cruz stated that he was injured in 1996 while employed at the Department of Public works (DPW) and his doctor had advised him to retire. Chairman San Agustin asked why it took Mr. Cruz so long before making an inquiry as to why he was removed from his disability pension. Mr. Cruz stated that he has been communicating with the former directors of the Retirement Fund.

Treasurer Gerard Cruz asked Mr. Cruz whether his question to the Board is why he was taken out of medical disability in 2001. Mr. Cruz replied, "Yes." Mr. Cruz stated that Dr. Matilda Kallingal never examined him, she just wrote her report. Treasurer Cruz stated that Mr. Cruz's medical disability was ceased in 2001 and was then converted to optional retirement. Mr. Cruz stated that he had to sign for the optional retirement otherwise he would have no income. Mr. Cruz reiterated that Dr. Kallingal never examined him. Treasurer Cruz stated that Dr. Kallingal certified him no longer disabled and that is why Mr. Cruz is no longer receiving medical disability. Chairman San Agustin stated that the law states that a reexamination be performed to certify disability. Chairman San Agustin stated that Mr. Cruz could have appealed this at the time he was certified to be no longer disabled. Chairman San Agustin stated that Mr. Cruz could have requested for a reexamination. Mr. Cruz stated that he had just lost his wife during that period and he did not have the time to appeal. Mr. Cruz stated that every time he talks to the Retirement Fund directors, they walk away from him. Chairman San Agustin stated that Mr. Cruz's wife's death does not give the Board or the Fund authority to violate the law. Chairman San Agustin stated that he sympathizes with Mr. Cruz's loss, but Mr. Cruz should have challenged Dr. Kallingal's certification that he is no longer disabled. Mr. Cruz stated that Dr. Kallingal is not a bone doctor.

Treasurer Cruz asked Mr. Cruz to confirm what he is asking the Board to do. Mr. Cruz replied, "To be placed back on medical disability." Chairman San Agustin stated that the Board can not violate the law. Mr. Cruz stated that he will find some way to get back on medical disability. Chairman San Agustin stated that time has lapsed. At this time Chairman San Agustin showed Mr. Cruz a letter dated February 14, 2003 addressed to him. Mr. Cruz stated that he never saw that letter until today. Chairman San Agustin stated that the letter was sent to Mr. Cruz in 2003. Mr. Cruz claims he never saw the letter until now. Chairman San Agustin asked whether Mr. Cruz receives his mail through his daughter's mailbox. Mr. Cruz stated that he hardly gets mail from that address.

Mr. Cruz mentioned that even Trustee Wilfred Aflague, as Director of the Retirement Fund, walked away from him. Trustee Aflague asked Mr. Cruz when that occurred because he does not walk away from people. Mr. Cruz stated that it was in 2003. Mr. Cruz thanked the Board and left the meeting room.

Secretary Leon Guerrero made a motion to have the Board consider the report submitted by Dr. Kallingal and to review the Board's action. Trustee Santos stated that the M&B Committee will entertain this matter in their report. Secretary Leon Guerrero withdrew her motion.

B. Members and Benefits Committee Report

Trustee George Santos presented his Committee's April 2010 report to the Board of Trustees.

Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, moved to approve the recommendation of the Members and Benefits Committee contained on Pages 4 through 15, including the attached Annuity Worksheets, based on the Committee's review and findings during their meeting of April 14, 2010 and subsequent meetings thereafter. Without objection, the motion passed.

JUAN T. CRUZ: Termination of Medical Disability Annuity – Trustee Santos stated that Mr. Cruz is requesting for the Board to reconsider their May 31, 2001 decision to discontinue the disability benefits he had been receiving since March 22, 1994. Chairman San Agustin referred to Page 4 of Legal Counsel's Opinion that was written on March 23, 2010: "To prevent potential claims in the future, the Fund may want to consider implementing a formal notification process when a disability retiree is deemed no longer physically or mentally incapacitated for service, or that he/she is able to engage in gainful occupation. The notification should inform the member of his/her right to return to active service or obtain other gainful employment outside of the government. Provisions in §8127(b) should also be expressly disclosed so that disability applicants cannot claim that they were not fully informed of all options available." Director Blas stated that Mr. Cruz was verbally notified in 2003. Director Blas stated that the current procedure is to provide written notice.

Trustee Santos stated that the M&B Committee recommends that the Board deny Mr. Cruz's request for reconsideration of the May 31, 2001 decision to discontinue the disability benefit he had received since 1994. Trustee Santos stated that, as concluded by Legal Counsel, the Committee's initial decision to cease Mr. Cruz's disability benefits was proper based on findings by Dr. Kallingal and reviewed by the Board's medical consultant.

Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, moved to deny Juan T. Cruz's request for reconsideration of the May 31, 2001 decision to discontinue the disability benefit he had received since 1994, as recommended by the Members and Benefits Committee contained on Pages 16 and 17, including relevant documents, based on the Committee's review and findings during their meeting of April 14, 2010 and subsequent meetings thereafter. Without objection, the motion passed.

JOSEPH L. PUGH: Waiver of Interest Amount Due for Civil Service Credit – Trustee Santos stated that Mr. Pugh is petitioning the Board for waiver of the interest amount due for Civil Service Credit pursuant to §8112 of Title 4, Chapter 8 G.C.A. Trustee Santos stated that the request for relief of the interest amount assessed for the Civil Service Credit was prompted after an interview with a Benefit Specialist at the Retirement Fund on February 25, 2010. During the course of the consultation, examination of the Retirement Fund's Enrollment Application forms dated January 25, 1983 and February 25, 1987, did not provide or present space to query members to disclose information relative to any employment history with the United States Government for retirement purposes.

Trustee Santos stated that when Mr. Pugh was advised of the total amount due of \$11,507.88 (\$3,384.32 principal and \$8,123.56 interest) with payment options for U.S. Civil Service credit. Trustee Santos stated that the Members and Benefits Committee finds that Mr. Pugh is eligible for the credit, however, full payment of the amount due must be paid to receive the credit. Trustee Santos stated that the M&B Committee is recommending denying Mr. Pugh's request based on the law.

Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, moved to deny Joseph L. Pugh's request for waiver of the interest amount due for Civil Service Credit, as recommended by the Members and Benefits Committee contained on Pages 18 through 20, including relevant documents, based on the Committee's review and findings during their meeting of April 14, 2010 and subsequent meetings thereafter. Without objection, the motion passed.

ANTONINA A. QUENGA: Reconsideration of Application for Survivor Annuity Benefits – Trustee Santos stated that Mrs. Quenga is requesting for reconsideration of her application for survivor annuity benefits on behalf of deceased retiree Jose Santiago Quenga. Trustee Santos stated that Mr. Quenga was married to Frances Gogo Asano on November 7, 1964. A Decree of Separate Maintenance was filed with the Superior Court of Guam on August 14, 1985. There is no record of their divorce. Mrs. Frances Quenga passed away on June 28, 2005 in Killeen, Texas. In 1989, Mr. Quenga married Maria Joy Limbo in the Republic of the Philippines. On June 6, 1991, they were legally divorced in Guam. Mr. Quenga signed an affidavit attesting to these facts. On April 21, 1999, Mr. Quenga and Antonina Akineus applied for a marriage license with the Federated States of Micronesia. Their application was accepted and granted on April 26, 1999, they were married on April 28, 1999 by an Associate Judge at the Pohnpei State Supreme Court.

Trustee Santos stated that in her request for reconsideration, Mrs. Antonina Quenga, through her attorney, William Gavras, contends she is a putative spouse. A putative spouse is defined as "A person who has cohabited with another to whom he is not legally married in the good faith belief that he was married to that person. It is a marriage entered into in good faith, but invalid due to a legal flaw, such as the existence of a prior marriage...."

Trustee Santos stated that upon review by the Retirement Fund's Legal Counsel, it has been determined that Mrs. Antonina Quenga had already sought relief from the Superior Court of Guam and though she voluntarily dismissed the case to pursue this request for reconsideration, it can be anticipated that she would bring the Retirement Fund into another lawsuit and ultimately succeed in obtaining a declaration as to her putative spouse status. Trustee Santos stated that the M&B Committee recommends that the Board approve Mrs. Antonina A. Quenga's application for surviving spouse benefits on behalf of Mr. Jose Santiago Quenga based on the putative spouse doctrine.

Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, moved to approve Mrs. Antonina A. Quenga's request for reconsideration of her application for survivor annuity benefits on behalf of deceased retiree Jose Santiago Quenga, as recommended by the Members and Benefits Committee contained on Page 21, including relevant documents, based on the Committee's review and findings during their meeting of April 14, 2010 and subsequent meetings thereafter. Without objection, the motion passed.

III. REVIEW AND APPROVAL OF BOARD MINUTES

A. March 26, 2010 Regular Meeting and March 30, 2010 Reconvened Meeting

Director Blas stated that the minutes for the March 30, 2010 Reconvened Meeting will be ready by the next Board meeting.

On motion of Treasurer Gerard Cruz, seconded by Trustee George Santos, and without objection, the Minutes of March 26, 2010 Regular Meeting were approved, subject to corrections. Motion passed.

Treasurer Gerard Cruz, seconded by Trustee George Santos, moved to table the Minutes of March 30, 2010 Reconvened Meeting. Without objection, the motion passed.

IV. CORRESPONDENCE

A. April 14, 2010 Letter from AXA Rosenberg – Termination of Investment Management Agreement

Chairman San Agustin stated that he received a letter from AXA Rosenberg regarding the liquidation of the Retirement Fund's investment in the MFO Laudus TR Rosenberg International Small Cap Fund. The letter states that following the liquidation, the Retirement Fund has no further investments in any mutual fund under the agreement. Director Blas stated that the liquidation amount is \$2,140,997 as of March 31, 2010. Chairman San Agustin asked whether the \$2 Million show in the books. Treasurer Cruz stated that as of February 2010 it was \$1.98 Million. Chairman San Agustin stated that the loss could be from being efficient. Treasurer Cruz stated that it's true.

B. April 21, 2010 Letter to Lora Calma – Letter of Apology

Chairman San Agustin stated that this incident with Ms. Calma was when he was at the Legislature. This letter is a good example of verbal requests. Chairman San Agustin stated that it is very important to document all requests and communications.

C. December 12, 2006 Letter from MaryAnn Taitague – Disabled Adult Child

Chairman San Agustin stated that there was no response to Mrs. Taitague's December 12, 2006 letter. Director Blas stated that there was a written response in 1996. Director Blas stated that the law has since been revised to allow one year from date of death of annuitant to apply for disabled adult child benefits. The child must be found to be permanently physically or mentally disabled and incapable of self-support. Chairman San Agustin stated that the disabled adult child is not entitled to pension since both parents are still alive. Chairman San Agustin stated that he understands that the child is self-supporting. Director Blas stated that she will write a letter to Mrs. Taitague regarding this matter.

V. INFORMATIONAL ITEMS

None

VI. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Candelaria Rios, et al. vs. Joseph Ada, et al. (Special Proceeding Case No. SP206-93)* -

Director Blas stated that the COLA Class Certificates of Claim for COLA Awards are being mailed out today. The certificates are transferable. The certificates can not be applied to taxes. Chairman San Agustin stated that the government is arguing not to pay the certificates. Director Blas stated that the Retirement Fund's role on the interest payment is determining the COLA Awards for the \$1.4 Million distribution. Director Blas stated that the checks will be sent out on May 14, 2010 starting with the lowest initial award. Chairman San Agustin stated that Lt. Governor Mike Cruz has been heard saying that there is \$10 Million of COLA money. Director Blas stated that she does not know about the \$10 Million.

2. *Global Custody Services* - Director Blas stated that at the March 26, 2010 Board meeting, the Board continued to suspend participation in Securities Lending. The Retirement Fund will revisit participation in Securities Lending during the May 2010 quarterly meeting with Terry Dennison of Mercer Investment Consulting, Inc. (Mercer).

3. *Request for Proposal (RFP): International Developed Markets Large Cap Equity* - Director Blas stated that the Selection Panel consists of Trustee Wilfred Aflague, Trustee George Santos, and Secretary Antolina Leon Guerrero.

4. *Public Law 28-38: Interest Only Payments* - Director Blas stated that the monthly interest payments for the Department of Education (DOE) and Guam Memorial Hospital Authority (GMHA) have been received. Director Blas stated that the Retirement Fund continues to process retirement applications for DOE. Applications for retirement for GMHA employees will be suspended until GMHA becomes current with their contributions.

5. *GMHA: Writ of Mandate* - Director Blas stated that since January 2010 GMHA has been consistently late with the employee and employer contributions. The Retirement Fund worked closely with GMHA staff and the amounts due for January were paid. Director Blas stated that since February 2010, once GMHA trailed two pay periods behind, the Retirement Fund initiated a more aggressive approach.

- On March 23, 2010, the Retirement Fund sent a letter to GMHA with copies to the GMHA Board Chairman, the Governor, Attorney General, U.S. Department of Labor and GMHA employees regarding the late contributions for pay periods ending February 13, 2010 and February 27, 2010.
- On April 5, 2010, a follow up call was made to Peter John Camacho, GMHA Administrator. Mr. Camacho informed the Director of the Retirement Fund that payment will be made after April 15, 2010. GMHA was waiting for the cash release from the General Fund.
- As of April 16, 2010, GMHA is now four (4) pay periods behind for a total principal amount due of \$1,719,504.74. This amount does not include the interest and penalties that will be assessed.
- As of April 20, 2010, no payment was received from GMHA. The Retirement Fund sent a letter to GMHA giving GMHA until April 23, 2010 to make payment or the Retirement Fund will file a Writ of Mandate.
- As of April 27, 2010, no payment has been received from GMHA.

Director Blas stated that she received \$759,000 this morning from GMHA for their DC contributions. GMHA paid the DB contributions for the members' shares for the last four pay periods, but not the government share. Director Blas stated that the Retirement Fund is not entertaining GMHA eligible employees including death. Chairman San Agustin asked what the balance due is. Director Blas replied, "\$1 Million." Trustee Aflague asked why the Public Service Announcement (PSA) was held back on this matter. Director Blas stated that she was waiting for payment. Rosalia Bordallo, General Accounting Supervisor, stated that the Retirement Fund has a liability since GMHA is four pay periods behind and the employees were not informed. Director Blas asked whether to hold off on the Writ of Mandate and if GMHA falls behind again, then proceed with the Writ. Chairman San Agustin stated that if it is subsequent to the PSA. Trustee Katherine Taitano asked when the PSA will be released. Director Blas stated next week Monday or Tuesday.

6. ***Bernstein Litowitz Berger and Grossmann (BLBG)*** - Director Blas provided an update on the following lawsuits:

- Lehman Brothers** – Director Blas stated that BLBG will be filing a third amended complaint against Lehman. The complaint includes information that was disclosed by the Bankruptcy Examiner's investigation and the congressional hearings. Director Blas stated that BLBG believes the case is highly meritorious and expects a favorable ruling.
- Wells Fargo** – Director Blas stated that the court handed down a favorable decision to claims presented. Director Blas stated that BLBG is preparing an analysis to see whether to amend the motion.
- Enzyme** – Director Blas stated that there is no new update on this case.

7. ***Legislative Bills***

- Bill 185: Domestic Partnerships and Bill 212: Designated Beneficiaries** – Director Blas stated the bills have not been reported out of committee and voted on by the Legislature.
- Bill 344-30: Legal Counsel** – Director Blas stated that Bill 344-30 requires all agencies permitted to retain legal counsel other than the Attorney General, to hire unclassified in house legal counsel only. The Retirement Fund is concerned regarding the specialized legal knowledge that may not always be found within the Attorney General's Office, and may not be found with in-house counsel. Director Blas stated that she would like to

request to allow the Board of Trustees to continue to exercise its discretion and authority to retain outside legal counsel in accordance with 4 G.C.A. §8141(b) so to obtain competent legal advice and skill necessary to perform the service properly will be expressed in testimony on Bill 344-30.

8. ***Fiscal Year 2011 Government of Guam Group Health Insurance Program*** – Director Blas stated that the Request for Proposal (RFP) was issued by the Department of Administration (DOA) on April 20, 2010. Chairman San Agustin informed the Board that Mr. Frank G. Blaz resigned as the retiree representative on the Negotiation Team. The Board mentioned several names for consideration. Director Blas stated that she will compile names of retirees to consider which will be forwarded to the Board for their selection of the new retiree advocate and it will then be ratified at the next regularly scheduled Board meeting.

Financial Report

1. ***Contributions*** – Director Blas stated that GMHA has paid their DB contributions for the members' shares for the last four pay periods (February 13, 2010, February 27, 2010, March 13, 2010 and March 27, 2010), but not the government share. Director Blas stated that all other agencies are current with their Fiscal Year 2010 DB employee and employer contributions.

2. ***Financial Statement*** – Director Blas stated that the books for March 2010 were closed on April 19, 2010.

3. ***Fiscal Year 2010 Retirees' Supplemental Benefits*** – Director Blas stated that the supplemental benefits for retirees and survivors for the month of April 2010 were paid.

4. ***Medicare Reimbursements*** - Director Blas stated that Medicare reimbursements for September 2009 will be paid.

VII. LEGAL COUNSEL'S REPORT

No report was made at this time.

VIII. TREASURER'S REPORT OF FINANCIAL STATUS

Treasurer Cruz stated that the Treasurer's Report is provided, at this meeting. It covers the Retirement Fund's Statement of Plan Assets (unaudited) and Prior Year Receivables for both the DB Plan and the DC Plan for the month ended March 31, 2010. Treasurer Cruz stated that the Retirement Fund has a net asset of \$1.4 Billion.

IX. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Gerard Cruz reported that the Investment Committee meeting was held on April 9, 2010. Treasurer Cruz stated that there are no action items for the Board. Treasurer Cruz reported on the following informational items:

- 1. Termination of Thomson Horstmann Bryant (THB)** - Director Blas stated that she received Mercer's letter regarding the additional justification to support the termination of THB.
- 2. Minutes** – Treasurer Cruz stated that the Investment Committee approved the following Due Diligence Meeting Minutes, subject to correction.
 - a. August 2009 – For the Quarter Ended June 30, 2009
 - b. May 2009 – For the Quarter Ended March 31, 2009
 - c. March 2009 – For the Quarter Ended December 31, 2008
- 3. Quarterly Performance Meeting and Annual Manager Review** – Treasurer Cruz stated that the next Quarterly Performance Meeting and Annual Manager Review is scheduled for May 27 and 28, 2010.

X. OLD BUSINESS

A. Disability Case No. 09-001

Trustee Santos stated that Disability Case No. 09-001 is still pending. Director Blas stated that this item is pending a letter from the applicant of his/her intentions.

B. Actuarial Valuation as of September 30, 2009

Director Blas stated that the Actuarial Valuation Report has been finalized based on the recommended changes discussed with Richard Wright of Milliman, Inc. Director Blas stated that the proposed actuarial rate is 28.06%. The rate going into Fiscal Year 2011 is 27.46% and will continue to increase until we get the full actuarial rate. Director Blas stated that the minimum increase for Fiscal Year 2010 is .84%. The current rate is 26.04%. The Board of Trustee accepted the finalized Actuarial Valuation Report as of September 30, 2009.

XI. NEW BUSINESS

A. Frank G. Blaz – Resignation as Appointed Representative on GovGuam Group Health Insurance Program Negotiating Team

Chairman San Agustin stated that he received a letter from Mr. Blaz informing him that he is resigning as the Board's appointed representative for the retirees on the negotiating Team effective May 9, 2010. Director Blas stated that this item was discussed earlier under her Director's Report.

B. Consulting Report Re: GGRF Office Building Feasibility Study by Captain, Hutapea & Associates

Mr. Nicholas Captain stated that his company was retained to prepare a consulting report regarding a feasibility study for the Retirement Fund property located along Route 8 in Maite. Mr. Captain stated that their assignment was to complete a preliminary feasibility study to determine whether or not a site redevelopment is a reasonable option for the Retirement Fund to pursue. Mr. Captain stated that they conducted research to support their analyses. Mr. Captain stated that a site redevelopment is a feasible issue. Chairman San Agustin stated that he is concerned of cost and office space availability. Mr. Captain stated that additional studies should be considered such as meetings with architects and other construction experts, consideration of possible pre-lease arrangements with tenants, special parking or other requirements and other factors including intangible benefits associated with site redevelopment.

Mr. Captain stated that their report included preliminary feasibility analysis assumptions, which is shown on a spreadsheet. They categorized their assumptions into four categories: low, mid, high and best case. They looked at different floor area ratios, looked at footprint ratios, demolition and debris removal costs, direct and indirect constructions costs. The indirect cost is \$7 Million (low) and \$9.5 Million (mid). Treasurer Cruz asked whether it was a positive outcome. Mr. Captain replied, "Yes." Treasurer Cruz inquired about the net sale price of \$14.4 Million on Year 5. Mr. Captain stated that it is increased by a 5% rate. Mr. Captain stated that an indicative value is if it exceeds value and that is when it is feasible. Mr. Captain stated that the present value is \$2 Million. The amount per square foot on the current building is \$120.00. Secretary Leon Guerrero asked whether feasibility is worse with more square footage. Mr. Captain stated that it is worse.

Treasurer Cruz stated that the Retirement Fund needs to look at what its constituents need. Treasurer Cruz stated that the Retirement Fund does not have the authority to lease out. We would have to go through the Legislature. Treasurer Cruz asked whether there are any other considerations to put forward. Mr. Captain stated that he has provided, in their report, a summary of pertinent new construction activity since 2005. Mr. Captain stated that the Department of Land Management is planning to build their office in Hagatna. Mr. Captain also included a summary of pertinent large office rent comparables.

Mr. Captain stated that this is different from purely a market prospective. There needs to be more study. This report is preliminary in nature. Chairman San Agustin asked whether we need to move forward. Mr. Captain replied, "Yes." Chairman San Agustin stated that the report submitted by Mr. Captain will give the Board an idea of where to go from here.

XII. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

XIII. ANNOUNCEMENTS

None

XIV. ADJOURNMENT

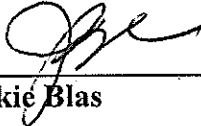
There being no further business before the Board for the Defined Benefits Plan, on motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 3:07 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of April 30, 2010 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on May 28, 2010.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas