



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Eddie Baza Calvo
 Governor

Ray Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, August 26, 2011, 12:00 p.m.
 Retirement Fund Conference Room

MINUTES

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

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 12:44 p.m. Friday, August 26, 2011, 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

Board of Trustees Absent:

Wilfred G. Aflague, Trustee (*Excused*)
 Katherine T.E. Taitano, Trustee (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Rosalia Bordallo, General Accounting Supervisor
 Jackie Blas, Recording Secretary
 Alice Taijeron, Great-West Retirement Services

Investment Consultant Present:

Maggie Ralbovsky, Wilshire Associates

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. July 29, 2011 Regular Meeting

On motion of Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the Minutes of July 29, 2011 Regular Meeting were approved, subject to technical corrections. Motion unanimously passed.

III. CORRESPONDENCE

None

IV. INFORMATIONAL ITEMS

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit (DB)/Defined Contribution (DC) Plan Alternatives* – Director Paula Blas stated that the Members and Benefits (M&B) Committee continued discussions regarding the benefits of the proposed new DB Plan. Additional information regarding re-amortizing the unfunded liability and the impact this will have on the contribution rate will be provided at the next M&B Meeting in September. Chairman San Agustin asked when Rich Wright of Milliman, Inc. will be on island. Director Blas stated that he'll be here in April or May 2012.

Financial Report

1. *Contributions* – Director Blas stated that as of August 23, 2011, all agencies are current with their Fiscal Year 2011 employee and employer contributions. Director Blas stated that Guam Memorial Hospital Authority (GMHA) is remitting current pay period employer and employee contributions. The outstanding contributions in the amount of approximately \$1,072,512.00 are being remitted in compliance with Public Law 31-74. Director Blas stated that the amount remitted each payday is approximately \$100,000.00. GMHA has until September 30, 2011 to pay off the outstanding balance. Chairman San Agustin stated that GMHA is saying that because of this, GMHA operations are being jeopardized.

2. *Financial Statements* – Director Blas stated that the books for the month ending July 2011 were closed on August 19, 2011.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – July 2011

Director Blas stated that Alice Tajjeron of Great-West Retirement Services (Great-West) provided at this meeting, the TPA Report for the month ending July 31, 2011 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajjeron's report includes the following information:

- 401(a) Plan and 457(b) Plan Assets and Contribution Summary
- 401(a) Plan and 457(b) Plan Participant Summary Report
- 401(a) Plan and 457(b) Plan Employee Disbursement Report
- 401(a) Plan and 457(b) Plan Investment Options/Fund Performance
- Government of Guam Agency Site Visit/Education Seminars

Ms. Taijeron reported that there is a 0.51% decrease in assets in the 401(a) Plan due to the summer activities. There is also a 0.10% decrease in assets in the 457 Deferred Compensation Plan. Department of Education (DOE) and University of Guam (UOG) nine-month employees were making withdrawals. Secretary Antolina Leon Guerrero asked whether contributions will increase now that schools are back in session. Ms. Taijeron replied, "Yes."

Ms. Taijeron provided the following Participant Summary Report:

401(a) Plan

Active Participants with a Balance	10,297
Active Participants Contributing	6,764
Percent of Active Participants Contributing	66%
Full Withdrawals	69
Financial Hardships	08
First Contributions	55
Total Participants on Disability	54
July 31, 2011	01
June 30, 2011	01
May 31, 2011	02
April 30, 2011	01
March 31, 2011	01
February 28, 2011	01
January 31, 2011	03
Total Retiree Count	362
July 31, 2011	03
June 30, 2011	01
May 31, 2011	06
April 30, 2011	01
March 31, 2011	05
February 28, 2011	04
January 31, 2011	03

457(b) Plan

Active Participants with a Balance	1,333
Active Participants Contributing	985
Percent of Active Participants Contributing	74%
Full Withdrawals	03
Outstanding Loans	270
New Loans Processed	15
First Contributions	22

Ms. Taijeron further reported that Great-West serviced 210 walk-ins and about 150 phone calls in July. Ms. Taijeron stated that Market Volatility seminars will be conducted. Chairman San Agustin stated that the due diligence report from Mercer Investment Consulting, Inc. (Mercer) should be provided to Ms. Taijeron. Ms. Taijeron stated that she will review Mercer's report. Chairman San Agustin stated that Ms. Taijeron should sit in the due diligence meetings. Vice Chairman Wilfred Leon Guerrero

stated that he agrees to have Ms. Taijeron sit in the due diligence meetings. Vice Chairman Leon Guerrero pointed out that Mercer's report is for the quarter ended June 30, 2011 and Ms. Taijeron's report is through July 2011.

VII. INVESTMENT COMMITTEE REPORT

Vice Chairman Leon Guerrero reported that the Quarterly Performance Meeting for the Quarter Ended June 30, 2011 was held on August 24, 2011. In addition, Vice Chairman Leon Guerrero noted that, on August 25, 2011, the Investment Committee held its regular meeting for August 2011. The Committee reviewed and approved the Investment Committee Minutes of July 28, 2011.

Vice Chairman Leon Guerrero further reported that Mercer provided an overview of the DC Plan's Investment Performance for the Quarter Ended June 30, 2011. Vice Chairman Leon Guerrero indicated that no action items were recommended.

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 Trustee George Santos, seconded by Secretary Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:01 p.m. Motion unanimously passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of August 26, 2011 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on September 30, 2011.



ANTOLINA S. LEON GUERRERO, Board Secretary

RECORDING SECRETARY:



Jackie Blas