

BOARD OF TRUSTEES
Regular Meeting
Friday, January 5, 2007, 12:00 p.m.
Retirement Fund Conference Room

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 1:55 p.m. Friday, January 5, 2007, 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
James J. Taylor, Secretary
George A. Santos, Trustee
Katherine T.E. Taitano, Trustee

Board of Trustees Absent:

Gerard A. Cruz, Treasurer
Anthony C. Blaz, Trustee

Staff Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. November 17, 2006 and December 15, 2006 Regular Meetings

On motion of Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee George Santos, and without objection, the Minutes of November 17, 2006 and December 15, 2006 Regular Meetings were approved, subject to corrections. Motion passed.

B. September 8, 2006 and October 20, 2006 Regular Meetings

Vice-Chairman Wilfred Leon Guerrero, seconded by Trustee George Santos, moved to defer approval of the Minutes of September 8, 2006 and October 20, 2006 Regular Meetings. Without objection, the motion passed.

III. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. Request for Proposal (RFP): Defined Contribution Investment Consultant Services -

Chairman San Agustin asked whether Mercer is now on contract. Director Paula Blas stated that Management is working with Mercer to finalize the price negotiations and contract for services. Rosalia Bordallo, General Accounting Supervisor, used the Guam Airport Authority (GIA) as an example and stated that GIA did their ranking first and then negotiated. Director Blas stated that the Committee is waiting for their best and final offer before entering into a contract. Chairman San Agustin asked how the Committee would know that it is the best offer without a comparison. Secretary James Taylor stated that pricing was received but technically the choice had to be made before looking at the pricing. Mrs. Bordallo stated that pricing was seen during the selection process as it was part of the RFP. Director Blas stated that the Committee followed the procurement process. Director Blas stated that the Committee negotiated after ranking. Chairman San Agustin asked whether the price was competitive. Director Blas replied, "yes."

2. Request for Proposal (RFP): Third Party Administrator – Director Blas stated that the evaluations for the Third Party Administrator are ongoing. The Selection Panel will meet with the offerors to discuss their proposals on January 23, 2007.

Financial Report

1. Contributions – Director Blas stated that all agencies are current with their Fiscal Year 2007 employee and employer contributions for the Defined Contributions (DC) Plan. Chairman San Agustin asked whether the payment and data had been received by Great West. Director Blas stated that payment was received but it had not been transmitted to Great West. Mrs. Bordallo stated that payment was due on January 2, 2007 but it was not transmitted to Great West due to shortage of staff in the Member Contribution section of the Fund. Mrs. Bordallo stated that the Member Contribution section should be fully staffed by Monday, January 8, 2007. Chairman San Agustin asked whether the Fund has an investment allocation report for the DC Plan. Mrs. Bordallo stated that the Fund gets the report on a quarterly basis, but the Fund is trying to get the report on a monthly basis. Chairman San Agustin stated that DC is not being monitored. Secretary Taylor stated that Great West is now proposing that, for an additional management fee, they will manage individual accounts.

2. **Financial Statements / Fiscal Year 2006 Audit** – Director Blas stated that the books for the month ending December 2006 will be closed next week and the Fiscal Year 2006 audit is ongoing.

IV. OLD BUSINESS

A. Contribution Report – December 2006

Director Blas stated that Great West Retirement Services submitted, at this meeting, their contribution report for December 2006 for the Defined Contribution System and the Deferred Compensation Plan. The Defined Contribution System contribution for December 2006 is in the amount of \$770,937.12 with 6,179 participants. The Deferred Compensation Plan contribution for December 2006 is in the amount of \$89,624.58 with 730 participants.

B. Reality Investing Advisory Services Agreement

Vice-Chairman Wilfred Leon Guerrero stated that during the November 2006 Board Meeting, Mike Perez of Great West Retirement Services presented an overview of Great West’s Reality Investing Advisory Services to the Board. During the December 2006 Board Meeting, a copy of the written agreement was presented to the Board. The Board referred the agreement to the Investment Committee and requested that it be reviewed by Legal Counsel.

Vice-Chairman Leon Guerrero stated that since evaluations are on-going for proposals received in response to the Request for Proposal (RFP) for a Third Party Administrator (TPA), the Investment Committee recommends that review by the Investment Committee and by Legal Counsel be placed on hold pending selection and awarding of the contract for the TPA.

V. NEW BUSINESS

None

VI. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

VII. ANNOUNCEMENTS

None

VIII. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Secretary James Taylor, and without objection, the meeting was adjourned at 2:15 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of January 5, 2007 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on February 9, 2007.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas