

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Friday, February 24, 2006, 12:00 p.m.  
Retirement Fund Conference Room

**MINUTES**

<b>DEFINED CONTRIBUTIONS</b>
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**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 2:20 p.m. Friday, February 24, 2006, 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  
Katherine T.E. Taitano, Treasurer  
Gerard A. Cruz, Trustee

**Board of Trustees Absent:**

Anthony C. Blaz, Trustee  
George A. Santos, Trustee

**Staff Present:**

Paula M. Blas, Acting Director  
Rosalia Bordallo, Acting Controller  
Vince Camacho, Great West Retirement Services  
Jackie Blas, Recording Secretary

**Public Present:**

Terry Dennison, Mercer Investment Consulting

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

**A. December 9, 2005 Regular Meeting, January 13, 2006 and January 20, 2006 Regular Meetings**

Chairman San Agustin stated that the December 9, 2005 Board Meeting Minutes are being reviewed by Secretary James Taylor.

**On motion of Trustee Gerard Cruz, seconded by Treasurer Katherine Taitano, and without objection, the Minutes of January 13, 2006 and January 20, 2006 Regular Meetings were approved, subject to corrections. Motion passed.**

### **III. DIRECTOR'S REPORT - EXECUTIVE SUMMARY**

*Defined Contribution Statutory Amendments* - Acting Director Paula Blas stated that the draft legislation has been forwarded to the Legislature.

*Request for Proposal (RFP): Third Party Administrator* - Acting Director Blas stated that at the February 3, 2006 Investment Committee meeting, it was requested for Management to seek quotes for outside legal services to review the RFP.

*Contributions* - Acting Director Blas stated that all agencies are current with their FY 2006 employee and employer contributions.

*Financials Statements / FY 2005 Audit* - Acting Director Blas stated that the books for January 2006 are closed and the FY 2005 audit is ongoing.

### **IV. OLD BUSINESS**

#### **A. Contribution Report – February 2006**

Vince Camacho, Great West Retirement Services, reported to the Board that all agencies are current. Mr. Camacho provided the Board with the annual summary report for 2005 for the Defined Contributions Plan. Mr. Camacho stated that the balance at the end of the first quarter was \$109 Million and the fourth quarter balance was \$126 Million. Mr. Camacho stated that the 457 Plan went from \$4.9 Million to \$6.4 Million. Vice-Chairman Wilfred Leon Guerrero asked what the return was for the year. Mr. Camacho stated 6% to 7% minus the contributions. Chairman San Agustin asked what the distribution of investments is. Mr. Camacho stated that it is difficult because an employee may be counted five times. Acting Director Blas stated that the employees have the ability to change the distribution of their funds.

Secretary James Taylor stated that Management was asked to come up with a watch list policy. Mr. Camacho stated that he had recommended replacing two of the funds.

Mr. Terry Dennison stated that from his observation, employees are investing too many assets in Invesco Stable Value Fund. Mr. Dennison stated that those people are going to earn very little real returns. Mr. Camacho stated that there is a new-employee orientation. Mr. Camacho stated that the two-day course explains what the investments are and then the employees take a quiz to determine what their profile is. Vice-Chairman Leon Guerrero stated that if the Defined Contributions Plan continues in this path, it would be worse than the Defined Benefits Plan. Mr. Camacho stated that there is a new service being offered called "Reality Investing."

### **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 Gerard Cruz, seconded by Treasurer Katherine Taitano, and without objection, the meeting was adjourned at 2:40 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of February 24, 2006 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 14, 2006.**

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**James J. Taylor, Board Secretary**

**RECORDING SECRETARY:**

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**Jackie Blas**