

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Friday, May 26, 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 1:40 p.m. Friday, May 26, 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  
Anthony C. Blaz, Trustee  
Gerard A. Cruz, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Treasurer (*Off-  
Island - Excused*)  
George A. Santos, Trustee

**Staff Present:**

Paula M. Blas, Acting Director  
Diana T. Bernardo, Controller  
Rosalia Bordallo, General Accounting Supervisor  
Mike Perez, Great West Retirement Services  
Jackie Blas, Recording Secretary

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

**A. February 24, 2006, March 10, 2006 and April 21, 2006 Regular Meetings**

**Secretary James Taylor, seconded by Trustee Gerard Cruz, moved to defer approval of the minutes of February 24, 2006, March 10, 2006 and April 21, 2006 Regular Meetings. Without objection, the motion passed.**

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

**1. *Defined Contribution (DC) Statutory Amendments*** - Acting Director Paula Blas stated that the public hearing on Bill 293 which addresses the DC statutory amendments was held on May 3, 2006. Acting Director Blas stated that Bill 293 will be reported out in session. No legislative session date has been set.

**2. *Request for Proposal (RFP): Defined Contribution Investment Consultant Services*** - Acting Director Blas stated that the deadline for submission of proposals for the DC Investment Consultant Services closed on May 10, 2006. Five (5) proposals were received. Acting Director Blas stated that a Selection Committee should be formed. Chairman San Agustin stated that the Selection Committee will be the Investment Committee. Vice-Chairman Wilfred Leon Guerrero stated that he has no objection to having the Investment Committee as the Selection Committee.

**3. *Request for Proposal (RFP): Third Party Administrator*** - Acting Director Blas stated that the RFP for the Third Party Administrator is currently under legal review. Acting Director Blas stated that questions from the firm on May 4, 2006 were provided responses on May 5, 2006. Acting Director Blas stated that the firm has indicated that they will be able to issue their legal opinion within a few days from the date responses were provided to them. Acting Director Blas stated that the draft RFP submitted for legal review is being presented to the Board for review and approval subject to any legal changes. Acting Director Blas stated that the RFP is not ready for public release and should be kept confidential until appropriate public notification has been given.

Acting Director Blas stated that changes were to make the certification stronger in terms of qualifications or minimum requirements and compliance with federal laws. Acting Director Blas stated that she inserted the word "law." Secretary James Taylor asked at what stage is the RFP at. Acting Director Blas stated that it is now before the Board for review and approval. Trustee Gerard Cruz asked whether this should be referred to the Investment Committee for review. Acting Director Blas replied "yes."

#### **Financial Report**

**1. *Contribution*** - Mike Perez, Great West Retirement Services, stated that all agencies are current with their fiscal year 2006 employee and employer contributions.

**2. *Financial Statements / FY2005 Audit*** - Acting Director Blas stated that the books for the month ending April 2006 are closed and the FY2005 final draft of the audit is being presented to the Board for approval.

### **IV. OLD BUSINESS**

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

Mr. Perez informed the Board of Trustees that the Defined Contribution System contribution for April 2006 is in the amount of \$706,115.42 with 5,923 participants. The Deferred Compensation Plan contribution for April 2006 is in the amount of \$83,493.62 with 659 participants.

Acting Director Blas stated that participants are using their money as savings instead of retirement. Chairman San Agustin asked how many of the total members are on hardship basis. Mr. Perez stated that it is a high percentage. Acting Director Blas stated that when the Board first discussed this, the Board opted to go to hardship as opposed to a loan. Mr. Perez stated that the money is used to fund their mortgage payments. Chairman San Agustin requested for more than statistics in the DC report.

**V. NEW BUSINESS**

**A. Government of Guam Retirement Fund Request for Services**

Acting Director Blas stated that she received a letter from the Law Offices of Blair Sterling Johnson dated May 18, 2006 regarding their compliance review of the Request for Proposal for Investment Management and Plan Administration Services of the Defined Contribution Retirement System.

**B. May 17, 2006 Letter from Carlsmith Ball regarding Government of Guam Retirement Fund Request for Services**

Acting Director Blas stated that she received a letter dated May 17, 2006 from Carlsmith Ball concluding their relationship with Great West Retirement Services.

**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 Anthony Blaz, seconded by Trustee Gerard Cruz, and without objection, the meeting was adjourned at 1:50 p.m. Motion passed.**

**I hereby certify that the foregoing is a full, true and correct copy of the Minutes of May 26, 2006 Reconvened Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on November 17, 2006.**

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**James J. Taylor, Board Secretary**

**RECORDING SECRETARY:**

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**Jackie Blas**