

BOARD OF TRUSTEES

Regular Meeting

Thursday, June 2, 2005, 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 Contributions Plan was called to order at 1:25 p.m. Thursday, June 2, 2005, in the Retirement Fund Conference Room. Acting Chairman James J. Taylor officiated.

Board of Trustees Present:

James J. Taylor, Acting Chairman
Anthony C. Blaz, Trustee
Gerard A. Cruz, Trustee
George A. Santos, Trustee

Board of Trustees Absent:

Joe T. San Agustin, Chairman (Off-Island)
Wilfred P. Leon Guerrero, Vice-Chairman (Off-Island)
Katherine T.E. Taitano, Treasurer

Staff Present:

Wilfred G. Aflague, Director
Paula M. Blas, Deputy Director
Pete Tajalle, Controller
Ken Dunstan, Acting Benefit Program Administrator
Vince Camacho, Great West Retirement Services
Jackie Blas, Recording Secretary

Public Present:

Mark Heath, Metropolitan West Capital Management

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 13, 2005 Regular Meeting

Acting Chairman James Taylor, seconded by Trustee Gerard Cruz, moved to suspend the approval of the May 13, 2005 Regular Meeting Minutes until the next regularly scheduled meeting. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

Third Party Administrator RFP - Director Wilfred Aflague stated that Management is working on the RFP for Third Party Administrator for submission to the Investment Committee for their review and recommendation. Director Aflague stated that Management is working on combining the Defined Contributions Plan, the 457 Plan and the Death and Disabilities Plan. Deputy Director Paula Blas asked for a clarification on whether the Ancillary Benefits should be included in the RFP. Deputy Director Blas stated that the Ancillary Benefits is managed by a Third Party, which is Standard Insurance. Trustee Gerard Cruz stated that it was not his intention to include Standard Insurance. Deputy Director Blas asked if it was for the administration of the Ancillary Benefits or for the benefits. Trustee Cruz stated that it was for administration of the Ancillary Benefits.

Accountant III Travel Report - Director Aflague stated that Ms. Rosalia Bordallo's travel report is submitted for the Board's review.

Contributions - Director Aflague stated that all agencies are current with their fiscal year 2005 employee and employer contributions except for GMHA which is outstanding for the pay periods ended February 5, 2005, February 19, 2005, March 5, 2005, March 19, 2005, April 2, 2005 and May 14, 2005. Director Aflague stated that delinquency notices have been sent to GMHA's administrator.

Financial Statements - Director Aflague stated that Management has submitted financial statements for the month ended March 2005 to Treasurer Katherine Taitano for review.

2004 Financial Audit - Director Aflague stated that the draft completion is scheduled for June 10, 2005 and finalization is scheduled for June 17, 2005.

V. OLD BUSINESS

A. Contribution Report - May 2005

Mr. Vince Camacho has provided the contribution report for the month of May 2005.

B. Status of Plan Document

Mr. Camacho stated that he needs direction from the Board on how to proceed on the Plan Restatement. This is required because of changes to the federal law. Director Aflague stated that the Plan Document was submitted to the Board at the previous meeting. Trustee Cruz asked if the Plan Document needs to be submitted to the Legislature. Mr. Camacho stated that there is a two-pronged approach to the restatement of the Plan Document. Some changes need to be done legislatively to clarify existing law. Mr. Camacho further stated that there are some statutory provisions in the Guam Law that require revision. Director Aflague asked Mr. Camacho if the deadline for the changes in the Plan Document is September 30, 2005. Mr. Camacho stated that the deadline is September 30, 2005 in order to comply with EGTRRA (Economic Growth and Tax Relief Reconciliation Act) provisions.

Trustee Cruz recommended that this be prepared in a motion form to be presented at the next Investment Committee meeting. Mr. Camacho stated that changes on the Plan Document are prepared through May 2004. Mr. Camacho asked if the Board would like for Great West to update the Plan Document from May 2004 to the current time to be presented at the Investment Committee meeting. Acting Chairman Taylor recommended for Mr. Camacho to update the changes on the Plan Document to make it current and present it to the Board. Mr. Camacho stated that the update of the Plan Document should be ready by June 28, 2005.

C. Draft RFP – Third Party Administrator

Acting Chairman Taylor stated that the Third Party Administrator RFP was covered under the Director's Executive Summary. See Item IV above on "Third Party Administrator RFP."

Acting Chairman Taylor asked about the status of the RFP protest. Director Aflague stated that he has responded to Attorney Jay Arriola, Legal Counsel for Administrative Services Corporation (ASC), on his request for reconsideration on behalf of ASC. Director Aflague stated that he signed the letter, which was composed by Ms. Debra Rivera from the Attorney General's office. Director Aflague stated that he has not received a response from ASC.

VI. NEW BUSINESS

None

VII. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

VIII. ANNOUNCEMENTS

Pacific Rim Investors Conference - Trustee Cruz informed the Board of Trustees that the Pacific Rim Investors Conference is scheduled for November 3-4, 2005 at the Hyatt Hotel in Saipan. Trustee Cruz asked that the Board of Trustees support the Pacific Rim Investors Conference.

IX. ADJOURNMENT

There being no further business before the Board for the Defined Contributions Plan, on motion of Trustee Anthony Blaz, seconded by Trustee Gerard Cruz, and without objection, the meeting was adjourned at 1:35 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 2, 2005 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 8, 2005.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas