

BOARD OF TRUSTEES
Regular Meeting
Wednesday June 9, 2004, 12:00 p.m.
Retirement Fund Conference Room

MINUTES

D E F I N E D C O N T R I B U T I O N S
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I. CALL TO ORDER

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 12:07 p.m. Wednesday, June 9, 2004, in the Retirement Fund Conference Room. Chairman Francisco B. Salas officiated.

Board of Trustees Present:

Francisco B. Salas, Chairman
Gerard A. Cruz, Vice Chairman
Rolenda L. Faasumalie, Trustee
Katherine T.E. Taitano, Trustee (12:08)
Stephen J. Guerrero, Trustee

Staff Present:

Wilfred G. Aflague, Director (12:20)
Paula M. Bamba, Administrative Services Officer
Pete Tajalle, Controller
Peter Duenas, Acting Benefits Program Administrator
Vince Camacho, Great West Retirement Services
Jackie Blas, Board Secretary

Public Present:

Jayne Flores, Guahan Magazine

Chairman Salas stated that the Meeting Agenda was amended to proceed with the Defined Contributions first and then proceed with the Defined Benefits.

II. REVIEW AND APPROVAL OF MINUTES

A. May 12, 2004 Regular Meeting

On motion of Mrs. Rolenda Faasumalie, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the Minutes of May 12, 2004 Regular Meeting were approved, subject to corrections. Motion carried.

III. OLD BUSINESS

A. Contribution Report as of PPE May 15, 2004

Vince Camacho, Great West Retirement Services, reported to the Board of Trustees that, as of June 4, 2004, payment for pay period ending May 15, 2004 has not been received from the General Fund, Department of Education and Guam Memorial Hospital Authority. Mr. Camacho stated that Guam Memorial Hospital Authority's payment was received just this week. The General Fund and DOE remain outstanding. The Port Authority of Guam submitted data that did not match the amount submitted. The diskette was returned to the Port Authority for correction.

Vice Chairman Cruz inquired as to the reason why payment was not submitted. Mr. Camacho stated that it's not normal for the General Fund. Chairman Salas asked if a letter was sent out. Pete Tajalle, Controller, stated that he will send out a letter today. Chairman Salas stated that per our policy, a letter should be sent out once they are behind on their payments. Mr. Camacho stated that everything was submitted on the 457 Plan.

IV. NEW BUSINESS

None

V. OPEN DISCUSSION

None

VI. ANNOUNCEMENTS

USERRA

Mr. Camacho informed the Board of Trustees that Congress had amended the legislation on the uniform services (USERRA) which affects Government of Guam employees. Mr. Camacho stated that he will look into what the impact will be on the Plans. Vice Chairman Cruz asked if the Plan Document was adopted by the legislature. Mr. Camacho replied no. Mr. Camacho stated that there is EGTRRA (Economic Growth and Tax Reconciliation Act) which reformed the IRS code provisions pertaining Defined Contribution Plan as well as Defined Benefit Plan. There is also GUST which governs governmental plans. The prior Board adopted the provisions. The provisions are on-going but are not combined.

Ms. Paula Bamba stated that, with the USERRA provision, contributions are not being remitted to the Fund while deployed. Mr. Camacho stated that creditable service carries on. Mr. Stephen Guerrero asked if the Board needs to effectuate this. Mr. Camacho stated that he is working on it for the Board to adopt. We may have a working session. Ms. Bamba stated that this should be effective October 1, 2004. Mrs. Rolenda Faasuamalie asked if this benefits budgeting for. Mr. Camacho stated that the new provision in USERRA is affecting employees being deployed. Mrs. Faasuamalie stated that this should be brought up in the budget process. The Fund should write to our Oversight Chair to be made aware of the process of budgeting with regards to the USERRA.

Mr. Tajalle asked if there will be a retro. Mr. Camacho replied yes. Ms. Bamba stated that there is a cap on the number of years. Vice Chairman Cruz inquired about the implementation date. Mr. Camacho stated that the new provisions just came out. Ms. Bamba stated that Congress made it effective immediately. Mr. Camacho stated that it's retro back to September 11, 2001. Ms. Bamba stated that it's optional for employees but the employers have to pay their share. Vice Chairman Cruz inquired about the right to claim statute.

Mr. Camacho stated that there's no time limit to exercise the right to claim. Mr. Camacho stated that the DC Plan is fine, it's the DB Plan that is an issue. Mr. Camacho stated that the government continues paying. Ms. Bamba stated that there's no impact with the budget on the DB Plan. The DC Plan had no provisions until the USERRA took effect.

On motion of Mrs. Rolenda Faasumalie, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the Board of Trustees voted to approve to have Management write to the Retirement Fund's Oversight Chair regarding USERRA and the budget process. Motion carried.

VII. ADJOURNMENT

There being no further business before the Board, on motion of Ms. Katherine Taitano, seconded by Vice Chairman Gerard Cruz, and unanimously agreed upon, the meeting was adjourned at 12:24 p.m. Motion carried.

Respectfully submitted,

Jackie Blas
Board Secretary

DEFINED BENEFITS

I. CALL TO ORDER

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 12:24 p.m. Wednesday, June 9, 2004, in the Retirement Fund Conference Room. Chairman Francisco B. Salas officiated.

Board of Trustees Present:

Francisco B. Salas, Chairman
Gerard A. Cruz, Vice Chairman
Rolenda L. Faasumalie, Trustee
Katherine T.E. Taitano, Trustee
Stephen J. Guerrero, Trustee

Staff Present:

Wilfred G. Aflague, Director
Paula M. Bamba, Administrative Services Officer
Pete Tajalle, Controller
Peter Duenas, Acting Benefits Program Administrator
Vince Camacho, Great West Retirement Services
Jackie Blas, Board Secretary
Rosalia Bordallo, Investment Specialist

Public Present:

Jayne Flores, Guahan Magazine

II. REVIEW AND APPROVAL OF MINUTES

A. May 12, 2004 Regular Meeting

On motion of Mrs. Rolenda Faasumalie, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the Minutes of May 12, 2004 Regular Meeting were approved, subject to corrections. Motion carried.

III. PENSION BENEFITS

A. Members and Benefits Committee Findings of April 29, 2004

Mrs. Rolenda Faasumalie stated that based on the Committee's findings during their meeting of April 29, 2004, the following applications are recommended for **APPROVAL** by the Board of Trustees.

A. SURVIVOR ANNUITY BENEFIT APPLICANTS

1. Name: Vicente T. Aguero
Date of Death: April 03, 2004
Annuity Due Decease: \$18,641.04
Surviving Spouse: Ruth O. Aguero
Survivor's Annuity: \$ 9,320.64
Percentage Earned: 50%
Effective Date: April 03, 2004

2. Name: Francisco C. Arceo
Date of Death: February 14, 2004
Annuity Due Decease: \$ 18,006.48
Surviving Spouse: Manuela S. Arceo
Survivor's Annuity: \$ 9,003.36
Percentage Earned: 50%
Effective Date: February 14, 2004

3. Name: Willie M. Booker
Date of Death: March 02, 2004
Annuity Due Decease: \$ 37,266.24
Surviving Spouse: Ferista N. Booker
Survivor's Annuity: \$ 189633.12
Percentage Earned: 50%
Effective Date: March 02, 2004

4. Name: Francisco P. Cepeda
Date of Death: April 10, 2004
Annuity Due Decease: \$ 13,524.24
Surviving Spouse: Cristina E. Cepeda
Survivor's Annuity: \$ 6,762.24
Percentage Earned: 50%
Effective Date: April 10, 2004

5. Name: Rodel V. Convento
Date of Death: September 24, 2003
Annuity Due Decease: \$ 23,238.00
Surviving Spouse: Priscilla R. Convento
Survivor's Annuity: \$ 11,619.12
Percentage Earned: 50%
Effective Date: September 24, 2003

6. Name: Jose C. Farfan
Date of Death: March 17, 2004
Annuity Due Decease: \$ 11,758.08
Surviving Spouse: Amalia Y. Farfan
Survivor's Annuity: \$ 5,879.04
Percentage Earned: 50%
Effective Date: March 17, 2004

7. Name: Leroy J. Hirst
Date of Death: December 17, 2003
Annuity Due Decease: \$ 20,631.84
Surviving Spouse: Betty Jo Hirst
Survivor's Annuity: \$ 10,315.92
Percentage Earned: 50%
Effective Date: December 17, 2003

8. Name: Jose B. Manibusan
Date of Death: March 18, 2004
Annuity Due Decease: \$ 18,516.00
Surviving Spouse: Martha D. Manibusan
Survivor's Annuity: \$ 9,258.00
Percentage Earned: 50%
Effective Date: March 18, 2004

9. Name: Jose C. Quitano
Date of Death: March 08, 2004
Annuity Due Decease: \$ 12,934.08
Surviving Spouse: Rosa C. Quitano
Survivor's Annuity: \$ 6,467.04
Percentage Earned: 50%
Effective Date: March 08, 2004

10. Name: Minda S. Reglos
Date of Death: February 27, 2004
Annuity Due Decease: \$ 29,278.56
Surviving Spouse: Rodolfo M. Reglos
Survivor's Annuity: \$ 14,639.28
Percentage Earned: 50%
Effective Date: February 27, 2004

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| 11. | Name: | Priscilla A. Suda |
| | Date of Death: | March 24, 2004 |
| | Annuity Due Decease: | \$ 30,141.12 |
| | Surviving Spouse: | Naimon W. Suda |
| | Survivor's Annuity: | \$ 15,070.56 |
| | Percentage Earned: | 50% |
| | Effective Date: | March 24, 2004 |
| | | |
| 12. | Name: | Mary Jeanette C. Taitague |
| | Date of Death: | March 02, 2004 |
| | Annuity Due Decease: | \$ 17,359.20 |
| | Surviving Spouse: | David LG Taitague |
| | Survivor's Annuity: | \$ 8,679.60 |
| | Percentage Earned: | 50% |
| | Effective Date: | March 02, 2004 |
| | | |
| 13. | Name: | Jesus R. Untalan |
| | Date of Death: | February 23, 2004 |
| | Annuity Due Decease: | \$ 14,050.32 |
| | Surviving Spouse: | Carmen Q. Untalan |
| | Survivor's Annuity: | \$ 7,025.28 |
| | Percentage Earned: | 50% |
| | Effective Date: | February 23, 2004 |
| | | |
| 14. | Name: | Vicente A. Uson |
| | Date of Death: | March 26, 2004 |
| | Annuity Due Decease: | \$ 15,335.04 |
| | Surviving Spouse: | Antonia B. Uson |
| | Survivor's Annuity: | \$ 7,667.52 |
| | Percentage Earned: | 50% |
| | Effective Date: | March 26, 2004 |
| | | |
| 15. | Name: | George J. Viegas |
| | Date of Death: | March 31, 2004 |
| | Annuity Due Decease: | \$ 43,842.24 |
| | Surviving Spouse: | Elizabeth G. Viegas |
| | Survivor's Annuity: | \$ 21,921.12 |
| | Percentage Earned: | 50% |
| | Effective Date: | March 31, 2004 |

On motion of Mrs. Rolenda Faasumalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the Survivor Annuity Benefit applicants listed under Item A 1-15, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

B. DEFERRED AGE RETIREMENT APPLICANT

1. Name: David C. Sullivan
Date of Birth: April 18, 1944
Department: Department of Law
Length of Service: 14 Years 11 Months 00 Days
Service Factor: 14.916
Average Annual Salary: \$ 90,168.80
Annual Annuity: \$ 27,368.64
Percentage Earned: 30.352671
Effective Date: April 18, 2004

On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the Deferred Age Retirement applicant listed under Item B 1, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

C. AGE RETIREMENT APPLICANTS

1. Name: Federico O. Flores
Date of Birth: June 29, 1936
Department: Guam Power Authority
Length of Service: 10 Years 05 Months 15 Days
Service Factor: 10.458
Average Annual Salary: \$ 47,764.72
Annual Annuity: \$ 10,099.92
Percentage Earned: 21.145146
Effective Date: October 01, 2003

2. Name: Ana S. Marion
Date of Birth: April 29, 1935
Department: Guam Legislature
Length of Service: 14 Years 05 Months 15 Days
Service Factor: 14.458
Average Annual Salary: \$ 22,380.80
Annual Annuity: \$ 6,970.56
Percentage Earned: 31.145267
Effective Date: January 06, 2003

On motion of Mrs. Rolenda Faasuamalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the Age Retirement applicants listed under Item C 1-2, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

- D. OPTIONAL RETIREMENT APPLICANT
1. Name: Jesus B. Cruz
 Date of Birth: January 01, 1946
 Department: Port Authority of Guam
 Length of Service: 20 Years 07 Months 15 Days
 Service Factor: 20.625
 Average Annual Salary: \$ 51,690.94
 Annual Annuity: \$ 21,962.64
 Percentage Earned: 42.488374
 Effective Date: February 01, 2003

On motion of Mrs. Rolenda Faasumalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the Optional Retirement applicant listed under Item D 1, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

- E. SERVICE RETIREMENT APPLICANTS
1. Name: Dora Q. Camacho
 Date of Birth: November 02, 1955
 Department: Department of Administration
 Length of Service: 31 Years 06 Months 00 Days
 Service Factor: 31.500
 Average Annual Salary: \$ 51,994.25
 Annual Annuity: \$ 38,345.76
 Percentage Earned: 73.750001
 Effective Date: October 01, 2003

 2. Name: Jessie N. Camacho
 Date of Birth: December 27, 1959
 Department: Guam Police Department
 Length of Service: 28 Years 02 Months 15 Days
 Service Factor: 28.208
 Average Annual Salary: 79,769.73
 Annual Annuity: \$ 52,265.04
 Percentage Earned: 65.5198908
 Effective Date: October 01, 2003

 3. Name: Fay D.G. Carbullido
 Date of Birth: January 09, 1953
 Department: Department of Education
 Length of Service: 26 Years 07 Months 00 Days
 Service Factor: 26.583
 Average Annual Salary: \$ 56,446.21
 Annual Annuity: \$ 34,690.32
 Percentage Earned: 61.4573059
 Effective Date: March 15, 2003

4. Name: Genciana H. Inocencio
Date of Birth: December 11, 1937
Department: Guam Memorial Hospital Authority
Length of Service: 33 Years 09 Months 00 Days
Service Factor: 33.750
Average Annual Salary: \$ 29,453.85
Annual Annuity: \$ 23,378.88
Percentage Earned: 79.3746148
Effective Date: November 01, 2003

5. Name: Florence C. Martinez
Date of Birth: March 25, 1952
Department: Department of Education
Length of Service: 33 Years 02 Months 15 Days
Service Factor: 33.208
Average Annual Salary: \$ 30,926.89
Annual Annuity: \$ 24,129.12
Percentage Earned: 78.0198720
Effective Date: October 01, 2002

6. Name: Martha VC Mendiola
Date of Birth: November 08, 1951
Department: Department of Public Works
Length of Service: 26 Years 08 Months 00 Days
Service Factor: 26.666
Average Annual Salary: \$ 34,419.09
Annual Annuity: \$ 21,224.64
Percentage Earned: 61.6653142
Effective Date: July 26, 2003

7. Name: Bertha N. Meno
Date of Birth: October 15, 1950
Department: Department of Education
Length of Service: 35 Years 02 Months 15 Days
Service Factor: 35.208
Average Annual Salary: \$ 47,694.96
Annual Annuity: \$ 39,596.40
Percentage Earned: 83.0200926
Effective Date: April 07, 2004

8. Name: Josephine M. Merlan
Date of Birth: August 27, 1950
Department: Department of Education
Length of Service: 26 Years 03 Months 00 Days
Service Factor: 26.250
Average Annual Salary: \$ 41,878.24
Annual Annuity: \$ 25,388.64
Percentage Earned: 60.6248973
Effective Date: June 21, 2002

9.	Name:	Dennis G. Rodriguez
	Date of Birth:	February 28, 1949
	Department:	Public Health & Social Services
	Length of Service:	29 Years 11 Months 15 Days
	Service Factor:	29.958
	Average Annual Salary:	\$ 82,875.87
	Annual Annuity:	\$ 57,926.16
	Percentage Earned:	69.8950852
	Effective Date:	January 04, 2003

On motion of Mrs. Rolenda Faasumalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the Service Retirement applicants listed under Item E 1-9, as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

- F. OLD BUSINESS
- 1. Andrew M. Aguon

Mrs. Faasumalie stated that the Committee moved to approve the Request for Disabled Child Survivor Benefits under Section 8124 on behalf of Mr. Andrew M. Aguon, disabled adult, as petitioned by Mrs. Priscilla Aguon. This approval is retroactive to the date in 1997 when the statute was written.

Mr. Peter Duenas, Acting Benefits Program Administrator, stated that Item F 1 under Old Business (Andrew M. Aguon) was approved by the Board of Trustees at their May 26, 2004 Board Meeting.

- G. NEW BUSINESS
- 1. Carlito B. Batac – Over payment of annuity benefits due to software program failure.

Mrs. Faasumalie stated that the Committee moved to accept Legal Counsel’s recommendation, in final form, to pursue the collection of overpayment of annuity benefits made to Mr. Carlito Batac in the amount of \$26,700.00 plus interest.

On motion of Mrs. Rolenda Faasumalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve to pursue the collection of overpayment of annuity benefits made to Mr. Carlito Batac in the amount of \$26,700.00 plus interest. Motion carried.

IV. EXECUTIVE SUMMARY

Board Election

Director Wilfred Aflague reported to the Board of Trustees that the election is set for June 19, 2004 from 8:00 a.m. to 5:00 p.m. at the UOG Fieldhouse. Retirement Fund staff will be working here at the office as a back up on verifying the voter list. Mr. Aflague stated that a reminder notice has been posted. Notices will be sent out. There will be an ad in the PDN.

Mrs. Rolenda Faasuamalie inquired about precinct officials. Ms. Paula Bamba stated that there will be precinct officials there. Mr. Aflague stated that we do not anticipate any challenges. Mrs. Faasuamalie asked how many staff will be working on Election Day. Ms. Bamba stated two (2) from DB and two (2) from DC will be stationed here at the office and two (2) will be stationed at UOG. Ms. Katherine Taitano inquired about overtime for staff working on June 19. Ms. Bamba stated that it will be CTO.

Mr. Stephen Guerrero asked how many members do we have. Mr. Aflague stated 6,000 from DB, 6,000 from DC and 6,000 retirees. Chairman Salas asked if there are any retirees from the DC Plan. Mr. Aflague replied yes, there are about 79 retirees. Vice Chairman Gerard Cruz inquired about the cut-off date for retirees. Ms. Bamba stated December 19, 2003.

Request for Proposals for the Defined Contributions Administrator

Mr. Aflague reported to the Board of Trustees that we received five (5) proposals. Ms. Bamba will commence opening the proposals. Chairman Salas stated that this will probably be entertained by the new Board.

Contributions

Mr. Aflague reported to the Board of Trustees that all agencies are current with their Fiscal Year 2004 employee and employer contributions. Mr. Pete Tajalle, Controller, made a clarification and stated that the General Fund, Department of Education and Guam Memorial Hospital were not late in making their payments, as reported earlier by Mr. Vince Camacho, Great West Retirement Services. Mr. Tajalle apologized for the delay in getting the information to Great West Retirement Services. We are working to improve communication and notification with Great West Retirement Services. Chairman Salas stated that, therefore, it is not necessary to send out the letters.

FY 2003 Audit

Mr. Tajalle reported to the Board of Trustees that he has met with the auditor. The June 30, 2004 deadline will not be met. The deadline to submit the draft is August 15, 2004. Finalization is anticipated for August 31, 2004.

Actuary

Vice Chairman Gerard Cruz inquired about the actuary. Ms. Bamba stated that Rich Wright has a copy of the contract that was drafted and he was supposed to print it out and route it back for signatures. The delay was Milliman, Inc. had to obtain a Guam Certificate of Authority, which we received on May 24, 2004. Vice Chairman Cruz asked when will Milliman, Inc. start. Ms. Bamba stated that she's not sure.

Vice Chairman Cruz inquired about the 20.81percent. Ms. Bamba stated that it's status quo. Vice Chairman Cruz asked if that rate is valid. Mr. Aflague stated that there's no evidence to have it lower. The actuarial rate is 25.92. Mr. Tajalle stated that it will be 90% fully funded by the year 2031. Mr. Aflague stated that it's required and recommended. Chairman Salas asked if it's lower than the recommended rate. Chairman Salas also asked if the portfolio is met. Mr. Tajalle replied yes.

Vice Chairman Cruz asked if the major out flow of retirees will have an impact on the Fund. Mr. Aflague stated that we anticipate twenty (20) DOE Administrators retiring. Vice Chairman Cruz asked if the 20.81 percent is good. Mr. Aflague stated that we could go higher. Mr. Tajalle stated that there's a document in place to request for a higher rate.

Chairman Salas stated that we need to send communication from the Board of Trustees asking for 25%. We need to let the senators know our intention. Chairman Salas recommended writing to Senator Toni Sanford. Mr. Aflague stated that he will draft a letter for the Board's approval.

FY 2005 Budget

Mr. Aflague reported to the Board of Trustees that staff are currently working on the FY2005 budget. The FY2005 budget will be ready by the next meeting. Chairman Salas asked if it's subject for voting at the next meeting. Mr. Aflague replied no.

V. OLD BUSINESS

None

VI. NEW BUSINESS

Recommendation from the Investment Committee

Vice Chairman Gerard Cruz requested to include in the Meeting Agenda the recommendation from the Investment Committee. Vice Chairman Cruz stated that the Fund Managers' Interview was held on May 26-28, 2004. The Investment Committee met and came to a conclusion and would like to present the following motions:

On motion of Vice Chairman Gerard Cruz, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the selection of international equity managers' rankings, as submitted by the Investment Selection Committee on May 28, 2004, and to work with the Investment Consultant and Fund Counsel to negotiate final details of investment management agreements and fees with the new managers named below for the following: 1) For Large Cap International Equity – Grantham Mayo Van Otterloo (GMO) and Fisher Investments (Fisher); 2) For Emerging Markets – Grantham Mayo Van Otterloo (GMO) and Captain Guardian Trust Company (Capital); 3) For International Small Companies – Grantham Mayo Van Otterloo (GMO), Dimensional Fund Advisors (DFA) and Axa Rosenberg Investment Management (Axa). Motion carried.

Mrs. Rosie Bordallo, Investment Specialist, stated that the purpose of the termination of Aberdeen and Lazard is due to the Request for Proposal which fulfills the International Mandate. Currently these two managers are International ADR Managers (Foreign Stock). This is no longer what the Retirement Fund needs. The RFP was to hire full international managers. Ms. Bordallo stated that the order to terminate will be pending the required signatures on the contract. Mr. Stephen Guerrero inquired about the timeframe. Vice Chairman Cruz stated by July or August, 2004.

On motion of Vice Chairman Gerard Cruz, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve to terminate the Fund's investment management agreements with Aberdeen and Lazard and to stop trading as of given date or as soon as practicable thereafter, consistent with the Fund's obligations regarding termination notice as specified in the relevant investment management agreements. Motion carried.

Mrs. Bordallo stated that we no longer intend to use mutual funds as a sweep function. Any money left over at the end of the day is automatically swept in a money market account, which is a mutual fund. We need to tell Managers that they are responsible for their own money and for them to manage their own cash. Chairman Salas asked if it's technically cash money market. Mr. Tajalle recommended proceeding with the contract signing for each individual contract.

On motion of Vice Chairman Gerard Cruz, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve to instruct the Custodian to cease implementing the sweep mechanism, as of the date at which investment in the various international equity mutual funds is expected to begin and issue letters to notify the managers of the date at which the sweep will cease. Motion carried.

Chairman Salas stated that he has accepted the draft opinion letter from Legal Counsel. Chairman Salas stated that Legal Counsel had answered some technical questions the Board of Trustees had in accordance with the Investment Policy Statement. No action is required. Ms. Bamba stated if we should go ahead and issue the letter in final form. Chairman Salas replied yes.

VII. OPEN DISCUSSION

List of Pending Items

Mrs. Rolenda Faasumalie inquired about the list of pending items. Mr. Aflague stated that he is compiling the list which he'll fax to the Board of Trustees by Friday.

Members and Benefits Committee Meeting

Chairman Salas stated that he may call for a Special Board Meeting to address disability. The Board of Trustees agreed to have a Members and Benefits Committee Meeting next week Thursday, June 17, 2004 at 11:00 a.m. Ms. Bamba stated that we would need another Members and Benefits Committee Meeting to approve the Minutes of the June 17, 2004 meeting. The next Members and Benefits Committee Meeting is scheduled for June 22, 2004. The next Board of Trustees Meeting is scheduled for June 23, 2004.

VIII. ANNOUNCEMENTS

Condolences

Chairman Salas sent his condolences to Ms. Paula Bamba on the passing of her sister. Mr. Aflague stated that services will be held beginning 9:00 a.m. on Thursday, June 10, 2004 at Saint Anthony's Church in Tamuning.

IX. ADJOURNMENT

There being no further business before the Board, on motion of Vice Chairman Gerard Cruz, seconded by Mrs. Rolenda Faasumalie, and unanimously agreed upon, the meeting was adjourned at 1:15 p.m. Motion carried.

Respectfully submitted,

Jackie Blas
Board Secretary