

BOARD OF TRUSTEES
Regular Meeting
Wednesday, June 25, 2003, 3:00 p.m.
Retirement Fund Conference Room

MINUTES

DEFINED BENEFITS

I. CALL TO ORDER

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 3:14 p.m. Wednesday, June 25, 2003, 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 (3:27 p.m.)

Staff Present:

Wilfred G. Aflague, Director
Paula M. Bamba, Administrative Services Officer
Pete Tajalle, Controller
Peter Duenas, Acting Benefits Program Administrator
Vince Camacho, BenefitsCorp
Jackie Blas, Board Secretary

Public Present:

James G. Sablan
Jason Salas, KUAM

Chairman Salas asked if there are any changes to the agenda. Ms. Paula Bamba requested to amend the agenda to include under Old Business, Item A: Draft Legislation Relative to the Appointment and Election of the Board of Trustees; and to include under New Business, Item A: Actuary Report as of September 30, 2002.

On motion of Mrs. Rolenda Faasumalie, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to approve to amend the June 25, 2003 Meeting Agenda to include under Old Business, Item A: Draft Legislation Relative to the Appointment and Election of the Board of Trustees; and to include under New Business, Item A: Actuary Report as of September 30, 2002. Motion carried.

II. REVIEW AND APPROVAL OF MINUTES

- A. May 7, 2003 Emergency Meeting**
- B. May 14, 2003 Regular Meeting**
- C. June 11, 2003 Regular Meeting**

Chairman Salas stated that there are a couple of errors on the Minutes of May 7, 2003 and the Minutes of June 11, 2003.

On the Minutes of May 7, 2003, Page 2 of 4, First Paragraph, Line 9 should read: "Standard and Poor's Rating Agency (S&P)"; and on the Minutes of June 11, 2003, Page 32 of 34, IV. Old Business, Third Paragraph, Line 3 should read: "many".

Corrections to be made were so noted by the Board Secretary.

On motion of Mrs. Rolenda Faasumalie, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the Minutes of May 7, 2003 Emergency Meeting, May 14, 2003 Regular Meeting and June 11, 2003 Regular Meeting, were approved subject to corrections. Motion carried.

III. PENSION BENEFITS

A. Members and Benefits Committee Findings of June 10, 2003

Mrs. Rolenda Faasumalie stated that based on the Committee's findings during their meeting of June 10, 2003, the following applications are recommended for **APPROVAL** by the Board of Trustees

A. DISABILITY APPLICANT (Appeal)

1. Jose C. Naputi

On motion of Ms. Katherine Taitano, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to approve the disability application of Mr. Jose C. Naputi as recommended by management. Motion carried.

B. AGE RETIREMENT APPLICANT

1.

Name	Levi C. Aquilizan
Date of Birth	May 25, 1934
Department	Department of Education
Length of Service	11 Years 08 Months 00Days
Service Factor	11.666
Average Annual Salary	\$ 39,404.43
Annual Annuity	\$ 9,522.00
Percentage Earned	24.16479
Effective Date	October 15, 2002

On motion of Mrs. Rolenda Faasumalie, seconded by Ms. Katherine Taitano, and unanimously agreed upon, the Board of Trustees voted to approve the age retirement application of Levi C. Aquilizan as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

C. SERVICE RETIREMENT APPLICANTS

1. Name David T. Guerrero
Date of Birth March 26, 1948
Department Department of Revenue & Taxation
Length of Service 26 Years 00 Months 00 Days
Service Factor 26.000
Average Annual Salary \$ 32,867.99
Annual Annuity \$ 19,720.80
Percentage Earned 60.00000
Effective Date October 01, 1998

2. Name Paulina P. Lujan
Date of Birth July 29, 1946
Department Department of Education
Length of Service 32 Years 00 Months 00 Days
Service Factor 32.000
Average Annual Salary \$ 42,169.28
Annual Annuity \$ 31,626.96
Percentage Earned 75.00000
Effective Date August 28, 1999

3. Name Adoracion E. Richardson
Date of Birth August 06, 1933
Department Department of Education
Length of Service 31 Years 06 Months 00 Days
Service Factor 31.500
Average Annual Salary \$ 45,232.73
Annual Annuity \$ 33,359.04
Percentage Earned 73.74978
Effective Date October 01, 1999

4. Name Brigida SN Rivera
Date of Birth September 28, 1950
Department Department of Education
Length of Service 32 Years 08 Months 00Days
Service Factor 32.666
Average Annual Salary \$ 43,953.83
Annual Annuity \$ 33,697.20
Percentage Earned 76.66499
Effective Date July 31, 1999

- | | | |
|----|-----------------------|----------------------------|
| 5. | Name | Gilbert E. Robles |
| | Date of Birth | February 09, 1940 |
| | Department | Guam Airport Authority |
| | Length of Service | 27 Years 01 Month 15 Days |
| | Service Factor | 27.125 |
| | Average Annual Salary | \$ 77,124.92 |
| | Annual Annuity | \$ 48,444.00 |
| | Percentage Earned | 62.81238 |
| | Effective Date | August 25, 2001 |
| | | |
| 6. | Name | Rose S. Rogess |
| | Date of Birth | December 19, 1949 |
| | Department | Department of Education |
| | Length of Service | 29 Years 11 Months 00 Days |
| | Service Factor | 29.916 |
| | Average Annual Salary | \$ 41,838.55 |
| | Annual Annuity | \$ 29,199.12 |
| | Percentage Earned | 69.78999 |
| | Effective Date | October 23, 1997 |
| | | |
| 7. | Name | Carmen C. Rosario |
| | Date of Birth | July 14, 1953 |
| | Department | Department of Education |
| | Length of Service | 33 Years 00 Months 00 Days |
| | Service Factor | 33.000 |
| | Average Annual Salary | \$ 43,337.91 |
| | Annual Annuity | \$ 33,586.80 |
| | Percentage Earned | 77.49981 |
| | Effective Date | January 01, 2000 |
| | | |
| 8. | Name | Patricia A. Rosett |
| | Date of Birth | May 31, 1947 |
| | Department | University of Guam |
| | Length of Service | 31 Years 08 Months 00 Days |
| | Service Factor | 27.958 |
| | Average Annual Salary | \$ 67,527.60 |
| | Annual Annuity | \$ 50,081.76 |
| | Percentage Earned | 74.16487 |
| | Effective Date | October 01, 2002 |

- | | | |
|-----|-----------------------|----------------------------|
| 9. | Name | Ana B. Sablan |
| | Date of Birth | April 10, 1940 |
| | Department | Department of Education |
| | Length of Service | 25 Years 04 Months 00 Days |
| | Service Factor | 25.333 |
| | Average Annual Salary | \$ 28,101.33 |
| | Annual Annuity | \$ 16,392.24 |
| | Percentage Earned | 58.33261 |
| | Effective Date | October 01, 1998 |
| | | |
| 10. | Name | Benita H. Sablan |
| | Date of Birth | September 03, 1942 |
| | Department | Department of Education |
| | Length of Service | 25 Years 11 Months 00 Days |
| | Service Factor | 25.918 |
| | Average Annual Salary | \$ 29,426.53 |
| | Annual Annuity | \$ 17,594.16 |
| | Percentage Earned | 59.79012 |
| | Effective Date | August 01, 2000 |
| | | |
| 11. | Name | Jesse A. Sablan |
| | Date of Birth | April 15, 1953 |
| | Department | Department of Public Works |
| | Length of Service | 26 Years 02 Months 15 Days |
| | Service Factor | 26.208 |
| | Average Annual Salary | \$ 37,960.36 |
| | Annual Annuity | \$ 22,973.52 |
| | Percentage Earned | 60.51976 |
| | Effective Date | July 01, 2000 |
| | | |
| 12. | Name | Annie Q. Salas |
| | Date of Birth | September 12, 1954 |
| | Department | Department of Education |
| | Length of Service | 27 Years 07 Months 15 Days |
| | Service Factor | 27.625 |
| | Average Annual Salary | \$ 30,140.80 |
| | Annual Annuity | \$ 19,308.96 |
| | Percentage Earned | 64.06253 |
| | Effective Date | October 01, 1999 |

- | | | |
|-----|-----------------------|----------------------------|
| 13. | Name | Franklin B. Salas |
| | Date of Birth | October 02, 1951 |
| | Department | Department of Public Works |
| | Length of Service | 28 Years 04 Months 15 Days |
| | Service Factor | 28.375 |
| | Average Annual Salary | \$ 53,672.20 |
| | Annual Annuity | \$ 35,390.16 |
| | Percentage Earned | 65.93759 |
| | Effective Date | August 01, 2001 |
| | | |
| 14. | Name | Jose B. Salas |
| | Date of Birth | September 11, 1948 |
| | Department | Guam Power Authority |
| | Length of Service | 29 Years 11 Months 00 Days |
| | Service Factor | 29.916 |
| | Average Annual Salary | \$ 55,261.03 |
| | Annual Annuity | \$ 38,566.56 |
| | Percentage Earned | 69.78979 |
| | Effective Date | October 06, 2001 |
| | | |
| 15. | Name | Rodolfo L. Salbino |
| | Date of Birth | June 17, 1945 |
| | Department | Guam Power Authority |
| | Length of Service | 25 Years 02 Months 00 Days |
| | Service Factor | 25.166 |
| | Average Annual Salary | \$ 71,573.68 |
| | Annual Annuity | \$ 41,451.84 |
| | Percentage Earned | 57.91492 |
| | Effective Date | October 01, 1999 |
| | | |
| 16. | Name | Maria CP Santos |
| | Date of Birth | June 22, 1950 |
| | Department | Department of Education |
| | Length of Service | 25 Years 10 Months 15 Days |
| | Service Factor | 25.875 |
| | Average Annual Salary | \$ 31,265.35 |
| | Annual Annuity | \$ 18,661.44 |
| | Percentage Earned | 59.68728 |
| | Effective Date | October 01, 1997 |

- | | | |
|-----|-----------------------|--------------------------------------|
| 17. | Name | Raidis L. Santos |
| | Date of Birth | June 28, 1942 |
| | Department | Department of Education |
| | Length of Service | 26 Years 05 Months 15 Days |
| | Service Factor | 26.458 |
| | Average Annual Salary | \$ 39,537.80 |
| | Annual Annuity | \$ 24,175.44 |
| | Percentage Earned | 61.14513 |
| | Effective Date | October 16, 2001 |
| | | |
| 18. | Name | Rufina Dela Cruz Santuyo |
| | Date of Birth | November 16, 1930 |
| | Department | Public Health & Social Services |
| | Length of Service | 35 Years 10 Months 00 Days |
| | Service Factor | 35.833 |
| | Average Annual Salary | \$ 66,411.24 |
| | Annual Annuity | \$ 56,172.24 |
| | Percentage Earned | 84.58242 |
| | Effective Date | October 01, 1997 |
| | | |
| 19. | Name | Erlinda E. Segovia |
| | Date of Birth | November 29, 1939 |
| | Department | Bureau of Budget Management Research |
| | Length of Service | 27 Years 07 Months 15 Days |
| | Service Factor | 27.625 |
| | Average Annual Salary | \$ 43,713.25 |
| | Annual Annuity | \$ 28,003.92 |
| | Percentage Earned | 64.06277 |
| | Effective Date | June 01, 2002 |
| | | |
| 20. | Name | Adolf P. Sgambelluri |
| | Date of Birth | January 07, 1937 |
| | Department | Guam Community College |
| | Length of Service | 27 Years 06 Months 00 Days |
| | Service Factor | 27.500 |
| | Average Annual Salary | \$ 87,440.59 |
| | Annual Annuity | \$ 55,743.36 |
| | Percentage Earned | 63.74998 |
| | Effective Date | August 10, 2002 |

21.	Name	Donald G. Skrzysinski
	Date of Birth	August 30, 1949
	Department	Department of Education
	Length of Service	28 Years 09 Months 00 Days
	Service Factor	28.750
	Average Annual Salary	\$ 31,424.69
	Annual Annuity	\$ 21,015.36
	Percentage Earned	66.87531
	Effective Date	October 01, 2001
22.	Name	Maria Amelia L. Solidum
	Date of Birth	January 14, 1949
	Department	Department of Education
	Length of Service	25 Years 11 Months 00 Days
	Service Factor	25.916
	Average Annual Salary	\$ 36,365.88
	Annual Annuity	\$ 21,743.04
	Percentage Earned	59.78967
	Effective Date	October 15, 1998
23.	Name	Hilda D. Tabilas
	Date of Birth	December 12, 1949
	Department	Department of Education
	Length of Service	26 Years 02 Months 00 Days
	Service Factor	26.166
	Average Annual Salary	\$ 43,217.46
	Annual Annuity	\$ 26,109.84
	Percentage Earned	60.41502
	Effective Date	October 13, 2002
24.	Name	Cristobal U. Teliu
	Date of Birth	June 04, 1943
	Department	Department of Education
	Length of Service	25 Years 03 Months 15 Days
	Service Factor	25.291
	Average Annual Salary	\$ 31,350.12
	Annual Annuity	\$ 18,254.40
	Percentage Earned	58.22752
	Effective Date	October 01, 1997

On motion of Mrs. Rolenda Faasumalie, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to approve Items C 1-24 as recommended by management, being that all calculations are in order and subject to corrections. Motion carried.

Based on the Committee's findings during their meeting of June 10, 2003, the following application is recommended for **DISAPPROVAL** by the Board of Trustees.

A. DISABILITY APPLICANT

1. Doris G. Sanchez

On motion of Mrs. Rolenda Faasuamalie, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the Board of Trustees voted to disapprove the disability application of Ms. Doris G. Sanchez as recommended by management. Motion carried.

MEMBERS' SERVICES DIVISION

Ms. Katherine Taitano stated that based on the Committee's findings during their meeting of June 10, 2003, the following applications are recommended for **DISAPPROVAL** by the Board of Trustees.

1. Gloria C. Cordero

On motion of Ms. Katherine Taitano, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Board of Trustees voted to disapprove the application of Ms. Gloria C. Cordero as recommended by management. Motion carried.

2. James G. Sablan

On motion of Ms. Katherine Taitano, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Board of Trustees voted to disapprove the application of Mr. James G. Sablan as recommended by management. Motion carried.

3. Antonio C. Sanchez

On motion of Ms. Katherine Taitano, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Board of Trustees voted to disapprove the application of Mr. Antonio C. Sanchez as recommended by management. Motion carried.

Director Aflague stated that the Board of Trustees could entertain Mr. James Sablan during open discussion.

IV. INVESTMENT COMMITTEE MEETING OF JUNE 16, 2003

Mr. Gerard Cruz stated that he wanted to clarify something on the Investment Committee Minutes of June 16, 2003 which is before the Board for approval, under Page 2 of 5, IV. New Business, Item 1. Rebalancing and Liquidity Management. Mr. Cruz wanted to clarify that the motion he made was to table approval subject to Mr. Rich Nuzum's approval.

On motion of Mr. Gerard Cruz, seconded by Mrs. Rolenda Faasuamalie, and unanimously agreed upon, the Minutes of June 16, 2003 Investment Committee Meeting were approved subject to corrections. Motion carried.

V. OLD BUSINESS

A. Draft Legislation Relative to the Appointment and Election of the Board of Trustees

Chairman Salas stated that the draft legislation will provide rules according to Public Law 26-131. The Chairman recommended that the Board of Trustees review the draft legislation for the next Board Meeting. Director Aflague stated that these are proposed changes to the law. One change that was omitted was the voting population. The proposal will include this. The Chairman stated that we need to maintain the Board of Trustees so that we will always have a quorum. Chairman stated that we may need a working session to discuss the rules and regulations.

B. Status of Motion for Clarification

Chairman Salas inquired about the status of the Motion for Clarification. Director Aflague stated that he has not received anything from the court.

C. Status of Delinquent Agencies

Chairman Salas inquired about the status of the delinquent agencies. Mr. Tajalle stated that a meeting was held with agencies regarding their accounts. Chairman Salas stated that he would like to get a report on the status of delinquent accounts. Mr. Tajalle stated that he will put a report together for the Chairman.

D. Status of ACH

Chairman Salas inquired about the status of the ACH. Director Aflague stated that the ACH has been progressing. The retirees were informed that this will become effect October 1, 2003. Director Aflague stated that he will provide a report as data compiles. Chairman Salas requested for a report on the status of the ACH. Mr. Gerard Cruz inquired about the concerns the retirees had about the ACH. Director Aflague stated that mainly it's the socializing aspect and also the small amount of deposit. The Director stated that 90% of the retirees are going along with the EFT.

E. Prospective Retirees

Mr. Stephen Guerrero inquired about the number of prospective retirees. The Director stated that he does not have this information.

VI. NEW BUSINESS

A. Actuary Report as of September 30, 2002

Chairman Salas stated that a preliminary meeting was held to discuss the actuary report. Mr. Jay Lingo presented his report to the Board of Trustees. There were several minor amendments and corrections that were to be made. The Chairman asked if the corrections were made. The Director stated yes, the corrections were made on the actuary report.

On motion of Mr. Gerard Cruz, seconded by Mr. Stephen Guerrero, and unanimously agreed upon, the Board of Trustees voted to accept the Actuary Report as of September 30, 2002. Motion carried.

B. Chairmanship

Chairman Salas stated that at the previous Board of Trustees meeting Mr. Gerard Cruz switched hats with Mr. Stephen Guerrero. Mr. Guerrero in turn relinquished Chairmanship to Mr. Cruz.

C. Proposed Forum in August 2003

Chairman Salas stated that he is working on a presentation on the status of the Retirement Fund. The forum is tentatively scheduled for August 2003. This will be an open forum and we would like to invite the legislature and the Government of Guam agencies.

VII. OPEN DISCUSSION

A. James G. Sablan

Chairman Salas called on Mr. James Sablan. Mr. Sablan thanked the Board of Trustees for allowing him the opportunity to appear before the Board regarding his case. Mr. Sablan stated that he has been dealing with Ms. Lou Brennan since November 2002. Mr. Sablan stated that part of the delay of processing for his retirement was that Ms. Brennan was taking leave. Mr. Sablan now has been seeing Mr. Peter Duenas. Mr. Sablan is requesting the Board to reconsider his disapproval for retirement. Mr. Sablan stated that he has all his documents in place. Mr. Sablan stated that he has started to process for retirement since before his resignation on January 6, 2003. Mr. Peter Duenas stated that you need to be a current employee in order to retire.

Chairman Salas informed Mr. Sablan that this matter will be entertained on the Members and Benefits Committee Meeting which is scheduled for July 8, 2003. The Committee will then make a recommendation to the Board of Trustees.

B. Status of the Government

Chairman Salas inquired about the status of the government. Director Aflague stated that we are getting caught up the payments. The Director stated that we received \$1.9 Million from the General Fund for pay periods ending in May and June. Mrs. Rolenda Faasumalie asked how this will affect people wanting to retire. Director Aflague stated that we still need to keep in line with the Judge's order.

Chairman Salas asked if we have signed statements from the DOA Director to verify that all calculations are in order. We should get the agency head to sign that they are current with their payment. Chairman Salas stated that he's concern with the blanket payment. How are monies going to be distributed? Mr. Tajalle stated that DOA will determine which agencies are up-to-date, not Retirement Fund. Mr. Tajalle stated that DOA is paying in advance. DOA has paid for PPE May 17, May 31 and June 14. Director Aflague stated that all Government of Guam agencies are current with their employee/employer contributions except GMH and DOE.

Mr. Stephen Guerrero asked if employees could retire. Director Aflague stated that we need to wait for DOA to say so. Mr. Guerrero asked if we are ready for the influx of prospective retirees. Director Aflague stated that we are as long as they are current with their payments.

Chairman Salas stated that he would like to see status reports of committee meetings. Chairman Salas recommended adding in the Board Meeting Agenda "Executive Summary Report" under Old Business.

VIII. ANNOUNCEMENTS

None

IX. ADJOURNMENT

There being no further business before the Board, on motion of Mrs. Rolenda Faasumalie, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the meeting was adjourned at 4:21 p.m. Motion carried.

Respectfully submitted,

Jackie Blas
Board Secretary

D E F I N E D CONTRIBUTIONS

I. CALL TO ORDER

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting was called to order at 4:21 p.m. Wednesday, June 25, 2003, 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, BenefitsCorp
Jackie Blas, Board Secretary

II. REVIEW AND APPROVAL OF MINUTES

- A. **May 14, 2003 Regular Meeting**
- B. **June 11, 2003 Regular Meeting**

On motion of Mr. Gerard Cruz, seconded by Mrs. Rolenda Faasumalie, and unanimously agreed upon, the Board of Trustees voted to approve the Minutes of May 14, 2003 Regular Meeting and June 11, 2003 Regular Meeting, subject to corrections. Motion carried.

III. OLD BUSINESS

A. Contribution Report as of PPE June 14, 2003

Vince Camacho, BenefitsCorp, reported to the Board of Trustees that there are 5,001 participants. Mrs. Rolenda Faasumalie stated that DB members are going into DC to get their money. Chairman Salas inquired about the open enrollment. Mr. Camacho stated that open enrollment is scheduled from March to May every year. Mr. Camacho stated that starting next month he will be conducting an Investment Orientation. Chairman Salas stated that Mr. Jay Lingo is trying to come up with a draft on those switching from DB to DC. Chairman Salas recommended that Mr. Camacho work with Mr. Lingo on the switch from DB to DC.

IV. NEW BUSINESS

None

V. OPEN DISCUSSION

None

VI. ANNOUNCEMENTS

None

VII. ADJOURNMENT

There being no further business before the Board, on motion of Mr. Stephen Guerrero, seconded by Mr. Gerard Cruz, and unanimously agreed upon, the meeting was adjourned at 4:30 p.m. Motion carried.

Respectfully submitted,

Jackie Blas
Board Secretary