

**BOARD OF TRUSTEES**  
**Regular Meeting**  
**Friday, September 10, 2004, 12:07 p.m.**  
**Retirement Fund Conference Room**

**MINUTES**

<b>DEFINED BENEFITS</b>
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**I. CALL TO ORDER**

After determining a quorum, the Retirement Fund Board of Trustees Regular Meeting for the Defined Benefits Plan was called to order at 12:07 p.m. Friday, September 10, 2004, in the Retirement Fund Conference Room. Chairman Joe T. San Agustin officiated.

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Vice-Chairman  
James J. Taylor, Secretary  
Katherine T.E. Taitano, Treasurer  
Anthony C. Blaz, Trustee  
Gerard A. Cruz, Trustee  
George A. Santos, Trustee

**Staff Present:**

Wilfred G. Aflague, Director  
Paula M. Bamba, Administrative Service Officer  
Pete Tajalle, Controller  
Kenneth L. Dunstan, Acting Benefits Program Administrator  
Vivian Mantanona, Administrative Assistant  
Meredith Sayre, Legal Counsel

**Public Present:**

Mark Heath  
Gary Lisenbee  
Former Senator Don Parkinson  
Oliver Wood  
Ben Duenas

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

Review and approval of the August 13, 2004 minutes was tabled until the next meeting.

## **III. CORRESPONDENCE**

The Board received copies of correspondences from former Senator W. Don Parkinson and Mr. Oliver Wood, both dated September 01, 2004, requesting to correct what they contend to be a rounding error in computing years of credited service. Senator Parkinson argues that the error has resulted in widespread underpayment of retirement benefits. Mr. Wood requests an adjustment of his retirement annuity.

The correspondences were referred to the Members' and Benefits Committee for review and disposition.

## **IV. DIRECTOR'S REPORT – EXECUTIVE SUMMARY**

### *1. Investment Manager Search*

Item will be addressed in the Investment Committee report.

### *2. Actuarial Contract*

The Investment Committee voted affirmatively to recommend the Board's approval of the contract. The Fund has the contract with only a faxed copy of the consultant's signature. The contract will be routed to the appropriate signatories upon receipt of the original documents which are being transmitted through Federal Express.

### *3. Request for Proposals for the Defined Contributions Plan Administrator*

Dr. Taylor was tasked to oversee the .

### *4. Financial Report*

As of today's date (Sept.10<sup>th</sup>) all agencies are current with their fiscal year 2004 contributions on both the employee's and employer's contributions.

Mr. Tajalle interjects and states a correction must be made. As of today's date, the Guam Memorial Hospital is behind on their August 21, 2004 pay period ending contribution on the Defined Contributions side. The chairman states that the records must show that the Guam Memorial Hospital's defined benefits contributions are current only for the 2004 Fiscal Year. They still have an outstanding balance for prior fiscal year 2003. The chairman then asks what the status is on the Department of Education. Mr. Tajalle states they are up to date

for the current fiscal year however, they still have an outstanding balance for fiscal year 2003.

Dr. Leon Guerrero asks the status of the ERIP promissory note payment. He asks how current they are. Mr. Tajalle states that the promissory notes are not between agencies and the Fund. He states there is a delinquency amount however he does not have the dollar figure available. Dr. Leon Guerrero asks if this delinquent amount should be added to the thirty million states as delinquent. Mr. Tajalle explains that it could be added on; he has had the amounts separated for record keeping purposes between the employer and the employee.

Mr. Blaz then asks if he could get a cumulative total amount due on the promissory notes executed during the early retirement incentive program. Mr. Tajalle asks the board to bear in mind that the notes that were issued to the perspective retirees were for a payment period of up to fifteen years dependent upon the terms and condition of the note. The chairman asks Mr. Tajalle if there are any ERIP retiree's who are not current with their payment on the promissory note. He states there are and letters have been sent to them advising them of their delinquencies as well as lapses in payment.

Mr. Blaz states he is concerned that these retirees are receiving their annuities and not making good on their promissory note. He asks if there is any recourse the Fund can take against these individuals. Mr. Cruz states that the Fund has a right to offset.

The chairman then asks if there is an ageing list on how many are 30 days past due, 60 days past due, etc. Mr. Tajalle states not on hand however he can have one prepared and provided to the Board by the next meeting. Dr. Taylor asks if a report on this has ever been provided to the board.

5. *Financial Statements*

Statements are being completed for August 2004. They should be ready by next week some time. Mr. Tajalle apologizes for the delay in preparation due to the time off because of the storm and the holiday. Upon completion of the financials, they will be remitted to the Treasurer for her review.

6. *FY 2005 Budget*

Mr. Aflague announces that the proposed fiscal year 2005 budget is being worked on by the administrative staff and will be remitted to the Treasurer for her review and forwarding to the Board.

7. *FY2003 Supplemental*

Mr. Aflague advises that the supplemental payment from the General Fund for pay period ended January 15, 2003 were paid to the retirees. There are only three outstanding payments due for periods January 31, 2003, February 15, 2003 and February 28, 2003. He reminds the board that for the period March, 2003 through December 2003 the supplemental was being paid on the sliding scale bases. The sliding scale payments have not yet been remitted for General Fund retirees. Mr. Blaz asks about supplemental for the Guam Waterworks Authority. Mr. Aflague states that GWA has not remitted payment for their retirees.

The chairman asks Mr. Tajalle why the Fund was still paying out the supplemental when in the 2004 budget it dictated that the payment should come from the Department of Administration. Mr. Aflague advises the he would like to answer this inquiry. He states that the Fund met with the Department of Administration personnel and was ready to assist them with whatever payroll registers the Fund had for supplemental payments. Department of Administration officials advised the Fund that they were not capable to handle that payment through their payroll system, as they would have to treat the retirees as vendors and not retirees. Mr. Aflague states the staff of the Retirement Fund met several times with DOA staff members. DOA asks if the Fund could assist them by printing the checks for them using the retirement's system.

The chairman then states that if the board approved this request, it was done in violation of the law. Mr. Aflague states he does not remember if the issue was brought before the board or if it was done administratively. However he will go through the previous minutes to see if the board approved it. He continues to state that the Fund agreed to prepare the checks with the condition that DOA had to start paying to the Fund the monies that were fronted by the Retirement Fund for previous supplemental payments (October 01, 2002 through December 15, 2002). Mr. Blaz then asks if the expenses involved with the issuing of the checks are absorbed by the Fund. Mr. Aflague states this is correct. He further asks if there was any reimbursement expected from DOA.

The chairman then brings up to issue of individuals retiring from agencies, which are delinquent in their submission of contributions to the Fund. The chairman asks for clarification on this matter as he feels this too is in violation of the court order, which was issued. The chairman states that the Fund is allowing members to retiree once the Fund receives both the employee's and the employer's contribution as well as all interest and penalties due for a particular member. Meredith Sayre, Legal Counsel for the Fund states that in tracking the court order, a discussion was made regarding the bill passed by the Legislature, the basis of following the law that was enacted by the legislature and whether or not that law was in compliance with the court order were based on the actuarial rate being paid in. The effect on the Fund was more than a wash. She states it was actually a benefit to the Fund because the actuarial rate that was paid in effect caught up the

pool of money that should have been paid in. As the Board of Trustees read that side by side with Judge Lamorena's order on what the Fund can and cannot do, it was determined that the Fund was not in violation because there was no detriment to the Fund. The chairman says he thought that the agency had to pay to the Fund the entire amount it owed before anyone from that agency was allowed to retire. Dr. Taylor advises that he is looking at the court order and in paragraph one it states that the Fund must refuse to pay new benefits of un-funded or under funded pursuant to actuarial standards. Ms Sayre this is where it is based on the actuarial rate being paid in so it is not un-funded or under funded. The chairman then asks Ms. Sayre if they issued a legal opinion to this effect. He states if this interpretation can be supported by a legal opinion, he would accept it. Ms. Sayre states she is unsure if a legal opinion was issued. She further states that this interpretation was for a one-year provision. The chairman states that the same language is used in the current budget law. She states yes and this is the same dilemma. He then states that the Fund has to be armed with some legal support.

***The chairman states that a motion was made by Dr. Leon Guerrero to obtain legal opinion with the subject matter under discussion, (both on the issuing of supplemental checks as well as allowing individuals to retire from agencies that are delinquent in contributions to the Fund as long as the individual retiring has his contributions (employee's and employer's share) paid in full to the Fund, to include interest and penalties). Mr. Blaz seconded the motion. There were no objections. Motion carried.***

The chairman further advises the board members that the law requires full affirmative response before a motion can be passed. He states that for the record, he requires that there were no objections noted as opposed to the motion being unanimously being accepted.

Dr. Taylor then states that being completed; he had a question for Mr. Aflague. He states that in Mr. Aflague's report he stated that the supplemental payments up through January 15, 2003 have been paid to General Fund funded retirees. Mr. Aflague states this is correct, only payments up through January 15, 2003 have been paid as no other funds have been received by the Fund from the Department of Administration. Dr. Taylor then asks who is doing the accounting for this. Mr. Tajalle states that information used to calculate the supplemental is provided by the Fund. Dr. Taylor states that there is an issue of accountability. The chairman states he does not want the Fund to be accountable for the supplemental.

Mr. Cruz brings up the issue of the Guam Telephone Authority. He asks if and when the sale goes through, who will be responsible for the supplemental payments of the old retirees from GTA. Mr. Tajalle and Mr. Aflague both state that the Legislature would have to look into the matter and the board will discuss this when the issue is presented to them.

8. *2003 Financial Audit*

Mr. Tajalle states the Fund has received the first draft of the financial statements of the audit on September 03, 2004. The target date of the final audit is set for September 30, 2004. He further states that the Fund only has the financial statements, the internal report and the compliance has not yet been remitted. These drafts will be presented to the Audit committee who will then review and prepare for presentation to the Board.

**V. TREASURER'S REPORT OF FINANCIAL STATUS**

Ms. Taitano reports that the budget for the Fund has been prepared, however it will not be ready for presentation until sometime next week. A preliminary budget has been presented to her, there were changes that need to be made and incorporated into the budget. The only other item she needs is for a meeting time to be scheduled for presentation to the board. Friday, September 17, 2004 at 11:00 am was the date scheduled.

**VI. STANDING COMMITTEE REPORTS**

**A. Members' and Benefits Committee**

Mr. Santos begins by thanking Mr. Aflague and the staff of the Fund as several changes was made in the way the Members' and Benefits Committee meetings were being conducted. The committee would like to present a report to the Board that gives enough information to the board so it may act or discuss the items being presented to the committee. He also would like to thank the members of his committee as they spent approximately six hours in the conference room trying to prepare information for the report as well as meet people on the emotional side which takes up a lot of energy and feeling which they had to take in to consideration as the committee deals with people. The task for the Members' and Benefits committee is more than dealing with documents in order to put together their report.

He then presents his report to the board and states this report represents a working document in which the board can act upon this afternoon. He then explains the information provided on the various pages of the report emphasizing on the staff information located on page two. He states the total budgeted position for the Members' Services Division and the Benefit Services Division is a total of 20 positions. There are currently only 14 employees staffing these two divisions. He continues to review the various pages and explains the different sections of the report.

He advises the board that before he makes a motion to the committee he would like to amend the report (page 13 of 13) on section B. Minor Children Survivor Annuity applicants. He states there is a question on the validity of documents provided for Calvin AS and Craig AS Reyes, minor applicants on behalf of deceased retiree Carlos Talvo.

The committee would like to clarify the documents that were provided before being presented to the board.

Mr. Santos states that based on the review and findings of the Members' and Benefits committee, he recommends approval on all the aforementioned cases beginning on Page 4 through Page 13 up to section B.

He further states that he would like to clarify a question that was brought up earlier regarding the effective dates of the annuitants. He states according to what he understands, these retirees, in particular the age retirees, they have been placed on payroll based on an estimated amount. They are just coming to the board now as they are currently being finalized.

***Mr. Santos then makes a motion to approve all those that are recommended by the M&B Committee. The motion is seconded by Mr. Blaz. There were no objections. Motion carried.***

Mr. Santos states there is a second motion on page 13. The committee, in their findings, determined that three (3) Section 8123 applicants and two (2) Section 8126 applicant be disapproved in their applications for disability retirement.

***Mr. Santos makes a motion to the board to accept the recommendation of the committee to disapprove the applications of three (3) Section 8123 applicants and two (2) Section 8126 applicants. Motion was seconded by Ms. Taitano. There were five members who voted in the affirmative and two members who abstained from voting (Dr. Leon Guerrero and Mr. Blaz). A discussion followed. Upon completion of discussion, the motion passed.***

The board members requested an explanation of each of the cases.

Mr. Santos states the underlying considerations for the committee was two-fold. In the committees review and finding of the request for disability for 8123 applicants and 8126 applicants, there were two considerations. First the applicant must be totally and permanently impaired. This is a mandated of the code which was given to the M&B committee. They have to total and permanent impairment of 50 percent of whole body to be considered for disability retirement. The second thing the committee found was that there were a number of management options that were not fully exercised by the management of the agencies. In other words, if they are partially impaired they could have been used in other situations or work areas. Management did not look at other options for these applicants.

Dr. Leon Guerrero asks who makes the determination among the disability. Mr. Santos states the process is long. The staff does the preliminary investigation; then the applicant is sent to two different doctors, paid by the Fund for review of their ailments or conditions and then a medical consultant who does the summation of the medical reports submitted.

The chairman states he understands that the committee as well as the medical consultant uses the AMA guidelines to determine the rate of disability. He asks if this has been adopted by the committee, Mr. Santos states he is working on this right now.

**NOTE: The Audit Committee Chairman requested to go before the Investments Committee report. All agreed.**

## **B. Audit Committee**

Mr. Tony Blaz states he would like to go before the investment committee, as his report is somewhat short. He informs the board that the committee met on Thursday, September 09, 2004. At that meeting the following was discussed.

### *Discussion of OPA Report No. 04-02 (February, 2004)*

1. Findings 2000-01 A tentative meeting will be scheduled with the Attorney General regarding this particular finding which was brought to the Board's attention by the Public Auditor. He also states that at this particular meeting with the Attorney General, he asks that the Fund's legal counsel be present.
2. Findings 2001-01 – Pending the Attorney General's authorization of the Fund's legal counsel to pursue litigation. He states that he also plans to set up a meeting with the attorney General and the Fund's legal counsel regarding this matter.
3. Status of collection for Finding 2001-01 pending attorney general's authorization of fund legal counsel to pursue litigation.

Mr. Blaz states that all of the above will be taken up for discussion with the board once the director has scheduled a meeting with the attorney general's office.

Mr. Aflague states that he has scheduled a meeting with the attorney general for Tuesday, September 14, 2004 at 9:00 am. He apologizes to Mr. Blaz and states that he tried to get an appointment with the attorney general for sometime in the afternoon; however, this was the earliest time and date. Mr. Blaz advises the director that he is unable to make this meeting. However, he will be available to meet with the attorney general anytime after 10:15 am. Mr. Aflague states he will try to reschedule the appointment for sometime after 10:15 am.

Dr. Leon Guerrero advises the board that the committee has received a proposal from the attorney general's office to amend the existing contract the Fund has with legal counsel. The chairman states he has not seen the proposal. Mr. Blaz states he will make it available to board member. The Fund's legal counsel states this will be a lengthy process to get that amendment. Mr. Blaz states that this sets a precedent of the statute of limitation which legal counsel brought to the committee's attention at their working session and this is why there is concern if the recommended amendment by the attorney



general were going to be pursued then that option would involve lengthy negotiations which may surpass the statute of limitation.

The chairman states if he recalls correctly, on the legal contract there is no time limitations on the contract. It could be mutually terminated. He then asks legal counsel if they have looked at the proposal. Ms. Sayre states their proposal is pretty similar to what is already in place. She feels that the Fund can just carry on with what they have in place. A question was asked then what was the point. Ms. Sayre then states this is why the meeting is probably helpful so that the Fund can understand what the difference is. The statute of limitation probably involves one of the cases and contract limitations. The chairman then states he is concerned that should the Fund sue some other agency, whom would the attorney general represent.

Mr. Blaz states that his report is complete.

Mr. Aflague requests that he interject and make a correction to his earlier announcement. The meeting with the attorney general will take place on Tuesday, September 14, 2004 at the AG's office.

### **C. Investment Committee**

Dr. Wilfred Leon Guerrero, chairman for the investment committee begins by stating that a meeting was held with the investment consultants for a briefing. The committee reviewed the actuarial contract and would like to affirm previous board actions. He further states that he and Mr. Pete Tajalle, the Fund's controller are just getting used to each other. He apologizes as he was supposed to have the actuarial contract but he does not have that available. The director, Mr. Aflague asks if it was the consultant's contract or the actuarial contract. Dr. Leon Guerrero states the actuarial contract. Mr. Aflague states the board does have this contract.

***A motion was made by Dr. Leon Guerrero to approve the Milliman actuarial contract. Mr. Blaz seconded the motion. There were no objections. Motion carried.***

The director was advised to proceed. Mr. Cruz asked how soon before the Fund can get an e-mail on the new actuarial rate. Ms. Bamba states as soon as all the signatures including the AG's and the Governor's have been secured. Mr. Aflague states that he has a faxed copy of Mr. Wright's signature. He suggests that they bring the contract with them to the meeting with the Attorney General, as this is the lengthiest process. It may take up to six months before it is reviewed.

Dr. Leon Guerrero states the committee is still reviewing the investment policy. Once the committee feels it is ready for a recommendation, it will do so. He states that the committee would like to issue an RFP for the Defined Contribution plan. He asks Dr. Taylor to take leadership on this issue. There are five proposals that have all met the minimum qualifications. Ms. Bamba states she just needs to know who will be sitting in on the selection panel. The chairman states Dr. Taylor will choose who will sit in on this.

*Status of International Manager Contract Finalization*

Mr. Tajalle states that this item should be an action item. He apologizes for this. When the investment committee met, a decision was made regarding the fee schedule to be charged by the AMS managers. At that meeting, the committee decided to adopt the continuation with the process of all managers within their respective categories with the exception of last category, which was Emerging Market – for investment manager GMO because it was a bit high. The investment consultant is going to work with GMO to try to get a better team but the final results of the discussion with the investment committee was to accept all the other managers and the other investment vehicle at the proposed fees on the schedule.

***Dr. Leon Guerrero makes a motion to approve the hiring of AXA (US Small Cap, Geo Vanus, Rosenberg Mutual Fund), Capital (Emerging Market Strategy), DFA (international Small Company Strategy), Fisher (Foreign Equity Strategy), GMO (International Intrinsic Value Strategy), under executive portfolio and under mutual fund, and under the international small company strategy under the mutual fund. Mr. Santos seconded the motion. There were no objections. Motion carried.***

Mr. Cruz asks how soon this would happen. Mr. Tajalle states once this approved at this level the award and declination letters will be sent out. The managers will conduct the process of contract reviews and this should commence right away.

Mr. Tajalle states that any contract that is entered into must go through the process of being reviewed and routed through and approved by BBMR, the Governor's office and the Attorney General's office. The chairman asks if the Fund has the contracts. Mr. Tajalle states that the Fund has draft contracts that the managers are reviewing. The Chairman asks who drafted the contracts. Mr. Tajalle states from existing contracts that the Fund currently has now and from input received from the investment consultants. The chairman asks when we present these contracts to them, is this the Fund's offer or does the board have a chance to review and offer an input. The chairman then asks what is it in compliance with what. Mr. Tajalle states this in compliance with the type of strategy that the investment manager is going to be representing the fund at.

Dr. Leon Guerrero states that one of the things that the investment advisor would like to see in the contract; is a provision whereby if the fundamentals of the company changes or new managers come in, the Fund should be notified. If the Fund is not notified and there is a lawsuit, they will not be responsible lawsuit or the damages of illegal transactions. Mr. Tajalle states that the Fund will review the contract to ensure the completeness of the contract.

The chairman states that he understands that there is word sent out to various existing managers to cease and desist getting involved in international equity. Dr. Leon Guerrero states this is correct. The chairman asks what the policy that was issued was and what was the basis. Mr. Tajalle states that from the asset allocations you are only allowed to have a certain percentage in international equity. The chairman states that you do not

have to desist because you involve new investors. He asks when the policy direction was made. At this point where was the judgment call made? Mr. Tajalle states that this was along the lines that the Fund was reaching or getting close to bridging the compliance requirement under the international ADR. It was more along the compliance issue.

The chairman states that he got this information from his meeting yesterday with Metropolitan Trust. He was informed that they received a letter advising them to cease and desist as well as to get out of whatever they had invested. Mr. Tajalle states that is perhaps because they hold ADRs. The chairman then questions who made that policy, as the Fund has not even finalized its international interests. Mr. Tajalle states that may not even be related to the international ADRs, what that may be related to is that the company is under US equities investments. The ADR component is considered an international agents and the Fund already has two international representatives. Met Trust is not one of them.

The chairman then asks why they get involved in this when they are not authorized to begin with. Mr. Tajalle states this is what they were made aware of. What kind of a penalty is imposed upon them when they buy some stocks they are not supposed to? For that matter that is why a letter advising them that they are not in compliance and any lawsuits that should occur as a result of the liquidation of these illegal stocks should be paid back to the Fund.

#### *Status of Custodial Bank Request for Proposal*

Mr. Tajalle states that the committee is working with the investment consultant to finalize the scope of services. This is the last RFP to be done. The chairman states that he wants to make sure that the chosen Custodial Bank does not have the right to select a sub-custodian. Mr. Tajalle states that the committee is expecting an answer back from the investment consultant sometime next week. The chairman states that the custodial bank should have some sort of report that should balance with the Fund's report as a form of checks and balances.

#### *DC Plan Contribution Report*

Mr. Tajalle states based on the executive summary reported earlier all contributions for 2004 have been received with the exception of GMHA for Pay period ending August 21, 2004. A letter of delinquent notice will be mailed out today. The chairman states he still goes back to an individual retiring from a delinquent agency. Mr. Tajalle reminds the chairman that the Fund does have a court decree that states that the Fund can collect the fifteen million dollars owed to the Fund. He states that he is still concerned as there are still individuals who are receiving their retirement checks even though the agency is delinquent. Mr. Tajalle states that there was a listing that was developed which came up with 438 members that have either refunded or allowed to retire. The fund is now going to work on how to break this out from the note as to what percentage in contributions are a part of the note and what are just going from regular contributions. That is an issue within itself and the controller is working to come up with that number.

The chairman states he is concerned with the individual retirees who are delinquent with their notes. He states these individuals are receiving credit on their annuities and they are paying for it through promissory notes, which are delinquent. He asks why they are allowed to continue receiving this credit. Mr. Aflague states that he made his notations regarding the ERIP and delinquent payments from retirees should be offset from annuities. He is currently preparing a packet for the whole board on this subject as he does agree with the board that if any employee is delinquent on his or her payment for his or her credit, he will inform them and administratively stop annuities and advise them that any further non-payment or delinquent payment will jeopardize their five year credit per the law.

#### *Investment Consultant Briefing*

Dr. Leon Guerrero states that recalls advising that the committee did meet with the Investment consultant earlier in the meeting. He does not feel there is anything else to add.

The chairman then asks if the minutes of the Investment Committee meeting were approved. Dr. Leon Guerrero questions why the board has to approve the minutes of the committee meeting. The chairman argued that the Board ratifies the Committee's actions by approving the Committee minutes. Dr. Taylor suggested someone look into Robert's Rules of Order. Chairman San Agustin questioned what the objection was and Dr. Leon Guerrero stated he had no objection but rather was addressing Trustee Santos's inquiry as to why he is expected to approve minutes of a meeting he did not attend. Chairman San Agustin asked Attorney Sayre if there is a fiduciary relationship in action of the Committee if it is not ratified by the Board. Dr. Taylor clarified that the question before legal counsel is to review Robert's Rules of Order to see whether it calls for subcommittee minutes to be approved by the Board as a whole. Dr. Leon Guerrero was concerned that Board members are being made responsible for something they did not act on.

#### **D. Governmental Liaison**

Trustee Cruz sought the Board's direction in relation to legislative amendments. He noted that the Board has five years of incumbency; thus, should consider setting goals. There were concerns raised earlier regarding the structure of disability applications. Chairman San Agustin considered adding to or amending current statute to allow the Board to adopt the American Medical Association's guidelines in determining disability. Trustee Leon Guerrero advised the Board that he has asked the legislature to include a provision in the Budget Bill that would allow the Fund to garnish checks if monies are owed. Trustee Blaz pointed out that the issue has been discussed and one avenue explored was the establishment of an off set process instead of engaging in extensive litigation. Another issue brought about was allowing the Fund to secure legal counsel outside of the Attorney General through legislative means. Trustee Blaz also suggested

looking into the autonomy of Fund, possibly amending the law to change to a Trust Agreement as suggested by Trustee Taylor.

**VII. RECESS**

The meeting was recessed at 2:50 p.m. and will reconvene on Friday, September 17, 2004 at 11:00 a.m. in the Retirement Fund conference room.

**I hereby certify that the foregoing is a full, true, and correct copy of the Minutes of September 10, 2004 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 08, 2004.**

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**James J. Taylor, Board Secretary**

**TRANSCRIBED BY:**

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**Rose Ann Cruz, Word Processing Secretary**