

BOARD OF TRUSTEES
Regular Meeting
Friday, November 16, 2007, 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 Contribution Plan was called to order at 1:28 p.m. Friday, November 16, 2007, 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
Gerard A. Cruz, Treasurer
James J. Taylor, Secretary
George A. Santos, Trustee
Antolina S. Leon Guerrero, Trustee

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee

Staff Present:

Paula Blas, Director
Diana Bernardo, Controller
Rosalia Bordallo, General Accounting Supervisor
Jackie Blas, Recording Secretary

Public Present:

Mark Heath, Metropolitan West Capital Management

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. September 14, 2007 and October 5, 2007 Regular Meetings

On motion of Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, and without objection, the Minutes of September 14, 2007 and October 5, 2007 Regular Meetings were approved, subject to corrections. Motion passed.

III. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. Request for Proposal (RFP): Third Party Administrator – Director Paula Blas stated that a pre-hearing has not been scheduled as of yet. Director Blas stated that Attorney Robert Cruz from the Office of the Public Auditor (OPA) has reviewed the case. Attorney Cruz needs to rule on the motion (to release records) filed by the Third Party Administrator. Director Blas stated that the Retirement Fund opposed the release of records on all parties. Chairman San Agustin asked what needs to be done to expedite this matter. Director Blas stated that the result may come out as having no standing. Chairman San Agustin stated that there is no material damage to Great West Retirement Services (Great West). Secretary James Taylor asked whether the procurement process is in place. Secretary Taylor stated that if the RFP is reissued it may be appealed again. Treasurer Gerard Cruz suggested terminating the Third Party Administrator. Director Blas asked who would administer the plan. Trustee Antolina Leon Guerrero suggested hiring an interim Third Party Administrator. Director Blas stated that she will follow up with Attorney Cruz. Treasurer Cruz further suggested taking the Third Party Administrator to court to recover loss. Chairman San Agustin stated that he would like to know what this is costing the members. The procurement regulation is hindering the process. Vice-Chairman Wilfred Leon Guerrero asked whether Mercer Investment Consulting, Inc.'s (Mercer's) report would show what it's costing the Retirement Fund. Trustee Leon Guerrero stated that the OPA needs to know that this is costing a lot of money.

2. Regulation Relating to Qualified Default Investment Alternatives in Participant-Directed Individual Account Plans – Director Blas stated that a copy of the regulation is provided, at this meeting, for the Board's information. This information came out from the U.S. Department of Labor Employee Benefits Security Administration.

Financial Report

1. Contributions – Director Blas stated that as of November 13, 2007, all agencies are current with their Fiscal Year 2008 employee and employer contributions.

2. Financial Statements – Director Blas stated that the books for the month ending September 2007 were closed on November 9, 2007. The Fiscal Year ending September 30, 2007 books were closed on November 13, 2007.

IV. INVESTMENT COMMITTEE REPORT

Vice-Chairman Leon Guerrero reported that the Investment Committee meeting was held on November 15, 2007. The Investment Committee reviewed and approved the Investment Committee Minutes of September 28, 2007. The Investment Committee was provided with an update on the status of the Third Party Administrator Request for Proposal.

Board Resolution No. 2008-001 – Director Blas stated that the hardship amendments were approved at the October 5, 2007 Board of Trustees meeting. Resolution No. 2008-001 is presented at today’s meeting for adoption. The effective date of the amendment is December 22, 2007.

Treasurer Gerard Cruz, seconded by Trustee George Santos, moved to approve Government of Guam Retirement Fund Board Resolution No. 2008-001 which becomes effective December 22, 2007. Without objection, the motion passed.

Mercer Defined Contribution Performance Flash Report – Director Blas stated that a copy of Mercer’s Fourth Fiscal Quarter 2007 report is provided, at this meeting, for the Board’s information.

V. OLD BUSINESS

A. Contribution Report – October 2007

Director Blas stated that Mike Perez, Great West Retirement Services, submitted, for this meeting, a copy of the Defined Contribution and Deferred Compensation report for the month of October 2007.

Mr. Perez’s report shows that the Defined Contribution Plan (DC) has 6,764 participants with a total contribution amount of \$848,318.72. The Deferred Compensation Plan has 808 participants with a total contribution amount of \$105,993.53.

VI. NEW BUSINESS

None

VII. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

VIII. ANNOUNCEMENTS

None

IX. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Trustee Antolina Leon Guerrero, and without objection, the meeting was adjourned at 1:48 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of November 16, 2007 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on December 14, 2007.

James J. Taylor, Board Secretary

RECORDING SECRETARY:

Jackie Blas