



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Wilfred P. Leon Guerrero, Ed.D.
 Chairman

Antolina S. Leon Guerrero
 Vice Chair

Katherine T.E. Taitano
 Secretary
 Chair, Members and Benefits Committee

Artemio R.A. Hernandez, Ph.D.
 Treasurer
 Chair, Investment Committee

Thomas H. San Agustin
 Trustee

David N. Sanford
 Trustee

George A. Santos
 Trustee

BOARD OF TRUSTEES
Regular Meeting
 Friday, June 23, 2023, 12:30 P.M.
 Retirement Fund Conference Room

MINUTES

DEFINED CONTRIBUTION

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 12:31 p.m. Friday, June 23, 2023, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

Board of Trustees Present:

Wilfred P. Leon Guerrero, Chairman
 Antolina S. Leon Guerrero, Vice Chair
 Katherine T.E. Taitano, Secretary
 Thomas H. San Agustin, Trustee

Board of Trustees Absent:

Artemio R.A. Hernandez, Treasurer (*Excused*)
 David N. Sanford, Trustee (*Excused*)
 George A. Santos, Trustee (*Excused*)

Staff Present:

Paula Blas, Director

Third Party Administrator Present:

Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower

Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc. (*Via Zoom*)

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 19, 2023 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the May 19, 2023 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. **Standard Insurance** - An updated summary report as of May 31, 2023 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 40 active claims as of May 31, 2023.

Financial Report

1. **Contributions** - Director Paula Blas stated that as of June 20, 2023, all agencies are current with their Fiscal Year 2023 employee and employer contributions with the exception of the Guam Memorial Hospital Authority (GMHA). Director Blas stated that GMHA has informed Retirement Fund that they will be paying for the DC contributions together with the DB contributions that's due today. Vice Chair Antolina Leon Guerrero asked whether this will bring GMHA current. Director Blas replied, "Yes."

2. **Financial Statements** - Director Blas stated that the books for the month ended May 31, 2023 are scheduled to close on June 26, 2023.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – May 2023

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended May 31, 2023 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Mr. Hauerbach stated that the 401(a) Plan had total assets of \$464,641,920.43. There was a decrease of \$5,119,169.04 or -1.09% from the previous month. The market effect was -1.74%. The 457 Plan had total assets of \$129,093,048.67. There was a decrease of \$989,448.74 or -0.76% from the previous month. The market effect was -1.86%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$3,046,172.74. There was a decrease in contributions of \$215,853.86 or -6.62% from the previous month. The 457 Plan had total contributions of \$1,428,363.11. There was an increase in contributions of \$60,941.21 or 4.46% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,427,255.14. The 457 Plan had disbursements totaling \$1,188,796.72.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,353 participants receiving employer contributions. The 457 Plan has 5,619 actively contributing participants. The 401(a) Plan has 52 first-time contributors and the 457 Plan has 44 first-time contributors. Mr. Hauerbach stated that there were 9 retirees in the month of May; of the 9 retirees, 5 elected a full withdrawal, 2 elected a periodic payment, and 2 elected no distribution. Mr. Hauerbach pointed out that there were 321 walk-ins and 341 other participant engagements for a total of 662 engagements in the month of May. Mr. Hauerbach stated that Empower's off-island Call Center support received 204 participant calls in the month of May. The satisfaction rating was 4.55.

Mr. Hauerbach provided the following updates:

- RPC Webinars were postponed from June to July 2023
- 457(b) Deferral Rate continues to rise – it's now at 4.21%
- Empower is ready to assist the Retirement Fund on the re-opening of the DB 1.75 Plan

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Trustee Thomas San Agustin reported that the Quarterly Performance Review for the Quarter Ended March 31, 2023 was held on June 22, 2023.

DC Plan Quarterly Performance

Trustee San Agustin stated that Cameron Systemans of Mercer Investment Consulting, Inc. provided an overview of the Economic Outlook and the DC Plan's Investment Performance for the Quarter Ended March 31, 2023. Mr. Systemans stated that during the due diligence meeting they discussed the market performance and economic developments in the 1st Quarter of the Calendar Year and also the plan investment fund options performance over that time period. It was a very good period for investment returns by both Equity and Fixed Income Funds and all investment options on the plan lineup delivered positive returns. Mr. Systemans stated that there are no concerns about the performance of any individual options on the plan lineup and everything is performing broadly in line of expectations.

Open Items

1. Request for Proposal (RFP) for Plan Administration Services for 401 and 457 Plans - The RFP process is ongoing.

Informational Items

1. Next Quarterly Performance Review - Trustee San Agustin informed the Board that the next Quarterly Performance Review is scheduled for September 21, 2023.

B. Members and Benefits Committee

No report was made at this time.

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

None

IX. OPEN DISCUSSION / GENERAL PUBLIC INPUT

None

X. ANNOUNCEMENTS

None

XI. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Vice Chair Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, and without objection, the meeting was adjourned at 12:40 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 23, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 28, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas