



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, September 22, 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 12:30 p.m. Friday, September 22, 2023, in the Retirement Fund Conference Room. Vice Chair Antolina S. Leon Guerrero. officiated.

Board of Trustees Present:

Antolina S. Leon Guerrero, Vice Chair
 Artemio R.A. Hernandez, Treasurer
 Thomas H. San Agustin, Trustee
 David N. Sanford, Trustee
 George A. Santos, Trustee

Board of Trustees Absent:

Wilfred P. Leon Guerrero, Chairman (*Excused*)
 Katherine T.E. Taitano, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
 Andrea Atalig, Recording Secretary

Third Party Administrator Present:

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

DC Investment Consultant Present:

Cameron Systemans, Mercer Investment Consulting, Inc.

Public Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. August 25, 2023 Regular Meeting

Trustee Thomas San Agustin, seconded by Trustee George Santos, moved to approve the Minutes of the August 25, 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 August 31, 2023 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 41 active claims as of August 31, 2023.

Financial Report

1. **Contributions** - Director Paula Blas stated that as of September 19, 2023, all agencies are current with their Fiscal Year 2023 employee and employer contributions.

2. **Financial Statements** - Director Blas stated that the books for the month ended August 31, 2023 are scheduled to close on September 29, 2023.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – August 2023

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended August 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 \$ 491,845,464.60. There was a decrease of \$ 8,543,029.87 or -1.71% from the previous month. The 457 Plan had total assets of \$137,870,582.07. There was a decrease of \$ 2,363,666.05 or -1.69% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$ 4,656,862.67. There was an increase in contributions of \$ 1,122,201.39 or 31.75% from the previous month. The 457 Plan had total contributions of \$ 1,399,919.42. There was an increase in contributions of \$17,564.53 or 1.27% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$ 2,539,976.49. The 457 Plan had disbursements totaling \$ 1,102,038.00.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,206 participants receiving employer contributions. The 457 Plan has 5,580 actively contributing participants. The 401(a) Plan has 108 first-time contributors and the 457 Plan has 96 first-time contributors. Mr. Hauerbach stated that there were 9 retirements in the month of August; of the 9 retirements, 4 elected a full withdrawal, 2 elected partial withdraw, and 3 elected no distribution. Mr. Hauerbach pointed out that there were 797 walk-

ins and 359 other participant engagements for a total of 1,156 engagements in the month of August. Mr. Hauerbach stated that Empower's off-island Call Center support received 418 participant calls in the month of August. The satisfaction rate was 4.55.

Mr. Hauerbach provided the following updates:

- Lisa Hoxha, who has been the communications strategist for the Guam plans, has left Empower, she will be replaced by Jason Stockbridge. Mr. Hauerbach stated he had the pleasure of working with Mr. Stockbridge with Empower back in California. Mr. Stockbridge is a seasoned Empower Employee and will be introduced to the board in a month or two.

Vice Chair Leon Guerrero asked about disbursements for retirement and if disbursements were included on the report when talking about distributions of retirement, full withdraw, partial withdraw for the 457 and 401(a). Mr. Hauerbach stated that it is included.

Treasurer Hernandez asked about the communications strategist role for the Guam market and if it is a full-time role or if the duty is split. Mr. Hauerbach pointed out that the communication strategist covers multiple plans and is unaware if there is any communication strategist that covers only one plan. The communication strategist will typically cover up to four plans of this size and not necessarily in the same state. One of Jason Stockbridge's strong point is he is really good in technology.

Vice Chair Leon Guerrero asked about the call center and if there are any changes in the volume of calls. Mr. Hauerbach points out the volume has been steady, monthly it is between 40 and 60 calls. The calls are almost always disbursement related, usually a follow-up call and that system has been in place for a few years now. At most times those calls are triggering events and they have an Empower email address the call center can use to transmit the information.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Hernandez reported that the Quarterly Performance Review for the Quarter Ended June 30, 2023 was held on September 21, 2023.

DC Plan Quarterly Performance

Treasurer Hernandez 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 June 30, 2023. Mr. Systemans stated that during the due diligence meeting they discussed and reviewed recent developments on the economic and capital market environment and the DC Plan performance. He included the background of the very strong performance of stock market and the reasons behind the high value interest rates. Plan performance or investment options continue to perform in line with expectations.

Informational Items

1. Next Quarterly Performance Review – Treasurer Hernandez informed the Board that the next Quarterly Performance Review is scheduled for December 14, 2023.

B. Members and Benefits Committee

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 Trustee Geroge Santos, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 12:42 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 22, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 20, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Andrea Atalig