



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

BOARD OF TRUSTEES
Regular Meeting
 Friday, June 18, 2021, 12:00 Noon
 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 12:19 p.m. Friday, June 18, 2021, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

Thomas H. San Agustin
 Trustee

David N. Sanford
 Trustee

George A. Santos
 Trustee

Board of Trustees Present:

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

Board of Trustees Absent:

George A. Santos, Trustee (*Excused, Off-Island*)
 Katherine T.E. Taitano, Secretary (*Excused*)

Staff Present:

Paula Blas, Director
 Diana Bernardo, Controller
 Jackie Blas, Recording Secretary

Third Party Administrator Present:

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

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. May 21, 2021 Regular Meeting

Secretary Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the May 21, 2021 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

III. CORRESPONDENCE

None

IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

I. Standard Insurance - An updated summary report as of May 31, 2021 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. Director Paula Blas stated that there are 41 active claims as of May 31, 2021.

Financial Report

1. Contributions - Director Blas stated that as of June 15, 2021, all agencies are current with their Fiscal Year 2021 employee and employer contributions.

2. Financial Statements - Director Blas stated that the books for the month ended May 31, 2021 are scheduled to close on June 30, 2021.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – May 2021

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended May 31, 2021 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 \$484,840,191.53. There was an increase of \$6,558,378.10 or 1.37% from the previous month. The market effect was .82%. The 457 Plan had total assets of \$125,871,615.92. There was an increase of \$1,921,622.20 or 1.55% from the previous month. The market effect was .87%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,649,885.69. There was a decrease in contributions of \$157,173.47 or -5.60% from the previous month. The 457 Plan had total contributions of \$843,085.05. There was a decrease in contributions of \$94,938.09 or -10.12% from the previous month.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,852,224.23. The 457 Plan had disbursements totaling \$233,763.07.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,654 participants receiving employer contributions. The 457 Plan has 5,823 contributing participants. The 401(a) Plan has 67 first-time contributors and the 457 Plan has 48 first-time contributors. Mr. Hauerbach stated that there were 4 retirees in the month of May; of the 4 retirees, 3 took a full distribution and 1 with no distribution taken.

Mr. Hauerbach stated that there was a total of 891 participant engagements. Empower Retirement's extended office hours are now 8:00 a.m. to 4:00 p.m. Monday through Friday. Controller Diana Bernardo stated that she just wanted to clarify if Empower's staff are here from 8:00 a.m. to 5:00 p.m. Controller Bernardo stated that the 8:00 a.m. to 4:00 p.m. is for public access. Mr. Hauerbach stated that he supports the hours of 8:00 a.m. to 5:00 p.m. Controller Bernardo pointed out that on Fridays, the employees take an half hour lunch and so they work up to 4:30 p.m. due to the disinfecting of the entire Retirement Fund building.

Mr. Hauerbach stated that at the previous Board Meeting it was brought up if Empower's staffing level is sufficient. Mr. Hauerbach stated that for the most part, they are, but due to the fact that there's a lot happening at this time, he is now looking at hiring a temporary employee for the next few months.

Vice Chair Leon Guerrero asked whether new employees are required to put in a percentage into the 457 Plan. Director Blas stated that there is an auto-enrollment of 3%, but they have that option to opt out.

Mr. Hauerbach stated that Empower's expanded call center hours are up to 4:00 p.m. Monday through Friday. In addition, members could also call at midnight up to 4:00 p.m. Tuesday through Friday. Controller Bernardo asked what is the call center number. Mr. Hauerbach stated that Empower's toll free number dedicated for Guam is 1-866-238-1385 and this number is on Empower's website. There are two (2) designated representatives taking calls. Mr. Hauerbach stated that Empower is in the process of publicizing those expanded call hours. Mr. Hauerbach stated that Empower's contact information will be provided on the flyer distributions. Trustee Thomas San Agustin asked whether Empower's contract information is on the Retirement Fund's website. Director Blas replied, "No, it's just on Empower's website. Mr. Hauerbach stated that Empower's website is guamretire.com and the site is mobile friendly. Mr. Hauerbach stated that the Webinar schedule for June through August will be published.

Mr. Hauerbach stated that Empower's annual review was conducted on June 16, 2021. Mr. Hauerbach stated that Empower discussed measurable service level activities designed for government plans. Also discussed, were contributions and the payroll processing modernization.

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that the Investment Committee Meeting was held on June 16, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 20, 2021.

Empower Retirement Annual Performance Review - Treasurer Hernandez stated that the Retirement Fund conducted its annual performance review of Empower Retirement, Third Party Administrator (TPA) for the Defined Contribution Retirement System 401(a) and the 457 Deferred Compensation Plans. Treasurer Hernandez stated that the review included a discussion of the TPA's 2020 milestones: the Managed Accounts Conversion and Reduced Fees, Investment Option Changes, Educational Webinars Program, and the CARES Act Implementation. Treasurer Hernandez stated that the TPA presented an overview of the 2021 projects consisting of: the Payroll Processing Modernization,

Ground Floor Meeting Area, Expanded Participant Service Coverage, and New Participant Digital Experience. Treasurer Hernandez stated that Mr. Hauerbach presented a comprehensive report. Treasurer Hernandez noted that the last TPA annual review was conducted in 2018.

Mercer Investment Category Fees - Mr. Hauerbach stated that he is awaiting for some sort of direction from the Retirement Fund on how the 15 basis points fee is to be assessed. Mr. Hauerbach stated that Cameron Systemans of Mercer Investment had indicated that it was his understanding that the fee assessment was only for those participants that hold the fund. Director Blas stated that she will send an email to Mr. Hauerbach regarding the 15 basis points fee assessment.

Next Quarterly Performance Meeting – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for September 16, 2021.

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 Treasurer Artemio Hernandez, 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 18, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 16, 2021.


KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:


Jackie Blas