



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

Gerard A. Cruz  
Treasurer  
Chair, Investment Committee

Artemio R.A. Hernandez, Ph.D.  
Trustee

Thomas H. San Agustin  
Trustee

George A. Santos  
Trustee

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Friday, September 27, 2019, 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 12:28 p.m. Friday, September 27, 2019, in the Retirement Fund Conference Room. Acting Chair Antolina Leon Guerrero officiated.

**Board of Trustees Present:**

Antolina S. Leon Guerrero, Acting Chair  
Katherine T.E. Taitano, Secretary  
Gerard A. Cruz, Treasurer  
Artemio R.A. Hernandez, Trustee  
Thomas H. San Agustin, Trustee  
George A. Santos, Trustee

**Board of Trustees Absent:**

Wilfred P. Leon Guerrero, Chairman (*Excused*)

**Staff Present:**

Paula Blas, Director  
Jackie Blas, Recording Secretary

**Third Party Administrator Present:**

Bjorn Hauerbach, Client Relations & Participant Engagement, Empower Retirement  
Grace Atalig, Retirement Plan Counselor, Empower Retirement

## II. REVIEW AND APPROVAL OF BOARD MINUTES

### A. August 29, 2019 Regular Meeting

Treasurer Gerard Cruz, seconded by Trustee Artemio Hernandez, moved to approve the Minutes of the August 29, 2019 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

## III. CORRESPONDENCE

None

## IV. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Defined Benefit 1.75 (DB 1.75), Defined Contribution Retirement System (DCRS) and Government Retirement Security Plan (GRSP) Plans* - Director Paula Blas stated that she met with Speaker Tina Muna-Barnes and the Speaker said that she will schedule a public hearing on Bill 177-35 (Repeal of the GRSP) in October or early November 2019.

Director Blas stated that Speaker Muna-Barnes also spoke to her about the Government of Guam Group Health Insurance for retirees with regards to the Medicare reimbursements and how she wanted to streamline the type of reimbursements being made. Reimbursements are currently for Medicare Parts A, B and D. Director Blas stated that the Speaker is exploring limiting reimbursements to Part B only. Director Blas stated that she will reach out to the Department of Administration, the Retirement Fund's Legal Counsel and the Attorney General's Office regarding this matter.

2. *Standard Insurance* - Director Blas stated that an updated summary report as of August 31, 2019 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information.

### Financial Report

1. *Contributions* - Director Blas stated that as of September 24, 2019, all agencies are current with their Fiscal Year 2019 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended August 31, 2019 are scheduled to close on September 30, 2019.

## V. THIRD PARTY ADMINISTRATOR'S REPORT

### A. Contribution Report – August 2019

Director Blas stated that Bjorn Hauerbach, Client Relations and Participant Engagement, Empower Retirement provided the TPA Report for the month ending August 31, 2019 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Grace Atalig, Retirement Plan Counselor, Empower Retirement stated that the 401(a) Plan had total assets of \$349,535,491.72. There was a decrease of \$4,243,950.72 or -1.20%. There was a market decrease of -1.9% from July 2019 to August 2019. The 457 Deferred Compensation Plan had total assets of \$82,648,531.60. There was a decrease of \$146,606.36 or -0.18%. There was a market decrease of -1.4% from July 2019 to August 2019. Ms. Atalig stated that the decrease was due to the market and distributions.

Ms. Atalig stated that the 401(a) Plan had total contributions of \$2,347,022.83. There was an increase in contributions of \$69,997.10 or 3.07%. The 457 Deferred Compensation Plan had total contributions of 1,045,927.07. There was an increase in contributions of \$195,892.48 or 23.05%. Ms. Atalig stated that the increase was due to the returning DOE employees and the auto-enrollment into the 457 Plan.

Ms. Atalig stated that the 401(a) Plan had 183 employee distributions totaling \$2,060,507.32. The 457 Plan had 62 participant distributions totaling \$329,470.18.

Ms. Atalig stated that the 401(a) Plan has a total of 5,339 participants receiving employer contributions. The 457 Plan has 4,831 contributing participants. Ms. Atalig stated that there were 9 retirees in the month of August. The total number of retirees is 1,219. Mr. Hauerbach stated that of the 9 retirees in August, 1 with no distribution, 1 periodic distribution, 2 full rollovers, 4 full withdrawals and 1 partial withdrawal. Mr. Hauerbach stated that in addressing retirees taking full withdrawals, he has contacted their communications group and they came up with a marketing campaign called "Staying With the Plan."

Mr. Hauerbach mentioned that the National Retirement Security Week is October 20-26, 2019 and Empower Retirement will be hosting a series of seminars during that week. The place and time has yet to be finalized.

Mr. Hauerbach also mentioned that the Financial Wellness Center that's on Empower Retirement's website is expanding. Effective November 4, 2019, Empower Retirement will be renaming it to "My Financial Path." Mr. Hauerbach also noted that notices will be sent to all participants regarding the replacement of Galliard and Vanguard Windsor II which will take effect November 1, 2019.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Gerard Cruz reported that the Investment Committee Meeting was held on September 19, 2019. The Committee reviewed and approved the Investment Committee Meeting Minutes of August 28, 2019.

*Next Quarterly Performance Meeting* – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is scheduled for October 28, 2019.

### **B. Members and Benefits Committee**

An update of the DB 1.75, DCRS and GRSP Plans was covered under the Director's report.

**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, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:52 p.m. Motion passed.

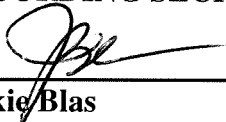
I hereby certify that the foregoing is a full, true and correct copy of the Minutes of September 27, 2019 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on October 29, 2019.



---

KATHERINE T.E. TAITANO, Board Secretary

**RECORDING SECRETARY:**



---

Jackie Blas