



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.  
 Chair, Investment Committee

**BOARD OF TRUSTEES**

**Regular Meeting**

Friday, June 26, 2020, 12:00 Noon  
 Retirement Fund Conference Room

**MINUTES**

**DEFINED CONTRIBUTION**

Thomas H. San Agustin  
 Trustee

**I. ATTENDANCE, QUORUM, AND CALL TO ORDER**

George A. Santos  
 Trustee

After determining a quorum was present, the Retirement Fund Board of Trustees Regular Meeting for the Defined Contribution Plan was called to order at 12:32 p.m. Friday, June 26, 2020, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

David N. Sanford  
 Trustee

**Board of Trustees Present:**

Wilfred P. Leon Guerrero, Chairman  
 Gerard A. Cruz, Treasurer  
 Artemio R.A. Hernandez, Trustee  
 Thomas H. San Agustin, Trustee  
 George A. Santos, Trustee

**Board of Trustees Absent:**

Antolina S. Leon Guerrero, Vice Chair (*Excused*)  
 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. April 24, 2020 Regular Meeting**

**B. May 29, 2020 Regular Meeting**

**Trustee George Santos, seconded by Trustee Artemio Hernandez, moved to approve the Minutes of the April 24, 2020 and May 29, 2020 Regular Meetings, 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, 2020 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 Paula Blas stated that as of June 24, 2020, all agencies are current with their Fiscal Year 2020 employee and employer contributions.

**2. *Financial Statements*** - Director Blas stated that the books for the month ended March 31, 2020 are scheduled to close on July 2, 2020.

## **V. THIRD PARTY ADMINISTRATOR'S REPORT**

### **A. Contribution Report – May 2020**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ending May 31, 2020 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 \$365,310,804.97. There was an increase of \$15,824,866.53 or 4.53%. There was a market increase of 3.7% from April 2020 to May 2020. The 457 Deferred Compensation Plan had total assets of \$91,087,563.41. There was an increase of \$4,488,896.92 or 5.18%. There was a market increase of 4.2% from April 2020 to May 2020.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,805,282.49. There was a decrease in contributions of \$513,236.64 or -15.47%. The 457 Deferred Compensation Plan had total contributions of \$894,954.48. There was a decrease in contributions of \$220,141.02 or -19.74%. Mr. Hauerbach pointed out that the decrease in contributions is due to the timing of payroll processing.

Mr. Hauerbach stated that the 401(a) Plan had 79 employee distributions totaling \$749,888.61. The 457 Plan had 13 participant distributions totaling \$90,182.35.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,258 participants receiving employer contributions. The 457 Plan has 5,646 contributing participants. The 401(a) Plan has 11 first contributions and the 457 Plan has 6 first contributions. Controller Diana Bernardo pointed out that the Department of Administration (DOA) had 25-30 new hires in May 2020. Mr. Hauerbach stated

that first contributions takes one or two pay cycles. Controller Bernardo asked whether there are any rejects on contributions from the new hires being processed. Mr. Hauerbach stated that there are some but it's not common unless there are some critical information missing. Controller Bernardo stated that she receives a list of new hires from agencies and it's matched with the individuals coming in to process. Mr. Hauerbach stated that the individuals need to fill out an enrollment form for the 401(a) Plan.

Mr. Hauerbach stated that there were 4 retirees in the month of May. The total number of retirees is 1,275. Mr. Hauerbach stated that of the 4 retirees in May, 1 took a full withdrawal, 1 partial withdrawal; 1 with no distribution taken, and 1 full withdrawal rollover.

Mr. Hauerbach stated that since the beginning of the CARES Act, there were 27 withdrawals and 5 loan suspensions. Mr. Hauerbach stated that with regards to market volatility, 65 participants, representing \$1.3 Million in assets, moved from Fixed Income to Large Cap Equity and there were 53 participants, representing \$2.3 Million in assets, that moved from Large Cap Equity to Fixed Income.

Mr. Hauerbach stated that Empower Retirement will be sending out the second official notice at the end of this month regarding the Managed Account Program. The actual date for the conversion is July 29, 2020. Mr. Hauerbach stated that less than 10 participants have opted out locally.

Mr. Hauerbach informed the Board that Empower Retirement received one Platinum and two Gold Awards: 1) Platinum Communicator Award; 2) Gold Award for the Redesign of Empower Retirement's Website; and 3) Award for Creativity. The Board and Management of the Retirement Fund congratulated Mr. Hauerbach and the Empower Retirement staff for a job well done.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Gerard Cruz reported that the Investment Committee Meeting was held on June 24, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of May 28, 2020.

*Next Quarterly Performance Meeting* – Treasurer Cruz informed the Board that the next Quarterly Performance Meeting is tentatively scheduled for July 30, 2020.

### **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

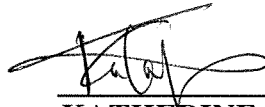
**X. ANNOUNCEMENTS**

None

**XI. ADJOURNMENT**

There being no further business before the Board for the Defined Contribution Plan, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:50 p.m. Motion passed.

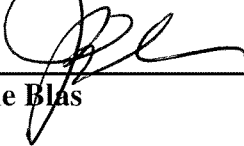
I hereby certify that the foregoing is a full, true and correct copy of the Minutes of June 26, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on July 31, 2020.



---

**KATHERINE T.E. TAITANO, Board Secretary**

**RECORDING SECRETARY:**



---

**Jackie Blas**