



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY • SECURITY • REWARDS

Lourdes A. Leon Guerrero
Governor

Joshua F. Tenorio
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Antolina S. Leon Guerrero
Chair

George A. Santos
Vice Chair

Thomas H. San Agustin
Secretary

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

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

David N. Sanford
Trustee

Vacant
Trustee

BOARD OF TRUSTEES
Regular Meeting
Friday, October 25, 2024, 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 12:33 p.m. Friday, October 25, 2024, in the Retirement Fund Conference Room. Chair Antolina S. Leon Guerrero officiated.

Board of Trustees Present:

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

Board of Trustees Absent:

Katherine T.E. Taitano, Trustee

Staff Present:

Paula Blas, Director
Andrea Atalig, Recording Secretary

Third Party Administrator Present:

Alice Tajeron, Director, Client Relations & Participant Engagement, Empower
Grace Atalig, Retirement Plan Counselor, Empower

Legal counsel Present:

Joanne L. Grimes, Carlsmith Ball LLP, (Teleconference)

Public Present:

George Castro, Certified Court Reporter

II. EXECUTIVE SESSION

A. Procurement Appeal Nos. OPA-PA-23-005 and OPA-PA-23-006

At the recommendation of legal counsel Joanne Grimes, Chair Antolina Leon Guerrero, recessed the Defined Contribution meeting to go into Executive Session to address procurement appeal nos. OPA-PA-23-005 and OPA-PA-23-006.

Chair Leon Guerrero stated that the Board will now convene in Executive Session.

George Castro, Certified Court Reporter, is present to take a verbatim transcription of the Executive Session.

EXECUTIVE SESSION: 12:34 P.M.

RECONVENED: 12:52 P.M.

At this time Chair Leon Guerrero announced that the Board of Trustees will now reconvene its regular meeting.

Following the Board's discussion in Executive Session, Treasurer Artemio Hernandez, seconded by Secretary Thomas San Agustin, moved that the Board agree to the terms of the proposed settlement with ASC Trust, LLC to cancel RFP No. GGRF-002-22 and the stipulation to dismiss the consolidated appeal with the Office of Public Accountability. Without objection, the motion passed.

III. REVIEW AND APPROVAL OF BOARD MINUTES

A. October 25, 2024 Regular Meeting

Trustee David Sandford, seconded by Vice Chair George Santos, moved to approve the Minutes of the October 25, 2024 Regular Meeting, subject to technical corrections. Without objection, the motion passed.

IV. CORRESPONDENCE

None

V. DIRECTOR'S REPORT - EXECUTIVE SUMMARY

1. *Standard Insurance* - An updated summary report as of September 30, 2024 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 42 active claims as of September 30, 2024.

Financial Report

1. *Contributions* - Director Paula Blas stated that as of October 22, 2024, all agencies are current with their Fiscal Year 2025 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended September 2024 are scheduled to close on November 19, 2024.

VI. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – October 2024

Director Blas stated that Alice Tajjeron, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended September 30, 2024 on the DC Retirement System 401(a) Plan and the 457 Deferred Compensation Plan.

Ms. Tajjeron stated that the 401(a) Plan had total assets of \$450,692,918.15. There was an increase of \$6,573,236.19 or 1.48% from the previous month. The market effect was 97%. The 457 Plan had total assets of \$176,623,511.65. There was an increase of \$4,181,692.32 or 2.42% from the previous month. The market effect was 73%.

Ms. Tajjeron stated that the 401(a) Plan had total contributions of \$2,722,619.92. There was an increase in contributions of \$35,040.02 or 1.30% from the previous month. The 457 Plan had total contributions of \$1,717,915.61. There was an increase in contributions of \$397,514.81 or 30.11% from the previous month. Ms. Tajjeron stated for the month of September there was an increase due to Empower receiving payroll contributions from the General Fund for two pay periods for the month of August.

Ms. Tajjeron stated that the 401(a) Plan has a total of 5,571 participants receiving employer contributions and 5,545 participants actively contributing. The 457 Plan has 6,833 actively contributing participants.

Ms. Tajjeron stated that there were 11 retirees in the month of September. Ms. Tajjeron pointed out that there were 537 walk-ins and 370 other participant engagements for a total of 907 engagements in the month of September. To assess the outcome of these meetings, Empower will be tracking Positive Outcome Results. Grace Atalig, Retirement Plan Counselor, had 167 meetings and of those meetings the positive action result was 62% or 105 participants enrolled in the 457 Plan, 13 account overviews and 19 retirement meetings.

Treasurer Hernandez inquired on what the maximum amount a participant can contribute to their 457 Plan. Ms. Tajjeron stated for individuals who are 49 years of age and below it is \$23,000 and for those who are 50 years of age and above it is \$30,500, this is the catchup provision. There is a special catchup where in the event the individual has not participated in the 457 Plan, the individual can contribute more than the catchup provision. There is a two-week turnaround for the updated contributions to take effect. Ms. Tajjeron stated that the 401(a) Plan had disbursements totaling \$2,557,055.16. The 457 Plan had disbursements totaling \$589,874.40.

Ms. Tajjeron stated at last month's meeting Chair Leon Guerrero inquired on lump sum distributions. Ms. Tajjeron reached out to other colleagues in the other plans Empower administers and they have reported that there is no plan that states a participant cannot take out a lump sum distribution. Empower Plan Counselors will speak to participants on the options they have for distributions. Chair Leon Guerrero inquired if the statutory change to allow for employees to withdraw the employer contribution was both local and federal. Ms. Tajjeron stated the local will usually follow federal.

Ms. Taijeron provided the following updates:

- The Vanguard and Wellington Fund change will take place January 17, 2025. Empower is working on the 60 days' notice to inform participants.
- Empower TRSFlex, allows participants to intergrade plans administered by another provider in an open-architecture approach as part of their complete savings and financial experience. Participants who have a 457 Plan can choose to link their DB 1.75 Plan to the Empower platform to provide tools to assist the participant in receiving a bigger picture of what their retirement can look like.
- Empower has opened an office in the Philippines and has expanded their investment advisory services.

Director Blas stated from January 2024 through September 2024 out of the new employees that were hired there were 79 employees who switched from the 401(a) Plan over to the DB 1.75 Plan. New employees have 30 days to switch from the 401(a) Plan to the DB 1.75.

VII. STANDING COMMITTEE REPORTS

A. Investment Committee

Treasurer Artemio Hernandez reported that there was no Investment Committee Meeting this month.

Informational Items

1. Next Quarterly Performance Review – Treasurer Hernandez informed the Board that the next Quarterly Performance Review is scheduled for December 19, 2024.

B. Members and Benefits Committee

VIII. OLD BUSINESS

None

IX. NEW BUSINESS

None

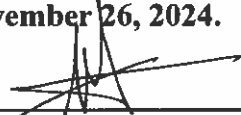
X. OPEN DISCUSSION / GENERAL PUBLIC INPUT

XI. ANNOUNCEMENTS

XII. ADJOURNMENT

There being no further business before the Board for the Defined Contribution Plan, on motion of Vice Chair George Santos, seconded by Secretary Thomas San Agustin, and without objection, the meeting was adjourned at 1:15 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of October 25, 2024 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on November 26, 2024.



THOMAS SANAGUSTIN, Board Secretary

RECORDING SECRETARY:



Andrea Atalig