



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

**Thomas H. San Agustin**  
Trustee

**David N. Sanford**  
Trustee

**George A. Santos**  
Trustee

**BOARD OF TRUSTEES**  
**Regular Meeting**  
Friday, December 18, 2020, 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 12:15 p.m. Friday, December 18, 2020, in the Retirement Fund Conference Room. Chairman Wilfred P. Leon Guerrero officiated.

**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  
George A. Santos, Trustee

**Board of Trustees Absent:**

Katherine T.E. Taitano, Secretary (*Excused*)

**Staff Present:**

Paula Blas, Director  
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. November 20, 2020 Regular Meeting**

Trustee George Santos, seconded by Treasurer Artemio Hernandez, moved to approve the Minutes of the November 20, 2020 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 November 30, 2020 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 49 active claims as of November 30, 2020.

### **Financial Report**

**1. Contributions** - Director Blas stated that as of December 15, 2020, 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 October 31, 2020 were closed on December 17, 2020.

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

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

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ending November 30, 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 \$424,912,296.40. There was an increase of \$33,920,281.23 or 8.68%. The 457 Deferred Compensation Plan had total assets of \$109,377,902.40. There was an increase of \$8,546,023.69 or 8.48%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,005,809.71. There was a decrease in contributions of \$725,584.64 or -26.56%. The 457 Deferred Compensation Plan had total contributions of \$550,030.07. There was a decrease in contributions of \$394,551.13 or -41.77%. Mr. Hauerbach stated that the decrease in contributions is attributable to timing of the payroll contribution process.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,858,456.38. Since the CARES Act was put into law, Corona Virus related disbursements totaled \$1.2 Million, which is a reduction from the September 2020 disbursements of \$1.9 Million and the October 2020 disbursements of \$1.6 Million. Mr. Hauerbach stated that the CARES Act will expire at the end of this year. Mr. Hauerbach stated that the 457 Plan had disbursements totaling \$609,556.07. Corona Virus related disbursements totaled \$63,966.14.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,411 participants receiving employer contributions. The 457 Plan has 5,665 contributing participants. The 401(a) Plan has 78 first-time contributors and the 457 Plan has 62 first-time contributors. Mr. Hauerbach stated that there were no retirees in the month of November.

Mr. Hauerbach provided an update on the fund changes and share class changes. The Managed Account fee reduction is in place and will become effective January 1, 2021. The fees will be reduced at various asset levels by 5 basis points. The participants should see a 9.63% reduction in the Managed Account fees.

Chairman Leon Guerrero asked how much of the increase in contributions in the 401(a) Plan was due to market and due to contributions. Mr. Hauerbach stated that there was \$2 Million in contributions and the majority of it is market. Chairman Leon Guerrero inquired about the figure. Mr. Hauerbach stated that he could calculate it to be roughly \$39 Million. The market contributed to roughly 7.5% increase. Mr. Hauerbach stated that he could put a broad index on how much is attributable to the market and he could show how much the market impacted the change from the previous month. Director Blas stated that the Chairman wants to see a month-end rate of return. Mr. Hauerbach stated that, going forward, he'll include what the Board would like to see in the report. Chairman Leon Guerrero stated that he's trying to get a feel of how Empower Retirement's platform is performing. Mr. Hauerbach stated that it's based on how each individual participant is doing in their individual accounts. Chairman Leon Guerrero reiterated that he just wants to get a feel on how things are going.

Treasurer Artemio Hernandez asked if there is an update on the transfer of assets relative to the Target Date Funds. Mr. Hauerbach stated that there is an additional agreement that State Street Global Advisors and the Retirement Fund are working to get executed and it also requires legal review. It's estimated to be by the end of January, if not then by mid February. Director Blas stated that if it happens in mid February, is Empower Retirement going to keep the participants in Secure Foundation until the transition takes place. Mr. Hauerbach stated that the participants will remain in what ever fund they are in. If there's any difference between the operating expenses associated with Secure Foundation which ultimately, after February 5, becomes the Lifetime Funds and the replacement fund State Street is something Empower Retirement will review to see if there will be any reimbursements that is required from Empower Retirement.

Mr. Hauerbach mentioned that Empower Retirement will be adding a local retirement phone number. Mr. Hauerbach stated that December 19, 2020 is the last day for their participant survey. The results of the survey will be reported out in January 2021. Mr. Hauerbach further stated that Grace Atalig, Retirement Plan Counselor, completed the recording of the new hire PowerPoint presentation which will be posted on Empower Retirement's website: [guamretire.com](http://guamretire.com).

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Hernandez reported that the Investment Committee Meeting was held on December 16, 2020. The Committee reviewed and approved the Investment Committee Meeting Minutes of November 19, 2020.

Treasurer Hernandez stated that the Committee asked Director Blas to check on whether there is an option to extend Mercer's contract and Director Blas just confirmed that there is an option to extend so we don't have to go out for a Request for Proposal.

*Next Quarterly Performance Meeting* – Treasurer Hernandez informed the Board that the next Quarterly Performance Meeting is scheduled for January 28, 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, Trustee George Santos moved to adjourn the meeting. Without objection, the meeting was adjourned at 12:31 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of December 18, 2020 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on January 29, 2021.



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KATHERINE T.E. TAITANO, Board Secretary

**RECORDING SECRETARY:**



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Jackie Blas