



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, July 16, 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 12:15 p.m. Friday, July 16, 2021, 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
- Katherine T.E. Taitano, Secretary
- Artemio R.A. Hernandez, Treasurer
- Thomas H. San Agustin, Trustee
- David N. Sanford, Trustee
- George A. Santos, Trustee

**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

**Public Present:**

Henry Pierandri, Cohen & Steers

## **II. REVIEW AND APPROVAL OF BOARD MINUTES**

### **A. June 18, 2021 Regular Meeting**

Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to approve the Minutes of the June 18, 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 June 30, 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 42 active claims as of June 30, 2021.

### **Financial Report**

**1. Contributions** - Director Blas stated that as of July 13, 2021, all agencies are current with their Fiscal Year 2021 employee and employer contributions. Director Blas mentioned that Guam Power Authority (GPA) and Port Authority of Guam (Port) swapped out their payroll systems and remitted contributions, but the data submitted to the Retirement Fund was not sufficient. Director Blas stated that GPA and Port were asked to fix their data and have it transmitted to the Retirement Fund by today. If not, the Retirement Fund will have to return their contributions. Any gains or losses that the employees may incur will be the responsibility of the two agencies. Treasurer Artemio Hernandez asked whether the two agencies were informed of that risk. Director Blas replied, "Yes." Controller Diana Bernardo mentioned that even Guam Waterworks Authority (GWA) changed their payroll system, but they are okay with their data.

**2. Financial Statements** - Director Blas stated that the books for the month ended June 30, 2021 are scheduled to close at the end of the month.

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

### **A. Contribution Report – June 2021**

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower Retirement, provided the TPA Report for the month ended June 30, 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 \$488,440,333.79. There was an increase of \$3,600,142.26 or 0.74% from the previous month. The market effect was .13%. The 457 Plan had total assets of \$127,954,259.90. There was an increase of \$2,082,643.98 or 1.65% from the previous month. The market effect was .79%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$2,993,152.65. There was an increase in contributions of \$343,266.96 or 12.95% from the previous month. The 457 Plan had total contributions of \$1,087,228.58. There was an increase in contributions of \$244,143.53 or 28.96% from the previous month.

Mr. Hauerbach mentioned that in the mid-year mark of 2021, contributions in the 401(a) are looking very healthy. In 2018 the 401(a) contributions in total were \$28 Million. In 2020, contributions were \$32 Million. Mr. Hauerbach stated that the Retirement Fund is on pace for \$36 Million in the 401(a). Mr. Hauerbach stated that looking on an annual basis, contributions on the 457 are on pace for \$12 Million flat year-over-year.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$2,792,651.23. The 457 Plan had disbursements totaling \$551,594.29.

Mr. Hauerbach stated that the 401(a) Plan has a total of 6,679 participants receiving employer contributions. The 457 Plan has 5,802 contributing participants. The 401(a) Plan has 80 first-time contributors and the 457 Plan has 36 first-time contributors. Mr. Hauerbach stated that there were 9 retirees in the month of June; of the 9 retirees, 5 took full distribution and 4 with no distribution taken.

Mr. Hauerbach provided the following updates:

- Webinar schedule was published through the end of August 2021. In October 2021, which is National Security Month, seminars will fall in place. Grace Atalig's New Hire Orientation won the highest award, which was the Grand Award. Ms. Atalig is currently conducting the Webinar on the New Hire Orientations every other week. Starting next week, orientations will be conducted on a weekly basis.
- Payroll Processing Modernization project progressed in the last few months. Empower is working to develop a better way to collect data and actually increase the liability of the data that's presented. Empower has been using the Legacy Planner for some time. It's an enhanced planner that shows much better details from year to year.
- guamretire.com website has enrollment kits available which consist of enrollment forms, beneficiary designation forms, and paycheck contribution forms for the 401(a) and 457 Plans. Empower is going to target using Webinars with various communications with the different agencies and identify employees that are new hires, which is all geared to capturing any participant form that Empower may not currently have.
- Email addresses - Empower currently has email addresses for about 50% of its participants. Empower is looking at putting on a temporary hire for about 60-90 days to help with various projects. One of the projects would be to help capture email addresses for those participants that Empower does not have, especially for those actively employed.
- Expanded Call Center hours were formally announced on July 1st through email and the website. There are two dedicated call center representatives that work up to midnight. Participants are now getting help right away.

Controller Bernardo stated that she is concerned of the enrollment forms for the employees hired in 2020. Mr. Hauerbach stated that Empower is going to target all employees that has been hired in the last year.

## **VI. STANDING COMMITTEE REPORTS**

### **A. Investment Committee**

Treasurer Hernandez reported that the Investment Committee Meeting was held on July 9, 2021. The Committee reviewed and approved the Investment Committee Meeting Minutes of June 16, 2021.

*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

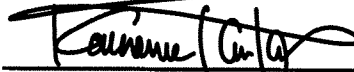
**X. ANNOUNCEMENTS**

None

**XI. ADJOURNMENT**

There being no further business before the Board for the Defined Contribution Plan, on motion of Trustee George Santos, seconded by Vice Chair Antolina Leon Guerrero, and without objection, the meeting was adjourned at 12:35 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 16, 2021 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on August 20, 2021.



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KATHERINE T.E. VAITANO, Board Secretary

**RECORDING SECRETARY:**



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Jackie Blas