



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Lourdes A. Leon Guerrero
 Governor

Joshua F. Tenorio
 Lieutenant Governor

Paula M. Blas
 Director

BOARD OF TRUSTEES
Regular Meeting
 Friday, July 28, 2023, 12:30 P.M.
 Retirement Fund Conference Room

MINUTES

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

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 12:31 p.m. Friday, July 28, 2023, 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

Legal Counsel Present:
 Vincent Camacho, Camacho Calvo Law Group LLC

Public Present:
 Norman Taruc, Guam Daily Post
 Ashley Taylor (*Via Zoom*)

II. REVIEW AND APPROVAL OF BOARD MINUTES

A. June 23, 2023 Regular Meeting

Vice Chair Antolina Leon Guerrero, seconded by Trustee Thomas San Agustin, moved to approve the Minutes of the June 23, 2023 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 June 30, 2023 on the status of applications and individuals on Group Long Term Disability (LTD) is provided for the Board's information. There are 40 active claims as of June 30, 2023.

Financial Report

1. *Contributions* - Director Paula Blas stated that as of July 25, 2023, all agencies are current with their Fiscal Year 2023 employee and employer contributions.

2. *Financial Statements* - Director Blas stated that the books for the month ended June 30, 2023 are scheduled to close today.

V. THIRD PARTY ADMINISTRATOR'S REPORT

A. Contribution Report – June 2023

Director Blas stated that Bjorn Hauerbach, Director, Client Relations & Participant Engagement, Empower, provided the TPA Report for the month ended June 30, 2023 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 \$487,413,954.31. There was an increase of \$22,772,033.88 or 4.90% from the previous month. The market effect was 3.92%. The 457 Plan had total assets of \$135,786,312.86. There was an increase of \$6,693,264.19 or 5.18% from the previous month. The market effect was 4.08%.

Mr. Hauerbach stated that the 401(a) Plan had total contributions of \$4,544,080.18. There was an increase in contributions of \$1,497,907.44 or 49.17% from the previous month. The 457 Plan had total contributions of \$1,432,166.05. There was an increase in contributions of \$3,802.94 or 0.27% from the previous month. Vice Chair Antolina Leon Guerrero asked how does the 457 contributions of \$3,802.94 compare to the average. Mr. Hauerbach stated that the \$3,802.94 is the difference from the previous period which is about normal and it's still trending upwards. Director Blas stated that the participants have the ability to modify their 457 contributions online. Mr. Hauerbach stated that this is part of their Payroll Modernization Project.

Mr. Hauerbach stated that the 401(a) Plan had disbursements totaling \$1,644,561.43. The 457 Plan had disbursements totaling \$517,405.51. Treasurer Artemio Hernandez asked whether the 475 Plan loans of \$208,060.68 typical. Treasurer Hernandez also inquired about the terms of the loans. Mr. Hauerbach stated that the term for a general purpose loan is between 1 and 5 years and for the purchase of a primary residence, it's extended up to 15 years.

Mr. Hauerbach stated that the 401(a) Plan has a total of 7,398 participants receiving employer contributions. The 457 Plan has 5,635 actively 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 7 retirees in the month of June; of the 7 retirees, 4 elected a full withdrawal, 2 elected a partial withdrawal, and 1 elected a partial withdrawal with the balance in a series of periodic payments. Mr. Hauerbach pointed out that there were 454 walk-ins and 351 other participant engagements for a total of 805 total on island participant engagements. There were 99 off island participant calls with an average satisfaction rating of 4.33%.

Trustee Thomas San Agustin inquired about the 475 Plan membership. Mr. Hauerbach stated that there is a campaign to engage with participants and educating them on the importance of saving more in the 457. The target is to increase membership.

Mr. Hauerbach provided the following updates:

- Communications – October is the Annual National Retirement Security Month; in November is the Managed Account Free Web Campaign and the “You Got the Pay Raise, Let’s Put More Aside in the 457” Campaign
- Webinars – weekly Webinars are back
- Annual Participant Survey – will be conducted in the 4th Quarter of this year

VI. STANDING COMMITTEE REPORTS

A. Investment Committee

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

Open Items

1. Request for Proposal (RFP) for Plan Administration Services for 401 and 457 Plans – Treasurer Hernandez stated that this item will be discussed under New Business.

Informational Items

1. Next Quarterly Performance Review – Treasurer Hernandez informed the Board that the next Quarterly Performance Review is scheduled for September 21, 2023.

B. Members and Benefits Committee

No report was made at this time.

VII. OLD BUSINESS

None

VIII. NEW BUSINESS

- A. Request for Proposal (RFP) No. GGRF-002-22 Plan Administration Services related to the Defined Contribution Retirement system (401(a) Plan), 457(b) Deferred Compensation Plan and Welfare Benefit Plan**

Director Blas stated that a copy of the Selection Panel's Memorandum dated July 18, 2023 which provides a brief summary regarding the solicitation and recommendation of the Selection Panel is provided for the Board's review. Director Blas stated that no formal award has been made at this time. A Board concurrence is needed with the recommendation.

Vice Chair Antolina Leon Guerrero, seconded by Trustee George Santos, moved to accept the recommendation of the Selection Panel in response to Request for Proposal (RFP) No. 002-22: Plan Administration Services related to the Defined Contribution Retirement System (401(a) Plan), 457(b) Deferred Compensation Plan and Welfare Benefit Plan, and to direct Director Paula Blas to complete the necessary administrative requirements to complete the RFP process. Without objection, the motion passed.

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 Vice Chair Antolina Leon Guerrero, seconded by Treasurer Artemio Hernandez, and without objection, the meeting was adjourned at 12:49 p.m. Motion passed.

I hereby certify that the foregoing is a full, true and correct copy of the Minutes of July 28, 2023 Regular Meeting duly adopted and approved by the Government of Guam Retirement Fund Board of Trustees on August 25, 2023.



KATHERINE T.E. TAITANO, Board Secretary

RECORDING SECRETARY:



Jackie Blas