# Government Employees' Retirement System Monthly Board Meeting

GERS Retirement System (Board of Trustees)

October 17, 2019 · 1.1 hours · gov

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0:00:00 Good morning, everyone. I'd like to call to order the employee's retirement system of the government to the Virgin Islands regular meeting of the Board of Trustees, 1 October 17, 2019. Roll call, please. Trustee Corwood. Present. Trustee Cod. Present. Trustee Liger. Occuse, excuse, girlfriend. Trustee Maynard, absent. Trustee Macdonald, present. Trustee Smith, absent. Chairman Carrata, present.

0:00:43 Chair applicant present. Two absent, one excuse. cy· Cora Mr. Commander, estranth Uh, comments and suggestions on retirees? No one on St. Croix? No one here? Someone said that you want to hear what it's going to be called? Okay, Secretary's Minutes, regular meeting September 26, 2019. In a motion for approval. Are there any corrections, deletions, additions? No comments?

0:01:33 I didn't see any errors, Carolyn. I didn't see any errors so I'll move to accept them. I'll give you a second. Second. Trustee Calwood? Yes. Trustee Cohen? Yes. Trustee Liger? Expused. Trustee Maynard? Absent. Trustee McDonough? Absent. That wasn't.

0:02:07 Just a minute. Trustee Smith. Absent. Accept them. Chairman Cullinan. Yes. Three yes. One excused. Two absent. One abstain. Communications and correspondences.

0:02:37 The two pieces of correspondence that I have today, one dated October 2nd, 2019, Mr. Austin Nips, Administrator, Government Employee Retirement System, 3438 from Princeton's Guard third floor grs buildings in thomas virgin allen zero zero eight zero two three act number eight zero two nine there mr nips for the past several months my office has been feeling calls from retirees regarding their ability to provide contractual professional services to the government of the virgin islands once they retire from the vi government service These individuals have established businesses and bid upon professional services, contracts for the government of the Virgin Islands via the procurement process. The purpose of my communication is to seek clarification interpretation from the GRS on its interpretation of Act number 8029. Further, I am requesting that the GRS establish a clear policy surrounding this legislation.

0:03:50 and distribute it to its retired members to avoid future confusion with this law. Please provide me with your clarification, interpretation of said act only before Tuesday, October 8th. If you have any questions or concerns regarding this matter, please feel free to contact my office. I look forward to your response and the interpretation. sincerely Donna Fred Gregory senator I did send a response I forgot to include it in my notes okay I responded to the senator on October 11 2019 the honorable Donna Fred Gregory senator 33 legislature of the virgin islands of the united states one capital building st thomas virgin islands zero zero eight zero two re act number four eight sorry eight zero two nine there senator fred gregory has requested the government employs retirement system grs interpretation of act number eight zero two nine as follows virgin islands law provides that individuals who retire from service of the government and or its mentalities are not allowed to return to work and collect their annuity. The only exceptions are individuals who held the job title of nurse, teacher, or police officer and they are only allowed to return for a maximum of two-year period.

0:05:34 It is difficult to have a general rule, therefore the GRS will view each situation on a case-by-case basis to ensure that the member has not created a situation to specifically get around the return to work restriction. For these reasons, we are urging retired members to check with the GRS before accepting any type of employment with the government and its instrumentalities to avoid any future problems. For clarity, some examples as to what form of employment is acceptable or unacceptable are provided below one a member retires from the government services forms a corporation and receives a contract to perform work with the government in some cases the grs will find that employment to be acceptable in particular in particular if the member does not return to work performing the same duties as before retirement number two a member retires from the position as a financial analyst at OMB and forms a corporation and receives a contract for cleaning services. That is acceptable to GRS. Number three, a member retires and goes to work for a cleaning company that has been in existence and is a government contractor. That is acceptable. Number four, a member retires as a custodian and forms a corporation and receives a contract to return to work as a custodian performing the same services as before retirement that is unacceptable because it is clear that the member is trying to get around the return to work rules if we can be a further assistant let us know sincerely austin el nims administrator the attachment copies of captain smith expire general counsel sml myers jr esquire deputy

0:07:24 Council Asia Clinton and acting chief operating officer so runs is so director member services Patricia William assistant director member services Ween Williams chief of staff office of the governor Donald Fred Gregory What a piece of legislation of correspondence It's dated October 9 2019 2019, address to Austin Nibs, Administrator, Government Employees Retirement System, number 48B-50C, from Princeton's Gowda, St. Thomas, Virgin Island, 00820, in Nibs CPA at usvigrs.com. Re, Committee on Finance, consider bills on Wednesday, October 30, 2019. Then, Mr. Nibbs, the Committee on Finance cordially invites you to appear and testify on Wednesday, October 30, 2019, in the Earl B. Otley Legislative Hall, St. Thomas V. U.S. VI, at 10 a.m. to consider the following bill.

0:08:27 Bill number 33, that's 0042, and act amending Title 20, Chapter 39, Section 433, Subsection C of the Virgin Islands Code, providing that $10 of each operator's license renewal fee must be remitted to the government employee's retirement system, and provided that GRS must use that money towards the reduction of its unfunded liability, proposed by Senator Dwayne M. DeGraff. The committee will meet to receive testimony as we discuss the purpose of the Abroad Reference Bill.

0:09:01 Your testimony should include all pertinent data and expert opinion as it pertains to the subject matter. Please provide written testimony no later than Monday, October 28, 2019. In addition, please include applicable information regarding the following. support or opposition of the proposed legislation advantages and or disadvantages to passing the bill economic impact economic analysis of the proposed legislation recommendations to the bill thank you in advance for your time and cooperation in this matter please contact azia rivera at 340 712-2202 or senator fairly at leg.org to confirm your attendance submit testimonies and address concerns or questions or concerns sincerely Kurt Bailey chairman committee on finance 33rd legislature of the Virgin Islands this request came in months ago I responded in in writing to them that we had no objections to it the only thing we did not know is what impact it would be to the GRS $10 each so I'm going to submit the same to the committee we don't have any objections to the bill I don't see any advice I mean the advantage would be but I don't know what I can't quantify it same thing with economic impact recommendations to the bill is that they go ahead and and proceed with passing the bill that ends my correspondences uh trustees any question any comments on any of these true

0:11:02 you know this Again, reading the second bill, they're focusing on renewal of licenses, so does that eliminate individuals getting their first license? It says only on renewals, so that might be a recommendation we consider for anybody acquiring a license whether it be a renewal or first time again we have no idea the number of persons who know I can give Donnie to our set a call and see if he knows when we had the retreat and he presented this or he recommended that he was gonna do something like this he didn't come up with any numbers in terms of historically what what has been on the record so I don't I don't see that we know what the amount will be, what impact it'll have.

0:12:08 I'll also call the post auditor and see if he's done any analysis. Can I put a point in here? What we could do is when they collected the money for the license plate, the Centennial license plates, and if it was like a $50 thing, we can just cut it in one fifth and get an idea of what the income would be for the year this is only for driver's license i'm not it's driver's license only not not um license plates we've given a number to at least a ballpark number of what we would be dealing with for a year but why are we concerned about that we don't i mean whatever monies that comes in those are special fund is coming to the g i don't know what the impact is obviously the senator has not done his homework he came here last year we spoke to us about it we told him about the impact he came to the retreat he still didn't know the impact so and the one else will find the impact well you know i'll make a couple calls if it's five dollars fine if it's 10 fine if 20 fine That's the way I look at it. It does. It's not going to move the needle.

0:13:27 Maybe it won't look bad. Maybe it can make a call to DMV. But I don't know them, so I'll call the post auditor and I'll call Mr. Torset Maynard. I think right now it's, what, five years you renew your license. They would have to go and determine whose license coming up next year, whose license. You know, I don't know if they have that information. we we can probably recommend that in our response that we need to determine the impact um we have not done any due diligence on the on the bill determine the impact but we don't have the information we don't have it okay no other comments okay uh chairman's report there i have no report today So we move on to the administration board. Okay, as brief as possible.

0:14:26 We have a lot of important things. On October 1 was the 60th anniversary program. I want to thank the chairman for coming. I think the chairman was the only trustee in attendance. Thank you. No trustee was in St. Croix. October 3rd, appeared on Redfield Radio Program, very interesting appearance, along with Kathy Schmidt. On October 8th, met with the ID, the auditor, in regards to the BI Finest Foods, outstanding records that they are requesting.

0:15:03 On October 9th, we met with the actor in regards to the benefit proposal, which we'll be discussing in the executive session today. On October 10th, I met with a former interim accountant, Benzel, he's a CPA for the Carambola. We were looking at work done and they need to be completed. On October 15th, I met with Euridion in regards to repairs on the St. Croix complex. And a few days prior to that, we did do a walkthrough with maintenance and acting CEO checking the repairs on the buildings. There's some other work that has to be done in addition to what the contract spells out for. On October 16, we attended the Investment Committee meeting, which was yesterday, in regards to WICO interview in response to the RFP, the management of Haventure and More.

0:16:02 There are no updates on Act 7261, Act 7128. Total applications that have been in as of October 15, 209, did increase for 2019, about seven retirees since the last report. our refunds that were um refunds that were given to the members in excess of seven million dollars from january to september as you can see in the regular 452 those of individuals members that were not vested we have paid out several close to seven million dollars pending as of uh september 30th 63 more cases so vested members are leaving the system Debt benefits, from January to September, we have paid out close to $2 million. Those were 40 cases, and the number of cases to be completed is 95.

0:17:12 With regards to life certificates, it remains the same. However, we suspended 13 for address changes. And those 13s are international and one and two are domestic. The payroll. The number of retirees as of September 30, 2019, 8,685 retirees. We have paid out for the entire year from October 18, 2018 through September 30, 2019, $251.3 million. We added 474 retirees to the payroll since October 1. At the same time, we deleted 306 due to debt. And September 30th, which has gone, we added 15 and we expected to pay out 11 noon on October 15. The 930 payroll amount was $10.7 million, increasing every 50 years personal loans personal loans are going down they're becoming mature as you can see between august and september 30 days it went down a few hundred 45 12 our mortgages are still constant 97 as far as the building our building the white house at havenside mall we did uh implement a regular schedule for maintenance and cleaning

0:19:00 of the property um again depending the elevator repairs i i wanted to say that the drawings that i saw included just what the contractor put as an elevator so you can't build in the contractor um but the drawing shows that it the same I don't think that the one sleeve, I think that's what they call it, because it's holding it up, so should have two strength, but I don't know. I guess we have to just, are we going to go against the contract? I mean, the iridian? I don't think so. I think we just have to eat it and move on, okay? We didn't catch it. It was up to us to say, well, I don't think that's going to work. I don't know if they have a legal, any legal opinion on that, but to me, we heard. and the drawing shows what the contractor has inserted into the building okay I just wanted to say that because there were some questions as to what we're gonna do about 85,000 and 95,000 now we have a lot of projects going on in St. Khoi in St. Thomas the old GRS building by Pleasant they restoring some work that brought us construction completed approximately 60 percent of the restoration work the electrical with a head replaced upper metal siding the east side of the building installed guttering on the east side of building replaced plastering of salt work south wall completed casino building the roof was cleaned nor a restorative

restorative work started

0:20:51 year. Panel fabrication for a perimeter fencing of the new building this complex by Jay Benton Construction has been completed in preparations to be shipped to St. Croix by installation. St. Croix St. Thomas complex a lot of work is going on as you can see if you go to the parking lot you'll see a lot of work going on and also on the sides of the building we received two quotes for the the northern roof work and hatch repairs, still having a lot of problems with roofs during the rain.

0:21:26 Construction began on the building exterior skin project. Damage is more extensive than drawings in the cage for the repairs. The reason we had the walkthrough some days ago and met with the region. Assessments are being conducted for a possible change order. Proposal for the replacement of the AC unit are due October 21. for all companies attended the pre-bid conference. Our leases, just about all our leases are still pending. So, Legal Council is dealing with that. Rental and electrical collections. For September, we collected $301.7 thousand dollars, $145,615.36 for rental, electrical $156,076.18 for a total of $301,691.54.

0:22:29 Total year-to-date, we collected $1.8 million for include rental and electric. still in a res of $122,843.65. $30,000 is rental, electrical is $92,317.93. It's going down but still need to clear those arrages. As far as insurance claims, FEMA update we provided necessary information to FEMA for the St. Croix building site and also FEMA is still awaiting information from Waikou I wish we had this information yesterday I forgot to ask them on 14 expired leases and invoices or receipts from all work done on Haven site post hurricanes Irma and Maria as you can see as of October 30 2019 on page 9 we have a total now of 85 employees in st thomas 29 exempt 41 classified in st croix we have two exempt and 13 classified we have a total of 85 employees from october last year until september 30th we hired nine individuals new hires 10 employees retired retired resident resigned nine retired 11 were promoted and we have five vacant positions as we speak grs completed union negotiations for steel workers the agreement approved by the board and notified of the membership on september 12 and implementation to begin in october this month again the 60th anniversary takeoff we were well

0:24:22 attended. It was held from 9 a.m. to 3 p.m. Over 30 participants came out. It was in St. Thomas and St. Croix building. 300. Over 300. And it was simulcast and live streamed from St. Thomas to St. Croix. So the guests in St. Croix and Croix were saying the same thing we saw at the same time official and guests included governor lieutenant governor delegate to Congress chairman Callender senator Myron Jackson vice president of the legislature representative for the retiree groups rough and the same quite retirees active employees and 14 vendors and partners any questions I noticed last month I don't remember if I saw it in August and I was in July we don't do that customer service thing that we had started last last month I did give you a report on the customer service I'm not do it every month. It wasn't last month? Do you want it every month? No, I was just wondering because I don't, I didn't say it last month, I think the last one was August. I know I gave it, yes. Yeah, that's what I was saying. I'm like, yes, I did. Yes, it's coming. What are you doing? I mean, it's still there. Members are, I mean, I have the report, but I didn't. So what, the program that we are trying to go with the ambassador program, well, members, members were supposed to have signed up miss miss martin is here at the 60th anniversary that's we're

0:26:10 supposed to kick it off then right um good morning we actually had only four persons that signed up so now have a total of 10 on saint thomas and eight on saint four how many do you need how many are you trying all of you want a lot of person but we're just not getting that type of interest what i recommend is that we probably contact the um two retiree groups and see if we can get i know i've met a lot of retirees and they were wondering when we were going to bring it up yeah because that's one of the things people are asking you know they're asking if they're doing it and i was like so maybe we just have to write the retiree groups the heads you have the email addresses i can give it to you and we can ask them to pull the members and see they wanted to I do. And if I may, we actually contacted them before?

0:27:05 Well, they probably forgot. But I know they asked, when I went to, they did, rough, they did ask when I met with them a few months ago. And I told them it was coming up in the new year. Excuse me, another option would be put the notice in the monthly update as well. You mean the newsletter? Yes, yes. Is there? It was. It was. Okay. That's why I was asking. Anything else? Yes. Can I refer to something else at the White House? Yes, sir.

0:27:43 Just because we're running into a little bit of a complication here, we're running into our only option being a one rail lift system with one, it limits the capacity quite a bit, And it's also, it sounds like it's a lot more maintenance because of the angle and the tilt and all that. You know, what, I mentioned this before, but you may want to consider an alternative choice as of, for the disabled, have a covered ramp going up the side of the building, up the incline, and have it covered in case of rain. And then where the elevator presently is, just got that and put in a spiral staircase so people on the inside could get up and down. Well, you can do work internally. It's a historic building. I think you can't do anything outside. You can do it inside without the check with your radios.

0:28:49 of the structure what spirals suppose the person is a wheelchair how is he gonna get up spirals so I was saying me for the disabled the ramp on the outside but it would also have to be covered as well we do have a ramp outside which was done I guess this historic preservation let us do it trust but if you say cover it I understand that but we do have a ramp we did do an addition of a ramp okay I didn't notice one when I was there I probably didn't look around the side it's on the side it's on the north side okay all right I have one more question this is more have we still trying to the timing of retirement annuity start are we closer to our 90 days for most people yet oh yes as my august retirees i tell them you should be getting it before you know what i'm like i'm trying to because we know we had a lot of teachers retired in august we um we are bailing the government and we're getting our monies i would see the only drawback would be the employee side if they're not up to date or if they have issues I spoke to him about that. I'm like once you're cleared, you should be by November, we should be declared. Because I've been looking, when they send me the preliminary, I look at the date of retirement and I can see that. You may have one or two that from last year, but most of them are this year going out within 30, 90 days, you know, that type of thing. Yeah, because as much as I hate that I see them leave, a lot of them, I had 50 something that ended on August 31st. so when they see me on the street am i getting my retirement before christmas and i'm like you should once you don't owe anything once your paperwork is in but since august the number of individuals retiring monthly on the to go to the payroll

0:30:50 are reducing so i'm wondering i was going to ask myself so why maybe do they have a backlog or it's just that the individuals have slowed down or something in retirement already because to me it's dwindling it used to be like sometimes 20 something 30 something now it's 11. so that's something to check but i know that the retirement days are close to 90 days or something like that i've seen people turn around in 45 days right we paid one of our employees in 30 days A recommendation on for just goodwill and and hopefully a better relationship with the governor could this be released in the letter and to the news agency the newspapers that the government is paying as we build them promptly and therefore this this time of being able to get there beginning the benefits have reduced significantly from the previous years and we're up to whatever less than 90 days well yeah we have said it publicly I've said it on the radio program we have the government caught up because of the court action remember they were behind five seven words well said I'm saying this you know this particular government just give him a little pat on the back because we're going to be dealing with him on a number of issues here in the future well the part on the back started from july last year but we didn't pack it at one on the back we were caught up from july last year because of a court court order but i understand what you're saying i am there every time someone asked me to ask me if they caught up i said yes

0:32:37 on redfield for they asked us i said yes i mean there's one we have some issues and we i had a meeting with miss um grill a few days ago and she gave me a report we the government is sending the monies in there was one where they send the money they didn't send the file but the monies are coming in just about 10 days after the period as far as the deductions and we we have to bill them for any prior period missing contributions for retirees and that's coming in we send it out we tell them a due date it comes right in I'm glad you mentioned Wanlui.

0:33:15 Trustee Cohen, Mr. Ned will take your suggestion under advisement. Okay. As you mentioned Wanlui, what the status on Snyder, you remember at one point where the nurses, they weren't taking, they weren't turning in their retirement, that they were removed, that they were collecting, have they done that? The NOPOS, I think the NOPOS have came in. So there are like some who transferred or who left Snyder, because I have one who's a school nurse now. I know she has started a process, but some of her money, they're trying to catch up. So I was wondering about the others.

0:33:54 They are trying to catch up. So they're still working on it. Yes, yes. Because I told her I was going to follow up, and I totally forgot until you just mentioned Halloween. Yeah, but they're working with us. I mean, they're trying their best, too. so even the ones who are no longer there they're going to make them whole correct anything else but hopefully they'll make them more when they're looking to retire it makes you make them more now i i want to uh commend the staff and particularly the committee that was responsible for for the 60th anniversary kickoff. It was an outstanding presentation.

0:34:43 There's a word that I told Mr. Nguyen, there's a word that I really dislike hearing people use and that's something that's awesome. Usually when I hear that word, I check it out, oh, they need to find another word for it. But if there was ever a time since I've been in that presentation was awesome this was it it really was an awesome it really was an awesome job i want to make sure you all understand that and thank you all for what you all did and i'm sorry i missed it but i was at uvi at another event yeah she's calling me at 10 30 asked me if I'm here yet. Okay. Committee reports. Policy none. no i guess not i guess okay no No, no, no, there's a hearing schedule from the 1-0-7, but another two of them will be free to have confidence.

0:36:05 The medical disability committee, medical review committee has a haven scheduled for September 7th, November 7th. We have a few outstanding cases that we hope to resolve in the next few weeks. I'm going to tell you that really because we wanted to include the union increases was a lot that we had to do so we will get it to you as soon as possible. Okay. Thank you. Okay. Treasurer's report.

0:36:55 Good morning, Board Chair and the Trustees. This is the Government Employees Retirement System Schedule of Receipts and Disbursements. for the month ending September 30th, 2019. Receipts from collections. Loan repayment, 2,216,299. Year to date, 26,239,064.

0:37:27 Rent from tenants slash utilities, 296,584. year-to-date 1,801,942 rents from Havenside tenants 431,345 year-to-date 6,006,018 employer retirement contributions 6,997,692 Year-to-date, $85,881,945. Employee retirement contributions, $4,209,511. Year-to-date, $49,183,975. Parking facility, $1,330.

0:38:20 Year-to-date, $12,740. miscellaneous 193,382, year-to-date 30,644,476, for total collections of 14,346,143, Year-to-date, $199,770,160. Disbursements, annuity payments, $21,724,032. Year-to-date, $259,897,560. Administrative expenses, $1,182,263. Year-to-date, $14,210,480. Personal loans, $2,392.

0:39:22 Year-to-date, $345,941. Mortgage loans, $69,355. Year-to-date, $677,661. Retiree loans, $239. Year-to-date, $243,528. There was no utter loan and land loans for September. Year-to-date, utter loans, $162.

0:39:56 Year-to-date, land loans, $1,962. refund of contributions 729,157, year to date 12,136,823, allotments to WICU, nothing for the month of September, year-to-date $3,141,265 for a total disbursement of $23,707,430, year-to-date $219,655,383 for a net cash deficit of $9,361,295, year-to-date $90,885,222.

0:40:52 That's the end of the rule. Thank you, ma'am. Trustee, do you have a question for Ms. Jeremiah? It's a coin. No questions. No, no questions.

0:41:19 Just the same statement. We are paying out more than we're taking in, and with no investment income, we are quickly getting to a place that we don't want to be. Okay I need a motion for acceptance. I move to accept the treasurer's report as is. Second. Trustee Yes. Trustee Cohen? Yes. Trustee Liger? Excuse. Trustee Maynard? Absent. Trustee McDonough? Yes. Trustee Smith? Absent. Chairman Callum? Yes. 4 years, 2 absent, 1 excused. Thank you. Treasurer's report has been accepted. Investment officers report. Good morning trustees. This is an update of the planned performance for the month ending September 30, 2019. Total plan performance, total plan returned 0.2% for the month, total equity returned 1.6% for the month, total fixed income returned negative 0.5% for the month, and total alternative returned 0.2% for the month.

0:42:43 Total plan return for the fiscal year end of 5.8%, notable manager performances for the month, the Russell 1000 value found 3.6% for the month, and our Russell 1000 index returned 1.7% for the month. As it relates to monthly cash flow, we ended the month at approximately $614 million. So as we can see, our asset base has continued to decrease. We did raise 3.2 million in the month of September, which we raised from the liquidation of our mid-cap index fund. We began the month at around 628 million.

0:43:33 We had about $15 million in net cash flow outflows, we had income of about $520,000, we had a gain of $375,000 that brought us to that ending market value of approximately $614 million. For the month, we paid no management or custodian or consultant fees. Year-to-date, we've paid about $628,000. Fiscal year-to-date, we've paid $832,000 in management fees, consultant fees, and investment custodian fees. Year-to-date, our securities lending, we've gained roughly $2,000. fiscal year to date on $3,000 roughly. As you can see from our current asset allocation, we're now about 60-40 bonds fixed income to equity and other investments. So as part of the dynamic asset allocation, the risk in the portfolio you can see that we're now more overweighted in the fixed income and cash area versus equities. On the bottom you can see the allocation market values for those particular asset classes. Currently about 93 million in equity, currently about 331 million in fixed income uh 87 million in alternative assets and bear in mind this does not include these amounts does not include the member loans the office complexes and uh we had about we had about 100 million in cash at the end of the month with the chairman that thank you thank you any question

0:45:36 no question thank you sir Mr. Nibs, do you want to amend the agenda? Yes, Mr. Chairman, I'd like to amend the agenda to include a request for the board to make a motion to include the Zayda Castro, my executive assistant as a signatory to the petty cash account as a custodian she's replacing Ms. Forbes the bank requires it I sent up the requirement from the bank so I just like to have a motion to have added to the bank petty cash bank account as a petty cash custodian I'll move, Cohen, I'll move to accept her as a co-signer, Ms. Forrest?

0:46:54 Ms. Zaira Castro. Zaira Castro. Oh, okay. All right. Yes. I so moved. Replace that. No, this is the motion to the agenda. To put it on the agenda? Okay. All right. To put it on the agenda. To place on the agenda. Yes. We have to make a motion to. Okay, all right, so to place, to place the, to consider her to be signed on as a co-suffer. No, we need to have a motion to amend the agenda, and then we can have a motion to put her on. Okay. All right, so first we've got to amend the agenda to place that, to be considered, that motion be considered.

0:47:39 Second. Trustee Colwood? Yes. Trustee Cohen? Yes. Trustee Liger? Excuse. Trustee Maynard? Absent. Trustee McDonnell? Yes. Trustee Smith? Absent. Chairman Callender? Yes. Chair, four yes. One excuse, two absent. Okay, so we direct the business to ratify the poll vote to make monthly is that not mr waco for the haven site operation beginning october 1 2019 yes there was a full vote taken um in regards i had recommended that this be done and um i know that there was a opinion drafted by the board council and he submitted i think it was a prior opinion going back last year a couple years i think we had requested that and he was in opposition to that however the poll vote was

0:49:32 already taken i i i guess i need some type of direction as to are you going to ratify this vote we're gonna go based on based on the board council board council is saying that it's contrary to the agreement I was looking at it based on cash flow aren't we done with that contract and we're presently on a no contract basis right now well you're in a month a month but your prior agreement well it is true that we have a quote unquote transition period most courts would most likely hold that you know you are pretty under the same terms and condition as the agreement when it was in effect um i'm not sure it's accurate to say that i was in opposition to what the administrator is recommended i was simply pointing out to the trustees that at that time he did have an agreement and i believe my opinion goes back to january of this year when the issue was first raised um and the agreement provides for quarterly allotment and i was simply pointing out that you cannot unilaterally change the agreement now you know there has been some discussion on wicon i believe maybe in their presentation yesterday or somewhere i saw that they made some reference to monthly contribution and monthly allotment of payment so maybe in their mind they're receiving it monthly or it's based on some sort of monthly numbers but the gist of the opinion was that if waiko has no objections to it then it should be fine but i was simply putting you a notice that should they object to it then they will prevail in their position because the agreement provides

0:51:40 for quarterly allotment and not monthly okay can the the amendment that they're considering presently about extending the contract for the for excuse me that's been going back and forth they wanted to discuss it yesterday session you don't need to discuss this oh okay all right sorry I think what trustee Cohen was going to suggest is that if there's going to be amendments to the agreement that this should be part of it am I correct yeah I agree yeah If you want to ratify the poll vote, you can do that, but again, bear in mind that the action is contrary to the provisions of the management agreement you're unilaterally changing the contract i don't understand it mr chairman i don't know mr chairman i don't know i told what i call that you cannot release any allotment until i get a true up The true-up I told them was due the 15th, they responded that they can't complete until the end of the month.

0:53:14 So they haven't gotten anything, usually we'll give them and then we do the true-up. And if they have surplus, then we have to deal with the surplus after October. But I did point out in my memo, for example, let's assume last quarter you gave them $250,000. $900,000. Okay, whatever. $900,000. And based on the numbers that they surveyed, it's clear that they've only spent $700,000, so there's $200,000. And you're supposed to give them another $900,000. I mean, a given provider that you can make those adjustments so that you now only have to give them $700,000 instead of $900,000.

0:54:02 So that's what I was suggesting, given that you know what the numbers are, that that would be another way to try and address how much money you give them on a quarterly basis. You see that if the reports are timely. We have only received, or we just received August report this week. it's going to be hard because i don't want to give them nine hundred and some thousand dollars and the expenses are going on they're holding my money okay i got my son the memo points out that to the extent that they're not in compliance with their reporting provisions then they're in default of the agreement and therefore you can on that basis you can withhold the quarterly allotment but if and when they become compliant then you have an obligation to them comply with the terms of the agreement the accountant don't flow that way i'm sorry it doesn't flow that way because it doesn't give us an opportunity to to to review the reports determine how they're spending because of the untimeliness of the reports to us so what he's saying is you can withhold the payment until you wait until you get the report i don't like that because number one they're paying they're spending their monies and we had a problem when we were auditing when uh randall was here run we had up something they were putting it as payroll payable and it wasn't payroll it was because a whole lot of mess we had to go all the way back years and try to bring the current okay i don't like them spending their money and ask me to reimburse them i'd rather pay them and if i do it on a monthly basis i have more control they'll have to tell me how much payroll you're going to be suppose suppose some employees are going and i'm giving them pay they had it in the budget an employee was there and i'm giving them money so personal is not there that's what

0:55:56 i'm saying the person may have retired i know some people have gone so i'm giving them more money than they need so we would need to see how much who's on your payroll this month working tell me exactly how much they need tell me what your expenses are going to be for this month recurring expenses whether the fix or variable and then I'll give I'll be able to give a lot to you that I'm up I don't want to allow them nine hundred some thousand hours and I don't I just don't feel comfortable based on prior experience it happened earlier in the year when you had over 500 or something didn't even spend the money what's going on here? Well Pedro since you know Mr. Nibbs has notified them that he's going to be doing the monthly and they haven't objected to it can we just do it and then if they object to it then we deal with the issue at that time but it seems from you know they haven't sent an email back saying no we reject this the contract says you must do it 90 days so it seems to me that they're they're accepting it because they know they're behind on the economy and that's what I said if weichael has no objections to you could do it and in a sense get away with it but again you're doing it with the knowledge that what you're doing is not in compliance with the agreement that's the point that i'm making yeah i understand but they're also not in compliance with the agreement so yeah but if they're not there you have a duty and a responsibility to take action and do what you're supposed to do resort to your obligations under the agreement I'm still believing that give it when they send it you get them some more if they find it's not compliant then we adjust. Okay, so did anyone make a motion then? To ratify the poll vote. Ratify the poll vote. So move. I'll second that. Trustee Carlwood. Yes. Trustee Cohen. Yes. Trustee Liger, excused. Trustee Maynard, absent. Trustee mcdonald yes trustee smith absent chairman calendar yes chair for present one excuse

0:58:17 four yes i'm sorry one excuse two absent Item number two to approve increasing the employers contribution rate of 3% effective January 1, 2020. To increase it an additional 3%. we have some discussion on that no I'm just saying the way you said two three percent it gave the impression you were increasing it to three percent I just wanted to make sure it's three percent on above what it is currently yes thank you there was a resolution that was done in 2015 carrying us through carrying It's resolution number 03, 2015, title is to ratify a poll vote to increase the tier 2 rates.

0:59:27 However, if you go down to page 2 of 2, it talks about whereas by poll vote the majority majority of trustees voted to increase the contribution rate for the tier 2 employees and their employers as follows one percent per year consecutively and cumulatively for three years effective february 5 2015 for employees and the employer rate is increased by three percent effective february 5 2015. I think initially we thought that it was every five years we would have automatically increase the employer rate by 3% but my council told me no the resolution didn't lead as such but so now we are coming and accent the report to continue the 3% increase in employer rate every five years Okay, just the employer rate not the employee. No employee rates. Employee rates cannot be increased any further. Okay, thank you. Any questions on that? Any discussion? I have more discussion on this in the next session in the proposal that in the end with Rocky in the executive You know, we need a motion. This is within the board's authorization, so we need this motion.

1:01:11 The legislature has given the board the authorization to increase rates. No, but you just said you're having more conversation about it. Well, I'm saying there's going to be more conversation going forward to this. We need the board to pass this resolution. There's going to be more conversation going forward. More years. to what that was you could always wait until after the conversation and then come back to it let's say you have to border this now but we do update the board has the authorization on legislation and the bi code to do to increase the employer rate so moved second He's done his homework. Okay. Trustee Calwood. Yes. Trustee Cohen. Yes. Trustee Liger excused. Trustee Maynard absent. Trustee McDonnell. Yes.

1:02:12 Trustee Smith absent. Chairman. Yes. Jeff Foyas unexcused. Two absent. Motion passes. No, it's coming. Item number three. If you need money, you won't get money, you'll go take it. That's our time.

1:02:47 That's your agenda. Mr. Chair, I move to authorize Mr. Nibs to include Ms. Castro as a signator for the Pedi-Cashica. The jury? Yeah.

1:03:26 Authorize Ms. Castro in replacing Ms. Forbes as a petty cash custodian. Okay. I'll second that. Trustee Caldwell? Yes. Trustee Cohen? Yes. Trustee Liger? Excused. Trustee Maynard? Absent. Trustee McDonnell? Yes. Trustee Smith? absent. Chairman Callaghan? Yes. Chair, four, yes. One excuse. Two absent. Okay. We have some work now. More work. More work, yes. Anything else before we go? Mr. Chair, I move that we move into executive session as part of the discussion. We'll deal with matters pertaining to trade secrets and or financial or commercial information second okay I'll second if nobody did McDonald's second trustee Carwood yes trustee Cohen yes trustee Liger excuse trustee Maynard absent trustee McDonald yes trustee Smith absent chairman continent yes chair for yes one excuse two absent thank you

## People named in this transcript

SUSPECTED, and a finding aid only. Names were matched by machine against the spellings used across all 426 of our transcripts, and the title is the one used in the room. Being named here is NOT evidence that a person attended or spoke · only that the name was said. Speech recognition mishears names, so a spelling may be wrong even where no alternative is offered.

8x **Trustee Vincent Liger**
heard in this transcript as: Liger

7x **Trustee Leona E. Smith**
heard in this transcript as: Smith

2x **Senator Dwayne DeGraff**
heard in this transcript as: Dwayne M. DeGraff

## Bills and acts referred to

Matched by number against our own acts corpus. The number is what the recognition heard, so it may be wrong; where it resolved, the title is the one the Legislature gave the act.

| | |
|---|---|
| **Act 8029** | Act 8029 · December 21, 2017 · (title not held) |
| **Act 7261** | Act 7261 · An Act enacting the Virgin Islands Economic Stability Act of 2011, amending Title 33 Virgin Islands Code, chapter 3 to add a new section 58 pertaining to Emergency Services Surcharge; to set the implementation date of the Act, to repeal section 29 of Act No. 6333 and for other purposes ---0 |
| **Act 7128** | Act 7128 · An Act to establish a ten-month amnesty period from interest and penalties for delinquent gross receipt taxes through September 30, 2009 ---0 |
| **Act 6333** | Act 6333 · (title not held) |