# Government of the Virgin Islands Retirement System Board Meeting

GERS Retirement System (Board of Trustees)

recording published March 26, 2020 · 3.5 hours · gov

| | |
|---|---|
| **Source recording** | https://youtu.be/2LKmSqbfBaU |
| **Status** | This is NOT the official transcript. 3 V.I.C. § 884 requires the agency itself to make a verbatim record of its proceedings and reduce it to a transcript within sixty days. This is a working transcript produced by machine from a recording of the proceeding, offered as a finding aid. |
| **Transcribed by** | VI Update, using OpenAI Whisper large-v3-turbo, run locally. Not reviewed by a person. |
| **Reliability** | Automatic transcription, UNVERIFIED. Verify every quotation against the recording before relying on it. Speech recognition splits spoken digits and wraps figures mid-number, so a dollar amount, a vote count or a bill number can be wrong in a way that reads as correct. Speakers are not identified: automatic speaker labelling was measured unusable and removed. |
| **Public record** | The underlying proceeding is a public record, and this body is NAMED as a governmental agency in 1 V.I.C. § 253(b), so its meetings are open to the public under § 254. 3 V.I.C. § 884 requires it to make a verbatim record of each proceeding and reduce it to a transcript within sixty days, and § 884(b) makes that transcript open to examination under § 881, which also gives every citizen the right to copy it and the news media the right to publish it. The source recording is not ours, is not hosted here, and remains with its publisher at the link above. |
| **Rights** |  |

0:00:00 now we have a quorum all right good morning good morning morning i i have a i have a good morning technique i have a technical question before we start um i i have all my documents loaded on the same um laptop um ipad that i'm i'm now looking at would i be able to access them without disconnecting from the phone the call yeah minimize minimize so you'll have to minimize the zoom while he's looking at the document just minimize take them the little minimize thing right top right top right you look at the um like a negative sign no um the ipad is like a phone you just have to act like you're changing apps don't hang up just change apps at a time okay let me let me let me try that before yeah don't hang up just change your app to watch to the document okay so i have my documents i have my documents on kindle just change and go to kin yes and then every time you need to see who's speaking then you click back over to the okay all right I think I got it sorry sorry guys don't see badly sir we in the same boat longer than him i don't i don't i don't have that good or not to be in the same boat it's not good

0:02:03 but i have this call to help me out all right thank you i'd like to call the employees retirement system of the government of the virgin arms regular meeting of the board of trustees to order roll call please trustee carlwood present trustee barry present Trustee Clendenin? Present. Trustee Cohen? Present. Trustee Liger? Absent. Trustee McDonnell? Absent. Trustee Smith? Absent. Chairman Callender? Present.

0:02:52 Chair 5 present, 3 absent. okay we had mentioned about the ordering the the I'm sorry the next item agenda will be comments and suggestions from retirees is I am gonna sue that we have none present? Ms. Coley? There's none present. None present, okay. I asked LaShawn if there's any comment on YouTube? Any chat on YouTube? We wouldn't be able to tell who is on there it just shows the viewers no but the comments they don't do mr carlwood yes sir you're making a comment no i was asking if they can't see the comments came up just calling you have an answer for that i'm looking could i make a recommendation that if they're having a difficult time communicating with us video audio whatever um to submit something um to us and give them where to direct it and then we'll try to um get the information we can do that mr chairman i i would recommend that since we are probably going to be um having

0:04:54 our meetings um through this type of medium that the board come up with a protocol or policy in regards to how are we gonna how are we gonna communicate with our members working on it thank you there is no one on the youtube page awesome thank you okay then i think they have a a pool of the secretary's minutes for two twenty seven twenty twenty do i get a motion mr chair i move that we accept the minute i will uh second that motion trustee carlwood yes trustee barry yes trustee cohen yes trustee leiger absent trustee mcdonald absent trustee smith absent chairman calendar yes chair four years three absent all right the minutes of 227 2020 have been approved but mr chairman before you proceed do we have a court reporter present do we have a court reporter stenographer i know i was supposed to ask that we do not she will be um transcribing from the recorded meeting okay okay there was some concerns whether or not we should or there was a recommendation to reorder the agenda so that we were consultants and actually we could make the presentations earlier

0:06:56 someone like to make that motion i saw move so we just before what so we will how would we we order it what order will they come will be next you will go from Nikita you go from from we go down to regular new business three we'll do three and four okay the answer is yes it would do it right now okay all right so so yeah I I I move that we so we order the agenda do we need a second second trustee carwood yes trustee barry yes trustee cohen yes trustee liger absent trustee mcdonald absent trustee smith absent chairman calendar yes four years three absent okay the motion has been approved so we now have a presentation by the mikita investment group thank you dr calendar and good morning everyone uh gustavo and myself leo festino are both from kira happy to be here and joining you today we have a presentation that discusses the status of the world markets and what's going on in the world with respect to coronavirus and the

0:08:56 implication of the economies and markets i'll provide some initial commentary then turn it over to gustavo and then make some concluding remarks um to start this is a difficult but not and quite an unprecedented time is new for us because we haven't lived through something like this during our lifetimes but at different times if you recall back the Spanish flu it took quite a heavy toll by some estimates 25% of the world population at the time was affected and it lasted for three years from 1918 through 1920 the death toll was difficult to know because the records weren't kept as nicely as they are today and there's differences today we have a lot better healthcare resources but on the other hand the economies are much more integrated which means that these viruses that can come up like coronavirus COVID-19 can transmit more easily and the impact on the economies can be more pronounced because of the interconnectivity of all of the major global economies so there is no way to sugar-coating these i think some governments have tried to do that and then they realized that the times uh don't allow for that and those that didn't take prudent decisive actions up front are suffering through increases in the hit counts of cases the latest numbers are right about half a million cases worldwide i would be shocked if within the next day or two italy united states maybe even spain don't surprise china as having greater numbers now you have to take with a grain of salt what the chinese government may be stating so it's hard to know exactly what is the total

0:10:45 number worldwide but needless to say the expectation that this number will continue to increase for the foreseeable future across other times in our history we survive a lot of very difficult environments we will survive this one as well but it's gonna get worse before is going to get better the markets have reacted very negatively since february 19th peak at least in the u.s during the next three or four weeks there were very strong declines in some areas over 40 or 50 percent energy was hit very hard small cap stocks much harder than large ones value companies such as financials were hit very strong as well there's been a strong rebound the the last couple of days those are called bear market rallies and if you go back through many other time periods those also were fairly prevalent there were five of these runs during the last GFC between 2007 and 2009 fortunately the system is in a very good position to withstand these pandemic and these the market environment you will recall that you know for different reasons we've been cutting back the exposure to equities and so very little equities remain in place today which means all of this volatility these negative declines of 20 30 or 40 percent have had minimal impact to the system and the bond holdings held up pretty well so as you will see the performance for the fund is right about flat many of the peers are down 20 or more uh with respect to uh nikita your advisor we're in a very good position we have the right technologies and resources all of our employees

0:12:42 are healthy everybody's working remotely everybody has all the tools that we need to do the work many of us like Gustavo and myself are very used to traveling and working remotely so for us it's really not a lot of changes for some of our colleagues that are more used to working at the office it could present some some challenges but we're all dealing with that we are having multiple conversations internally and with clients as well and from that perspective i feel very reassured that that that we're doing well we're also very sound financially we have no debt and from that perspective we feel that we're in a very solid position to help our clients with that I will pause and see there any questions if not I'll pass it over to Gustavo to start with the first few pages of our presentation which is about as updated as it can be just a few days old but the markets move so much even within these days and we'll try to provide some additional commentary where a property just one clarification for me um you said that the system is in a good position i'm assuming you're talking about our system yes i'm talking about your system with respect to the impact of the market reaction to primarily the coronavirus uh spread most pension funds have 40 50 or more percent in equities you have a much lower weight so the decline of 20 30 40 percent in the stock markets globally has had a much smaller proportional impact to the fund's performance as we will discuss later however the performance of the fund you know has some impact into the

0:14:33 viability and longevity of the system but it's not the primary determinant but nonetheless we want to do it and to try to ensure the best possible performance for the fund okay i understood that but it was just wasn't clear that you were talking about our system and one last thing on this point um did you say that the the cases are now worldwide and are approaching half a half a million yes just under okay that's quite a big jump from from the 220 in uk yes and that you can see the exponential growth the deaths are about 22 000 and change and again we expect this not just to increase but to increase by by larger numbers um before these numbers get better okay thanks mr chair i have a question um leo uh we have approximately about 70 million in uh domestic equity right now would you say that we maybe should preserve cash and move it to cash i'm not sure i heard the question but we do have a process you know for for everybody's sake that we have been reducing gradually and that is the plan so the next rebalancing will be to continue to redeem from from equities and move into fixed income and cash because that will be needed to to de-risk the plan to ensure it's self-landed.

0:16:12 Gustavo, do you have anything else you want to add? No, I think the... So Leo pretty much covered on his commentaries, if you follow this, the slides on the deck, the first couple of pages. May I intervene? Sorry, I apologize. Just to clarify the response to Mr. Nibs, I was understanding his question to be whether we are to move up our timetable for going more liquid. And I'm not sure. First of all, I'm not sure that was a question, Mr. Nibs, and if so, what's the answer to that? Should we make those moves now as opposed to waiting for the normal rebalancing timetable?

0:17:03 I can answer that question. So, Leo was referring to that we have a plan in place for liquidity. It is right that in a moment like this, the number one issue is access to liquidity. For the U.S. Virgin Islands system, currently that is not an issue because we have been working on that plan for quite some time now, since around 2016.

0:17:40 For the last two years, we were making sure that we have in cash at least a year of the net of the net outflows that the system is projected for that year, it's around a hundred million dollars. And this is how much the system is sitting in cash. So we are going to continue within that plan unless we need to accelerate liquidity just because money coming from the plan sponsor are being reduced or diminished minimized but if not we are within plan and so far nothing is that we should be changing that there is a timetable that is that has been shared with the board and with the staff that we've been working on in terms of which are the assets that we should redeeming towards this soft landing that Leo was telling you before. So straight answer is we have enough liquid asset as we speak to cover a year out of net cash flows.

0:18:59 Gustavo, what is the expected date for liquidating the remaining equity position? It is between Q2 and Q3, so we will be in the next three or six months. so i'm just so the the advice is that we we hold the line is that what was the advice you've given us as opposed i mean given given the fact that the the i know we have a small equity exposure relatively small but the value of those seem to be going down and um you know the latest projection we have is that we're going to need those if not if not this year next year so uh just just to just to be clear are you advising us to hold the line as opposed to trying to um minimize the the impact of the reduced value of the equities at this point And what you're talking about is exactly what we've been putting as a plan since 2016. That is called dynamic asset allocation. We've been moving out of equities towards bonds since then. At this point, we have a really small allocation in equities. And we have access to liquidity for a year.

0:20:32 there's no need at this point to deviate from the plan I mean you're right the stocks projected to going down the next day going now this there's a lot of volatility for sure but we have the the issue is that the biggest is liquidity you don't have access or you you will need to sell asset positions that are underwater just to access to liquidity that thankfully we have been planning for situation like this for quite some time now so we don't need to make any changes to our plan as we speak okay okay that could that could evolve though as i mentioned before if there is if we see that there is a change in the net cash inflows that working with the actuary are projected for the next year or so if we see that there's some change in the cash inflows that will affect the total net net outflows projected then we might need to accelerate the plan at some point to get access to more liquidity gustavo what are the current assets right now as best as you can tell i will tell you in a second rocky hi morning glenville henderson just joined the column sorry i had some internet issue this morning um as of yesterday total assets including everything we have local would be about 606 million yeah thank you local assets henderson what would be the non-local assets uh the non-lo i'm sorry the non-local assets would be i guess um what we currently have in the index funds um the private equity with mesero that's still um um throwing off cash flow and i think that's pretty much it right now yeah but i meant the value if you have it oh the value i'm sorry hold one second um the value of the non-local

0:22:38 assets currently is about as of yesterday a quick second we're at about 389 million thank you Glenville are most of those monies liquidated by like the next two years pretty much yeah okay because I mean look if you have 600 million dollars on hand and and we're paying out about 280 million in benefit payments a year plus some expenses if we don't get any more additional I'm sorry I'm sorry Alwin I want to update that number I just gave because I forgot my schedule everything breaking out and I forgot to include the cash so I'm sorry, hold on second it's around 500 million right, right so it's about 500 million correct, yeah I forgot to include the cash right, so if we don't have any additional income, investment or contributions as long as we don't lose any more or more money uh you know you basically have about you know almost two years of liquidity pretty much yeah yeah glenville the hundred um um does that make the total about 700 million instead of 606 no 606 is the total when i was um breaking out as um leo asked for what we had that was not local I forgot to add the cash amount that we had also at State Street from my

0:24:28 schedule 606 would be the total as of right now estimated so in rough numbers we have you have around 400 million in liquid assets you have a hundred million in cash that brings it up to 500 and you have around an extra hundred million in local assets so within cash and liquid assets you have 500 million around around that yeah and share how much is equities within those 500 million it's around 60 million or so very little market exposure actually no equities right now because we we did get we did liquidate out of the you on the growth funds so we are about we are about 40 million right now in equity so even less and and those sales were actually done before the market crash yeah we got out before all hell broke loose so and the reason why it's because you know that has been part of the plan since 2016 right we you know month by month quarter by quarter uh we are advising uh where the plan is to a soft landing. And the situation like this is a statement. Thanks God we have put this plan together. Leo mentioned also, if I can refer to page 4, actually 5, on the presentation that we sent um leon mentioned the um the performance for the retirement system so to

0:26:20 remind you that uh fiscal year differs from from calendar year so i'm going to give you those two numbers that are stated on that page the first one you will see minus 2.8 that including yes this is as of uh tuesday so including yesterday's i believe is minus 2.4 or minus 2.2 for the year that means from from the first of january to uh yesterday uh but you know when we look into the fiscal years starting on october 1st of 2019 we are around minus 0.4 around flat i would say for the fiscal year when you compare this to the rest of your peers to the rest of the universe pretty much would be in the top i i'm betting my money in the top percentile of of the best performance plans uh we are seeing numbers of minus 15 minus 17 minus 20 in some clients uh depending on the equity exposure that they have so far this year uh so you know this is a This is why we prepare this glide path that is called dynamic allocation for situations like this. Imagine we were talking about $500 million in liquid assets.

0:27:45 If we would have been down 20%, that would mean that we would be going down $100 million, right? Just, you know, back of the envelope calculation. 20% down, we would be down $100 million. We avoided that. We are flat. so this is a statement that you know this is what we prepare this plan for and unfortunately we we are seeing it work but they they the plan that we put together is this work yeah do you want to comment about what we are expecting for in terms of markets and revenue of the future, if we can predict anything?

0:28:34 Sure, we can go to slide 17. We speak lots of disruptions, both on the supply and on the demand side. On the supply side, employees are not able to go to factories or to provide the work, so factories have to close at least temporarily some will not be able to sustain that because they may have thin profit margins or excessive amounts of debt that they may not be able to repay which will impact the labor force today the unemployment claims in the u.s were just announced this morning they jumped from roughly 220 000 to 3.3 million that is a tremendous jump that parallels what we've seen in other economies including canada which i think recently passed the earth so that is a tremendously disruptive this affects then uh the wealth of the average person the wealth of the consumer which will be consuming less it affects consumer sentiment it it reduces demand for goods and services and from that perspective it creates a very difficult sort of cycle as a result governments around the world have begun implementing fiscal as well and monetary strategies you can see some of those uh in the next space i think we we mentioned a little bit of that. How that will play out is a bit of an undone. Will a virus be affected by fiscal and monetary stimulus? Not really, but maybe the economy will. To what degree, we don't know.

0:30:29 Interest rates are already quite low, so to some degree monetary stimulus will be reduced. If you recall prior recessions on average the fed reduces interest rates by about five to five and a half percent definitely we can't do it if we're starting with rates between one and two percent one thing is for sure we expect the heightened volatility to continue for at least the foreseeable future different levels like the vex which is a fear index and it measures the volatility in the markets have increased above the levels of 2007 through 2009 global financial crisis from our perspective this crisis also present opportunities for investors that have access to liquidity at cash and have the ability to deploy capital at you know times that appear to be unfavorable on the long term these things usually work themselves out and turn out to be net positives for virgin islands it's a little different just because of the liability stream which continues to to draw capital and as a result there's going to be no benefit in this recovery unless there is a tremendous cash infusion which as we've seen now for the past eight years it has not really occurred and so for us is continue to play defense and to reduce volatility to make sure we can get to about 2023 with enough assets that has been the goal now for for multiple years as gustavo has mentioned um i think i will pause there definitely we have a lot more slides and areas we can cover i know you mentioned you had a fairly busy meeting today so we don't want to monopolize it and take more time if it is not needed so we welcome any questions that you might have

0:32:32 mr barry you're on well i i mean that's i think i got my most my question answered my my my big concern was um I know we have fairly limited exposure in the equities component, but I'm also aware of the rapid fall in the market. And I was concerned that we may miss out of an opportunity to cash in and find out that we need that to make those, to liquidate those investments at the time when the value has significantly dropped as compared to today. I mean, one of the issues, one of my concerns is the fact that, as mentioned earlier, we said that we have enough cash for two years. roughly, that assumes that the government continues to make its contributions. And there's a real concern there from my point of view, because as you know, the economy, our economy is very much impacted, in the tourism-based economy, and we know what's happening to the cruise industry and even the overnight stays, that's going to be heavily impacted, which in turn is going to impact the government's tax collections, which in turn is going to impact their own liquidity and their ability to stay current in those contributions.

0:34:29 So, we may or may not, that timetable we think we have in terms of the current liquidity may be shorter, may be shortened if the government can keep up with its payments or if in fact the market deteriorates even further. So I just wanted to know that as a board, that we are confident that we are fully advised by our investment consultants as to the timing of the liquidation of the assets, especially the equity portion of it. Yes, so again, this is Leo, and I think you bring some good points.

0:35:31 Again, if we keep in mind that this is only $40 million and nobody can tie in the markets. Just in the last two or three business days, stock markets rebounded over 15%, 17%. By the time you place another, it can be upper than 10%, 20% of these volatility levels. i think it is possible that this may accelerate but i think trying to call the specific time at which we should position is a foolish game we have a process in place and if for some reason some of the variables like for example the contribution from the employer and employee change then we will revisit the model but i think trying to identify the best time to to process a sell order of equities um versus is very difficult to to execute well uh secondly unfortunately it's a it's a smaller amount if you put things in perspective and you have three million a plus or minus 10 percent gain or loss you know it's four million at order and if you put four million into the perspective of what a monthly payment is it's a fraction and so we're talking about days so from that perspective, while obviously every penny and every million of dollars works and is very important, it's not going to make or break. You know, it has a very limited impact and it's more important to maintain a good process going forward. So we are in constant communication with your investment staff, with Henderson and also with Neves to address this. And if we are made aware that the cash flow situation is changing we will revisit with the model see what we need to do and if we need to make changes we can I will remind you also that there's hundreds of millions of dollars in bond index funds that we can tap so the liquidity is not just due from the equity side of course that's what the plan calls for to continue to take the risk of the portfolio but there's also other sources if for some reason we have to go different routes to get access to

0:37:38 catch also if i may just to put a little bit of perspective on it if you if that whole stock portfolio of 40 million dollars disappeared completely overnight it would only affect your ability to pay benefits by about a month and a half so it's not a lot of money compared to the What I will add also is that the plan that we put together back in 2016 calls natural just the liquidity of one year that we have covered in cash, but also takes into consideration that plan, the year number two, year number three, four, and so on, and depending on the liquidity needs of those of those years and the proximity to the end of the fund, we have been converted those into assets that are less risky and more liquid.

0:38:42 So that is the reason why we are like four or five years or three years towards the end and we have almost nothing at this point in in equities and the uh big majority of it in in bonds so even if we hopefully not but go into a situation in which the cash needs will double as we are projecting today to give you an idea we were projecting around 100 110 million dollars of cash net net cash outflows during the year and during the last three years we had 2017 fiscal year a net cash flow of 115 fiscal year 2018 we have a net cash flow of minus 46 and in fiscal year 2019 we have a net cash outflow of 79 so we weren't that far away from the projection the point is if we have so We were forecasting for 100 to 100 million net cash outflows. If that doubles, we can easily tap into the bond portfolios, and that will give us the necessary liquidity for the rest of the life of the fund.

0:40:03 I want to note that some of the assets to those net cash flows, I mean, we've liquidated Carambola. We've gotten some cash flow from that. we've liquidated recently VI Finance Food, we've gotten some cash flow from that. So, you know, we've been liquidating some of, I mean, a large portion of our illiquid local assets. I think right now we're only down to the real assets that we have currently, the land, the office buildings, of course, Haven site, and we still have the Cazi loan outstanding. But we've basically liquidated out of most of the most of the other illiquid assets that we had on the books so overall if i can just summarize the investment performance i think the trustees staff and all of the stakeholders of the system should feel quite pleased with this decision i know in some years it seemed challenging to maintain a new risk portfolio for going that but given the liability stream and the unique position of the system it was the right thing to do and when you balance the good times with the bad times i think you came out ahead i think if you were to look at the performance of pension funds over the last one three five years virgin islands will be at the top if not the best performing fund at least certainly over more short time horizons with a lot less volatility so um to some degree there's some lack behind it but there was also some some thought that was put behind it to ensure that for you adequately positioned so we are very um very pleased with that and i think the trustees did a very good job uh holding that view okay thank you just to call one any questions

0:42:01 no i'm good just the coin no no questions okay anyone else with any question but i um of course i have recommendation make sure that uh trustee barry receives that remember out though when the asset allocation was done can make can we make sure trustee barry gets a copy of that yes you're speaking about the updated dynamic asset allocation the original one and update so that you can know where how we started the process sure that's no problem i'll get over to trust i'm comfortable with the presentation i i just think that as a board we have a financial responsibility to be able to say that we have um considered this issue has been fully briefed by our consultants and um and advised and fully briefed and fully advised um um you know we uh we hear some talk about the the the long one performance and you know from my background i'm i'm aware of of that so that's the way we should look at it however we report to politicians who have a shot, a shot to horizon, um, for, for, for concerns. And I know that, um, uh, if things don't work the way we think it will work, or we hope it will work. The question will be, will be asked as to where was the board. And I want to be, I feel comfortable that as a board because we could stand up and said that we, you know, we considered it. We have a fully briefed by our consultants and um fully advised and we've we acted or delayed

0:44:01 our action uh pursuant to that advice so i'm good we can hear you dr calendar you're muted sorry Mr. Bobby I don't think it makes a difference what we tell those politicians they're experts and they think they know everything so I am personally with our consultants and our actuary Dr. Callender the other day you were up in front of the legislation and they accosted you about we were too we were too are conservative in terms of our equity position I would like to see you go before the legislature sometime soon and see exactly how their point of view has changed we got some stuff for the district court I thought it was the decision but it's not okay okay so I'm good mr. chairman all right dr. Coyne you said you have no questions right anyone else okay as usual thank you gentlemen for your great presentation thank you we'll stay here through the presentation from the actually as well okay yeah I might I may need to jump out sorry i have another fall but i leave you in thank you all right take care all right sir all right okay the gentleman from seagull all right uh good morning everybody uh so rocky and i have done some

0:45:53 additional projections but you know hopefully everybody's doing well uh first and foremost uh you know hopefully everybody's adjusting to this new normal as we all are um you know here in new york there's a lot of uh uh you know we seem to be the epicenter of this crisis at this moment but you know we are trying to be as business as usual or business is not usual but you know we're trying our best to to do everything we can uh we we have the capacity the technology capacity to to keep working thank god so uh we're still we're still doing that um so what just trying to build off on uh what uh leo and gustavo uh that was presentation uh what we've done is basically updated the projections uh using the new contribution rate that we know is effective January 1 2020 the contribution rate from the government increased from twenty point five percent to twenty three point five percent we've also assumed that the return for the fiscal year that you're currently in will be about zero percent and then after that we've continued assuming the seven percent but even if we don't assume the seven percent even if we assume let's say it's going to be flat all the way your projected insolvency is still going to be the same it's going to be around 2023 2024 uh but you know as as one of the board members said earlier really the biggest issue you have is not it's not the investment the biggest issue is whether or not you're going to be able to collect those contributions from from the government and and from the employees so the investment return is really what's going to what what the investment return is going to impact is when you're going to run out of the cash reserves and liquid assets what you have now but in essence what once you run out of money how the question is how much benefits will you be able to pay really it depends on how much contributions you do you'll be getting in so if everybody has the

0:47:58 presentation that was forwarded yesterday you turn to page two of that presentation so basically if everybody's on that presentation what we're showing here is on the the yellow line represents the percent of benefits that you can pay going forward so for the next three years assuming that will continue to receive employer and employee contributions we expect that you'll be able to pay uh the full benefits but once all the money runs out essentially you're going to be a psco system so by 2024 assuming again and it's a big assumption at this point um if we have the same level of creation the same level of contribution coming in both for employer and employee contributions the level of benefits that you'll be able to pay will be 45 cents on the dollar so if someone is receiving a thousand dollar benefit a month their benefit will go down to 450 and as you can see from that projection the yellow line keeps on going up further as you as you uh over the years and that's because your your contributions are expected to go up uh and at the same time the benefit payments are gradually going down as more and more retirees are coming in from the tier two uh tier two group instead of the tier one but again you know the biggest the biggest if here is if you're going to receive the the contributions are coming in if you go back uh two or three years ago when you had your hurricane uh if you recall you we had some issues uh collecting some of those contributions so if that

0:49:50 happens you know not only that will accelerate when you're gonna run out of money that will also you know lower the amount of full benefits that you could pay going forward I'm gonna pause there for a second and see if anybody has a questions or comments aldwin this is kathy oh go ahead no go ahead no i just wanted to know did you make assumptions did you keep the payroll level at the same amount because i'm assuming if this happens that you're going to have a lot of people retire and a lot of people leave the system so i don't think the contribution will be this the amounts will be the same so did you take that into consideration no no we did not take that into account uh i mean at this point we really don't know uh what what is going to happen but definitely that will that will impact it if if tomorrow the governor says that uh you know we're cutting you know government services you know from eight thousand to you know five thousand uh not only you're gonna get a reduction in the contribution uh to the system it's also going to be an increase in the benefits as you said because many of those people will going to retire and if we saw that uh partly back in 2011 when people were laid off uh there was a bunch of people that retired and and we saw the contributions went down so that had a negative impact so we expect the same thing here um and like i said you know basically, you're going to run out of money between 2022 to 2024. So right now you have about $500, $600 million of assets. You don't have any contributions coming in and you have

0:51:45 flat investment income over the next two or three years. That $600 million will last about two years in benefit payments. And then after that, what you're going to be able to pay depends on how much money you can actually get in you know and and and and and the decrease on that will be driven by you know the amount of people that amount of government people will continue to work you know whoever is will can be considered essential services and also just the collectability of it I don't know if we're gonna see the same thing that we saw three years ago and the government the government basically held on to the contributions that they were withholding from from employees so there's there's a lot of big gifts there but basically you know as we get closer to it what we really need to do is have a system in place to figure out how system systematically we're going to adjust the benefits as you know with with the with the amount of contributions coming in and the amount of assets going down to zero but Kathy included in the presentation is a decrease from about 9300 active to about 8700 actives because we already had the because of the hurricanes and the lack of recovery for the hotels there's already a built-in reduction in employment of that amount the question is will there be any more reduction in employment and that we could we'd be happy to model some ideas for you but it just depends on the number of people that end up working. The other thing, I want to go to page, the third page, I believe it is. In reality, once you run out of money, Kathy, you and I have talked

0:53:42 about this, about the legality of taking money from actives that you're not really funding a benefit for them you're taking it for them to pay other people's benefits so if you were to only rely on the government's contribution in paying benefits it would drop down under 30 percent probably in 2025. okay i just wanted to make sure it's clear that that that 45 percent is a factor that's depending on outside factors and so i don't want people to think that they're good they're guaranteed that 45 percent it could be higher it could be lower correct absolutely correct the other thing is like alderman was saying like gustavo was saying and the board member earlier if the government cannot make any more contributions you're going to run out of money in about two years which would be around april 1st of 2022.

0:54:41 okay thank you mr bory any questions yeah i have a couple um just a quick question on the legality let's try this out to to captain i guess um I have been for some time a little bit bothered, and this is probably not our issue, but more the government, which I've been bothered about the requirement or the policy that says that as a condition of your employment, you must contribute to the system, to a system that you're also saying is going to be insolvent in two years.

0:55:46 This may be a little bit off topic here, but I'll just try it out there because it bothered me for a while that we insist. I mean, the contribution rate is 11.5% for employees. And what we're saying is that we're reducing my pay by 11.5% to contribute to a system that you're also saying at the same rate is going to be insolvent in two years. I mean, I'm not sure whether anybody want to answer that. I'm not even sure if I'm asking for an answer, but it's something that that bothered me and you know it seems to be of some questionable legality in a sense that we're making we the government is making the false promise you're promising some benefits that your promises you're promising some benefits you're promising benefits that you're also saying that you know won't uh you won't be able to to fulfill i think the short answer is simply because that's what the law provides and all grs is doing is enforcing or complying with the law unless and until the legislature changes that we have no choice i mean the government has an obligation to pay and we collect the monies or until somebody challenges it in court and the judge issues an injunction or something that says you know this employee's been employed you know he's never going to make the 30 years the system said he's going to run out of money two or three years he's paying for a benefit he's never going to receive and therefore i ordered the grs not to deduct or accept any contributions from this person's salary under those circumstances that what you're suggesting of saying is correct but until you know it changes either by the legislature changing the law or court issuing it something you know we simply comply with the law and just to add that um i was going to add to that mr bowry that you know it doesn't alleviate the government

0:58:09 of having that liability because they've made a promise it's a contract to the employees and they've made that promise so i expect employees would go to court and the members would go to court and sue on that contract and i'm assuming the government would would lose and would be obligated to pay those benefits in some some way either out of the general fund or however so um i but i i agree with you it is very difficult to um and that's one of the recruiting issues that the government has is you're making promises that you have a retirement system and everyone knows the retirement system is failing but the government would not be relieved just because the system runs out of money doesn't uh relieve the government of that obligation and that's one of the issues that we have as we try to recruit teachers and other professionals and the first thing they say was like well your retirement said one of one of the biggest draw for people come into our government for years was our benefits package but now with the retirement system up in the air a lot of people say so why am I going to do this when you can't even guarantee the money's gonna be there when I retire and I said well you sign the contract the government obligated to finding your money from wherever the source will be so I say once you sign your contract they're obligated to pay you upon your retirement and that kind of money selling point in the past three years um how factual it is i wasn't sure but i know legally that was the grounds i stood on when i go out and we do the recruitment and we have that conversation with potential members okay sorry to um put us off track for a little bit um i have a question and that's more to the presentation.

1:00:05 And I want to bring up and I would like to hear the board's reaction. I personally would like to see an analysis done, analysis run, that shows that if we were to try to implement a plan to soften the landing, right now, as it stands, we are projecting we pay 100% up until 2023 and we fall off a cliff, a 55% cut in 2024.

1:00:51 And if we could soften that landing by not paying 100% for a couple of years and push that 45% out a couple of years. I know that we took a lot of heat in the hearing about even thinking about that. But I think as a board, we have a responsibility to think about such things. and think about them seriously. So, you know, and we have an obligation, even if it requires, even if we don't have the authority to do it on our own, we have an obligation to be able to offer that to the legislature, I think, who presumably has the power to consider that as an option.

1:01:45 if I might add to the to the board members comments there we have done some projections in the past with the possibility of of reducing or suspending benefits to a lower amount and depending on the amount of governmental contribution support later on you could actually sustain the plan paying 55 or 60 percent of the benefit for a long period of time your question as I understand it would be if we think the government's not gonna be able to pay any contributions can we lower the amount and extend maybe another year or three maybe paying 75 percent instead of 100 percent we can clearly model that and let you know how long that would extend insolvency out if that was of interest to you but that that's that's a definite interest to me i mean i don't i don't know that's just me i guess you'd like to hear the rest of the board um trustee boy before the rest of the board chimes in i think what rocky's also referring to back in october the board did take a vote that if the government didn't do anything that the board would institute a 45 percent reduction you know we did that i think on the hope that the government would come to its senses do something we met with them subsequent to that it was clear that nothing was going to be done and obviously we are where we are today even though you know from a legal standpoint we don't have any legal authority to make that reduction and we certainly anticipated that somebody would take the board to court and then the judge will make his or her decision but you know in the apps i mean what we're hoping for is that the legislature and the governor would come on board and say given all of the factors we all agree that you know there should be a reduction in annuity payments and therefore if the legislature did that then at least the board would have some legal authority for making that reduction rather than doing it on its own. It doesn't appear that that's about to happen because the senators and the government both clearly said that they weren't going to agree to any reduction in annuity payments.

1:04:14 Yeah, but that was before Corona. Well, and that may very well be true. Maybe people have a change of heart now given this reality. Oh yeah, I mean, the government... Huh? I said the government have to revisit that that that position when when they can they're having difficulty making the um if they begin to have difficulty making their contributions um they may want to revisit them and so i mean a 45 i don't know maybe we could model a couple options 30 and see how five pushes out give them some time to to um you know to study the ship and to recover i i i think um i know we talked about it before i know you guys talked about it before and i i was at the meeting at um the the the town meeting at st coy where you guys took a lot of heat um for it but you know um i think we we have a fiducial responsibility in looking out for the interest of the the the um the retiree even if they don't recognize because even if they don't recognize at the moment that it's it's in their interest i think we need to uh i think we need to to revive that conversation and just to follow up on that mr bowery it's not only the interest of the retirees but i think you have an interest to look out for the active members too who are paying the benefits and aren't planning or might not receive anything yeah yeah yeah all right and and just to just to add to that that 45 that we modeled before that was really just for the tier one i mean it doesn't sound like a soft landing 45 percent uh but the the the rationale for the 45 percent is is basically to equalize or the tier one formula with the tier two formula that you know new hires have now

1:06:29 uh so to that 45 percent is only affecting the tier one the tier two will not have any uh benefit reduction under that scenario but if nothing is done as we shown in this presentation across the board it's going to be a 55 percent reduction at the very least and now also that goes back to the point that tier two contributions the members are essentially paying for their own benefit as long as that money is not has to be spent to pay for the tier one benefit so if you bring tier one down to tier two level then the tier two people are are paying for themselves, and you've got a little bit of equilibrium in the system based on the amount of the government contributions today.

1:07:14 Okay. So I would like, Mr. Chairman, if we could get to have the actuaries to run a couple of scenarios that we have a couple different percent at 30% see where that pushes and and and any other any other any other tweaking they could do to to stretch to to push that 24 time out a couple uh a couple of years to give give the government some time to recoup from corona and whatever else is coming on i mean that that's uh absolutely no problem in fact i'm sure they can do that overnight um but remember now the legislature and the administration have to buy into this i understand mr mr chairman and you never had this conversation before i mean for me personally as long as i feel comfortable that i've given the best advice and given and done the due diligence what they say and how they criticize me doesn't really bother me too much i i i get bothered when i don't feel that i i did what i was supposed to do and i think my my fiducial responsibility at this point in time is to be able to offer the government some options that could could soften the landing somewhat instead of dropping 55 percent in 24 maybe we drop you know we drop 30 percent in 74 or 4 and and push out push out the 45 drop a couple more years i don't know um what you do but um but that's to answer to respond to your specific comment my personal thing is that i mean as long as i i think i've given the best advice. And on my dojo dance. I'm comfortable whatever, whatever

1:09:50 flat comes my way. And I just mean. Dr. Cohen, any comments or questions? No, but just to review the the comment on the report that we got from seagull in december i think it's in our minutes covers a lot of this not counting the virus uh wild card right okay um no comment no questions you know you know what is interesting is that ice at least eight of my friends who live off island call me regarding the proposed 30% reduction in their annuity and at least seven of them were incensed that we wouldn't even think of doing that only one understood that it made sense to do it now and hopefully prolong the system everybody wants his whole money right now they've earned it and they want it well um mr chairman that's funny because after our tongue hall meeting on st thomas and mr NIBS could chime in. We had a discussion with a couple of members outside of the CHS auditorium and a lot of them were implying that they would have no problem with the cut and actually voiced their opinion as to they wanted to know why the trustees haven't done it as yet to be to be quite frank. Actually one of those persons came to me and actually it was in sense that we hadn't done it. You're right. Okay. We'll actually see what you can do to get some of those proposals for us and then we can submit them to, I guess, the governor

1:12:07 maybe the legislature ask a question how is the legislature meeting these days are they actually meeting in person tomorrow they have an emergency meeting tomorrow they have not been meeting rocky since they were exposed somebody was exposed to the virus they haven't been meeting emergency meeting tomorrow okay are they gonna do it i think i i think i think they're doing it i think i'm not 100 sure i think they're doing it by some kind of remote right option i think i'm not sure how they're going to do that i think the law requires them to meet in saint thomas um in the in the in the capitol building so they may want to just start put have enough people there to establish the quorum in physically in that building and maybe the others call in by um just to keep the social distancing thing i don't know but but they do have they do have a meeting scheduled for tomorrow A quick question, do you guys have a sense what percentage of the people in GRS actives right now are considered essential personnel? Well, you know, from my perspective, all are essential.

1:13:48 However, we have a protocol and before the governor came out, we plan to do that in regular session before the governor came out with his executive order. We had come up with a plan that we would have staggered employees maybe come in two days a week in different shifts. We know that to me personally, the most critical obviously is the payroll and doing our payables. but we did have a plan where it would stagger and for anyone who can work at home remotely we encouraged it everyone couldn't because they didn't have a laptop and we didn't have they may have a personal laptop it didn't want them to use a personal laptop that type of thing but i think we have that covered yeah i laughed because i was just on a text with some people because our outside of grs itself the our commissioner has basically deemed almost every employee essential so every i mean everybody has been designated essential except for paraprofessionals and the school monitors but the school monitors are out there assisting with the feeding program but every employee in education according to her memo that was sent out is an essential employee okay we're just talking about now how are the schools doing it doing distance learning at this point that's the plan that's the plan okay good um my son my son he starts um he started today last semester um just one last thing back on the seagull thing it was today

1:15:42 um the discussion we've had about words of uh uh on the 30 percent cut or whatever percent we have with it it's it's uh that assumes that's the total amount you want to reduce do you guys have the ability to to refine that a little bit so for example if you could structure something where we have folks below below some dollar amount don't get affected or some staggered cut that the folks who making a thousand just you follow what i'm saying yes sir one of the things i I mean, as a legislature trying to sell this thing, you know what the response is going to be, that they have people just making $1,000 and you want to cut that by 30%. But if we could offer an option where it's not an across-the-board cut, but it's kind of structured to give different percentages to different categories, but we're still achieving the overall amount.

1:17:00 That might give them some cover in terms of getting it passed. Mr. Bowery, this is Kathy. We had some issues. Rocky and I have looked at that, but we have some issues because you have some people who only work 10 years, and that's the reason that their annuity is low. But then you have somebody who worked 20 years and somebody who worked 30 years, and so it's kind of hard if you do it across the board because then somebody who only worked 10 years and you cut somebody who worked 20 years and when you cut them they're lower than the person who worked 10 years so we have to we've been trying to figure out a way to do that without penalizing people who worked longer years but made less money well you know everybody will get penalized one way or the other i mean if it's dropped to 45 what happens no no i know what you're saying but i'm just saying if you have somebody who's making a thousand dollars and they work 10 years and you make some have somebody who worked 20 years and they're getting 1100 you cut that 1100 person they work the extra 10 years and they get a cut and they're now below the person who only worked 10 years so those are the kinds of things we have to look out look for and try to figure out how to do it so it's fair right okay i mean i i think as a first step we we want to just have an order of magnitude uh number so if if that number let's say is the 45 or 30 or 10 uh that that would be even you know our model will will show the impact of that and if let's say we you know we settle on 30 the details on how we're going to get you know that 30% can be worked out later on but I think the first step is to to agree on the principle and the concept that you know we need 30% of the

1:18:56 benefits to be to be cut in order to prolong or sustain the system to catch point one way one way other plans have done to make it a little bit more equitable is define the formula based on the contributions and you know so if we have you know an employee and we have the information on each employees contributions we can define a formula based on that and whatever that amount comes out to be you know that that will be the benefit amount that person will get and if that's a 10% or a 30% reduction or a 50% reduction you know that's that's what it comes out to be so so that kind of takes care of you know someone who's only paid in 10 years into the system the benefit will be lower based on that formula one last question do you know of and could you share any any examples where that has been done in other systems I don't think we have examples in the public sector rocky but I know in multi-employer plans they have they have done some things like that right and the public sector to this point tomorrow the only one that had any reductions was the state of Rhode Island and I believe they had to reinstate those when they lost in court but Kathy we might want to research that and look at Rhode Island and see what they did yeah I believe the attorney who's on the other side and representing the gvi in that case was the mayor at the time and involved in it but

1:20:50 i so i can get information on that yep that's the angel should know that very very yeah the other thing in the on the multi-employer side of the equation they did have some some laws for cutting back benefits based on the age of the person you're cutting back so that older retirees presumably don't have as long to live and they're more fragile to the to their particular living situation you cut them less than you would say someone in there in their late 50s early 60s but that's another way you could model it if we wanted to I wanted to go back to one mr bobby's earlier question but procedurally what would need to happen the board is a very passive resolution saying there's a 45 cut well recommending that assuming you know once you review the analysis by seagull if you wanted to do something differently it's really a matter of revisiting that resolution and making whatever changes so the long and short of it is the board can do whatever it wants to do so you know you just have to look at the analysis and come to a consensus make some decisions and that's what you will go with and to piggyback to go back with what Pedro was just saying there are there is nothing in your legislation that tells you how to behave when the system is going and solving so you're you're in uncharted ground to a large extent and also there is that provision in the code that says that the grs should only pay for benefits that have been funded and so technically no retiree has fully funded their

1:22:39 benefits so there is a provision using that provision of the code where you could cut the benefits to the amount that they've actually funded it So, Kathy, explain what you mean. Okay. Because the code says that you must have the employee and employer contributions must, along with any money, must fund the system. So whenever there's a deficiency and the GRS sends the actuarial report, the government is supposed to put in that deficit to fund the system. They have not done that. So the system hasn't been funded. you can pay the percentage of what the employee and employer portion has funded and rocky i don't recall what that amount was i know we had discussed it well i'm by by by funding you meant the adec yes yes okay okay i think the adec right now is about 67 percent and the contribution is 23.5 percent so that comes out to be about 35 percent so in theory if if we follow that law uh literally uh you could cut the benefit by 65 percent now because that's not that's well they're only they're only funding 35 cents on the dollar right employee contribution also right yeah i think that's reflecting yeah i don't think you would cut it that much but i think that would be your legal argument you know basis with the on the fact that the system is going insolvent the fact that you still have active members that you need to protect and that the government has not fully the the parties have not funded the system this is the basis on which you are going to cut and you're not cutting the full amount of which you should cut you're you know so i think you could make a good legal argument for that

1:24:36 let's give me those numbers again the a deck is 67 and the current contribution is is that what 23.5 and and just fyi the a deck the 67 was calculated at 10 1 19 so or 10 11 18 10 11 19. So it's expected to be higher by 10-1-19 and even higher by 10-1-20 if nothing else is done. And the contribution, was that what?

1:25:16 Contribution, that contribution number includes the employee portion? No, that's strictly the government portion. Okay. And it says what? Or the 23.5, I guess? yeah it just went up to 23.5 in january before that it was 20.5 okay okay but but okay let me ask a question then the aid deck for someone who retired in in 1980 would not be the same as someone who retired in 2000 then in my opinion I think what you'd have to do is look at where you are today and say based on the based on the government's contribution and the employees contribution the money we get today how much of the benefits are sustainable based on that contribution we're getting today that's where the reduction has to be that's where the 45 came from is a reduction going back in time like you just described that could be that that's a whole different thing because for example the contribution rates were fairly low because the markets were so good and that's kind of being unfair to people just depending on how the markets were doing during the period they were working okay okay all right any other questions if none then we want to thank you both you're welcome good luck with everything guys

1:27:14 but we'll work up some options and some things and put together okay thank you guys thank you okay we'll be here okay very good bye bye bye Leo, any other comments? No, I just wanted to stay to hear also the actuaries' presentation and the questions from the board and any actions that may ultimately impact, you know, the investment side. So, I don't have any questions, but thank you for letting me listen.

1:27:59 Thank you. Have a good day, everybody. Thank you. Bye. Bye. Bye. Okay, let me get back to our communication, the correspondence is. Okay, I think the first piece of correspondence that you have in front of you is First Bank advice of credit.

1:28:41 That $5 million that was wired to account was a result of the order by the Gutsch Gomez in regards to what the government consultant RSN came up with that government of the Virgin islands owed the uh grs from 2010 january 1 2010 through december 31 2018 um and this amount was by court order this does not include any interest um i think with the interest and penalties it's going to come up to about another seven between under seven hundred thousand and eight hundred thousand dollars so that five thousand dollars is that transfer that was received based on a court order from the judge comers uh the other piece of correspondence is dated march 3 2020 it's uh addressed to the employees retirement system of the government at virgin island in care of mr austin l nips 43 should be 38 43 38 conference and goddess with once in thomas virgin island zero zero eight zero two five seven five one so we got to request for information on grs property appraisal estate coakley bay and estate huffman and nollyberg properties then mr nips we appreciate the opportunity to once again provide our real estate valuation services to the gvs gers please find attached a request for information for both properties of reference we would also appreciate if you could provide a contact for the inspection of each property we plan to coordinate a site visit as soon as possible thank you for your assistance mark klosky purcell because clip mullet and boarding appraisals uh the request for information included previous appraisal have been

1:30:45 the question was what um what based on the previous appraisal that were done was uh the assumptions the same and i responded previous appraisals have been developed on the assumption that two recorded estate roads within the boundary practice could be located should this assumption be used for the current appraisal and my response was yes please providing information regarding marketing efforts and listing properties for any request for bids and for a response of formal offer if you have occurred that this have occurred since the last appraisal completed in 2017 i responded there was a four million dollar appraisal that was offered prior to April 17 and prior to that there was a six million dollar offer for me please provide the most recent status of the property rezoning a related documentation as necessary there were no rezoning of the property since the last appraisal please confirm the most recent plans for the parcel at this time my response was to put to put the property on the market based on the board's intention or consult with VI Housing Finance Authority if they're interested in purchasing the property. As for estate coclive, the same information they were requesting, there were no bids or offers since the last appraisal in February 2017. There was no re-zoning of that property since the last appraise uh the last re-zoning that was done the initial re-zoning and the same thing as far as plans as for the board's um intentions to put the uh properties on the market or offer the properties to uh vi housing finance authority

1:32:44 all right excuse me for one minute um could i ask point of information mr chairman um excuse my ignorance but um is the in st thomas the estates hoffman and nullenburg property is that one property or two separate properties or adjoining properties one property that's just okay thank you thank you uh this is a memorandum that came from the office of management and budget in memorandum number 05 dash 2020. it's to all departments and agency heads of jennifer c o'neil director office of management and budget date is march 2nd 2020. that's the senate of la's request for information dated february 28 2020 the board you know and they pass this uh they have requested although we're not part of the general fund we have our own budget they usually request this information and then when we go to the legislature they may ask us questions about it or they may not the office of management and budget omb received copies of the post audit division fiscal year budget hearing request please submit two copies of the requested information to omb not later than monday april 6 2020 to ensure timely transmission to the post auditor this date may not be met because we are shut down until uh april 6 um so um it has been circulated to the respective department heads and we'll do our best to reply by then or ask for an extension They want us to reply to the following information Using this format in statement 1 and 2 Provided details of actual expenses by funds and prime account

1:34:39 That went to accounting A detailed listing of any charges listed in the other category in statement 1 and 2 Went to accounting A current listing of personnel employed by the department went to HR A listing of all government U.S. grants and contributions received on this burst If applicable to the department, that's not applicable A listing of all federal funds received by the department, that's not applicable. A listing of all vehicles assigned to the department, that's in administration and operations. A detailed listing of all accounts held by the department to include beginning balances in each account. That's a very, very involved information because we have to go back to all our bank accounts and give them that information that was assigned to accounting.

1:35:27 a listing of all professional services contracts for fiscal year 2020 that went to legal a listing of all outstanding vendor payments owned by the department by fiscal year that went to accounting all information in the department's role as lesser and or lessee that went to operations any other supporting documentation purposes the department feel is important that's administration please note that fiscal year 2021 information is not considered official until the governor approves the fiscal year 2021 budget therefore such information is not authorized for release please direct specific question on this matter to mr sean a george's associate director policy management unit at 7740750 extension 239 please be guided accordingly another piece of uh our respondents is an email from um the honor rebel senator alicia bond's office it says it's dated march 12 2020 subject is removal of bill number 33.0276 from the agenda good day mr nibs please be advised bill number 33.0276 has been removed from the march 16 2020 agenda for a committee on government operations consumer affairs energy environment and planning therefore your attendance is no longer required at this committee meeting time regards Michelle Elmessa chief of staff this legislation was in regards to the even the board were taking the authority from the board to set rates without the authorization of the legislature that ends my uh presentation communications and correspondences

1:37:22 any idea as to why they they withdrew that they have done it so many times i don't know why i can't tell you okay i know that we did let them know that um the the way the bill was drafted it it was not correct we offered our suggestions to think what it should be and then they withdrew it okay trustees any yes any other questions okay chairperson's report on march 9th i sent a letter to the editors of the various print media regarding geris issues only the consortium fungus sufficiently knows worthy to print it in its opinion section on 310 2020. they attended the tongue meeting the tongue hall meeting held on saint thomas on march 12th that the administrator did an excellent job while making a comprehensive presentation of the system it amazes me that in spite of the documentation present members continue to complain about the bad investments made by the board i can understand such such comments being made by the politicians in order to justify their lack of performance regarding the system here are some some significant information the last year that the plant sponsor provided more than 90 percent of the actuaries recommended contribution was in 1995. the plant sponsors required contribution percentage has progressively decreased to 36 percent in 2018.

1:39:27 between 2000 and 2018 the system was underfunded by more than one billion six hundred seventy seven million three hundred and twenty thousand dollars the system now has a funding level of approximately 23 percent and it is it is the lowest funded system in the u.s. the healthy system should be at least 80% funded and the senators have the temerity to say that funding was not the major problem with the system. In 2006 the legislature passed a bill allowing the board to engage in high-risk alternative investments because of the former's inability to properly fund the system. Unfortunately the board fell for the scheme and invested 50 million dollars in viadicals only eight million dollars were recovered from the system's investment portfolio in two zero zero nine the politicians again solicited assistance from the gis by requesting that the system lender right owners of carambola business over 15 million dollars in order that the hotel could be kept open and residents of st quest unfortunately within a few months the owner defaulted on the loan and that resulted in an equity ownership by geis in the hotel as supported by the administrator the recent town hall meeting carambola was losing money regularly and it was stamped to sell an asset that was not profitable if the hotel had not been sold when there was some activity

1:41:18 we certainly would not have been able to sell it today let me assure our members that the reasons for the present state of the system have little to do with bad investments the law precludes the system from investing more than seven percent of its assets in alternative investments during the legislative hearing held on february 20th i was told that i knew nothing about investment because i didn't know how much the market had increased from the start of a trump administration some inflated number was given by was given to make the senator look good today i know that on mars 2020 mass 28 2020 the market was lower than was at the start of the trump administration i also know that in the past week the market has decreased by more than 35 percent and if the board had put most of its funds in equities as recommended by the experts in that committee the system will be in a worse position than it is now I appreciate and thank our consultants who we pay a paltry sum and who encouraged the board members to manage risk since we are not predictors of the market in spite of the COVID-19 crisis I will continue to remind the members that it is the responsibility of the plan sponsor to fund the system after 28 years of underfunding only funding matters at this time my what word until I am no longer a member of this system will be funding end of my report any questions I see some of the any question any comments having none we will move on to the administrators report is that report written whose report that the one you

1:43:24 just know I can't find my no that was not in the if you wish I can send it to you, sir. Yeah, I appreciate it. Thank you. I will. Thank you. Administrator's report. Dr. Callender. Yes, sir. Just my two cents. I wish to thank all those who showed up at that meeting from G or representing GRS and took the hits that were unnecessary. But I felt it was it was something important. And I think at this point, it was a productive meeting in the respect that more people are taking us seriously about this situation so thank you i hope you're right sir i hope you're right i'd like to echo that with respect to the meeting the term meeting on st koi i know it was particularly aggressive the response of some of some of the members in the community and i think unfortunately the the the real message that we we wanted to convey got lost in the shouting so i i think notwithstanding that i encourage us as a board and as a as management to to continue not to be distracted by you know the noise At the end of the day, we have a whole community's interest to protect.

1:45:05 It's not just the membership, but we all know the impact on the economy and the overall quality of life in the Virgin Islands if and when this thing goes on. So, kudos to Mr. Nibs and the staff who took the brunt of the heat at those meetings. I think in the long run, you would have done the community a service.

1:45:37 So, thank you. Don't be discouraged. Mr. Trader's report, good morning. March 9th I attended a GRS versus GVI evidentiary hearing on March 10th we presented at a St. Croix Retiree Group I presented at a St. Croix Retiree Group lunch meeting that same date I attended a town hall meeting in St. Croix I want to thank all the employees in the St. Croix office for coming out and being our support i must say that i also want to thank kathy smith sharon suso and glenn bill helenson for um being on the panel and responding to the to the questions also attending that meeting was trustee cohen and trustee barry on march 12th i participated in his budget internal budget committee meeting and that same day i attended the thong hall meeting in st thomas where trustee calendar and trustee callwood were in attendance and also the board council again i want to thank kathy smith soranso and glenville for um for being on the panel and i also want to thank all the st thomas employees who supported us and came out and did all the strenuous work we just get the facts so um it doesn't bother me if they scream and holler but i was amazed that they're not concerned with the presentation as to the numbers they just wanted to know about his 30 cut they were more concerned about the 30 cuts all in all i think it was a very successful town hall meetings on march 13th we had an all staff meeting within grs where we brainstorm

1:47:29 about the um about the kovac kovi 19 and what protocols would be in place march 17 we met with the when i met with our return to work retiree regarding outstanding obligations to the grs on march 18th i met with the haven site mall tenants um this was done um just as we're doing it now by zoom and we have some discussions further around the regular sessions regarding to their recommendations on march 24th i attended a pre-bid meeting regarding the request for the RFP for roofs for the Haven side call on on March 25th which was yesterday I appeared on the Redfield radio show I also attended a GRS white coat transition meeting in regards to our member services or retiree application as of the end of to the end of March we still have 175 applications pending for retirement in different format mostly the they are not have not been processed and still pending because of missing NOPERS or missing retiree NOPERS. Refunds, presently we completed the three hundred and thirty cases. We have 105 pending. We have paid out 3.7 million dollars. Of that 3.7 million dollars, 3.4 million is for non-vested members. Debt Benefits from October 19, 2019 through February 28, 2020. We completed 31 Debt Benefit cases uh we have a 68 pending and from october 2019 through february 28 2020 we have paid out 1.2 million dollars in debt benefits receipts to beneficiaries as our life certificates uh we did

1:49:48 this is our second go around this is the first go around in 2020 of issuing life certificates we distributed 96 certificates were sent out 45 as of february 29 were validated that mean that they responded that they are still and it was still alive and 51 a pending receipt as far as non-duty duty disability uh we sent out 235 letters to our retirees who are on disability 22 are validated we are waiting 213 receipt of 213 certificates uh as far as the retiree payroll as of march 15 payroll there were 8712 retirees we have paid out from october 1 2019 to march 15 2020 117.1 million dollars the number of retirees we have added to the payroll during that period is 155 and the number of retirees we deleted from the payroll from october 1 2019 through march 15 2020 was 132 individuals know that in march 15 payroll gross amount was 10.7 million dollars As far as our loan portfolio, as of the end of February, we have 3,734 units still in force. Our mortgages, those were personal loans. Our mortgages, same period, we have 92 mortgages still in force. uh as of the same period our total portfolio which is on audited at this time is 44.7 million dollars the expiration dates on these loans expiration dates on the personal loans runs through uh 2025 Our building in St. Croix is relatively okay, no major issues, we're going through routine maintenance being done.

1:52:22 We do have our three estimates, we want to enclose the trash dumpster, it looks very unsightly, know the way it is right now so we're waiting we have three estimates we'll receive and we're sent to the uh assistant the acting uh chief operating officer for consideration the st thomas complex as you can see if you drive by is under major repairs um it's being painted right now part of it that has been repaired we're about 90 percent complete it on the exterior wall in the east elevation i think they are now on the western side so it's looking good however we do have a problem with our roof that needs to be fixed it has displaced our uh retiree payroll section because of water still coming in we don't want to do a temporary fix it's better to do the um it fixed right now it's also have been disrupting operation in the legal office so we are want to do a little fix there but we had to move the retiree payroll employees because some of those employees have health issues. There was a leak in the transformer that has to do with WAPA and it appears that both have to be replaced so we are working with WAPA to have that done.

1:53:46 Our rents for February, we collected $177,281.77 of that $177,000. For rental, we collected $104,278.67. For electric, we collected $73,00, $2.40. Total year-to-date, we received rental of $375,507.95. cents for electric we we had to reimburse for 291 615 dollars and 20 cents so we total utilities collections was 667 thousand 123 dollars and 15 cents as of april the end of april we have a rare of $40,000, $134.60 in rental and $29,085.42 in reimbursements for electrical expenses.

1:54:48 That ends my report. Mr. Names. Thank you, sir. Trustee Borey? Excuse me. Yes, sir. Any questions here? Dr. Callender? Wait, wait. Trustee Coyne, hold on a second.

1:55:15 Okay. So, Borey, you first. i have a very short report um on march 12th the the budget committee met any questions for for the administration on his report oh no no i'm sorry okay trustee I had a question on administrative report and it's mainly directed towards attorney Smith I noticed in some of the legal actions there was some defaults and personal loans and such and my question is if if they do default and disappear and we can't identify any assets are there benefits or their contributions um do can we recover any of that money it depends um trustee callwood if the i'm sorry trustee coin if the member is active then we deduct it from their contributions that are in if it is a retiree it comes directly out of their annuity okay thank you there's nothing for can't hear her you did yes i was trying to i i'm speaking can you hear me now yes you can see yeah but i was saying i think miss clendenin was trying to say something before i started to answer that's okay answer i'll get to miss clendenin she's not going any place

1:57:04 she might have added something she still had the time to add it okay well I'll okay I'm gonna pass it out okay it's gonna then I'm trustees I just wanted to mention mr. nibs mentioned arrears that we did get thirteen thousand one hundred eighty nine dollars and 44 cents from the Division of Personnel for the February rent, $13,881.60 for the November electric bill. Casino Control Commission paid $21,001.50 for their quarterly rent representing March, april and may and first bank for their atm paid their rent of 290 dollars and 20 cents so the array is much lower okay could you do that what you can do is augment that report that you sent to me from ms simon and right next to the references put what came in in march so it'd be easier for the trustees to just insert what came in subsequent to the report thank you I have a question, please. Yes, ma'am. For Mr. Nibs, you indicated in your report that 3.4 million was paid out to non-vested members. Could you tell me the period that was for again and possibly the number of non-vested members?

1:58:39 No, I can't. I don't have that in front of me. I can get it and get back to it, but I don't know. um um i can get it and get back to you okay thank you mr names those um those life certificates the dates have already expired on both sets um what what what are the plans now plans is that you would you would hold their checks okay we'll hold the checks until we we'll be able to communicate with them that they're still alive it's a large number of those that were due back on 320 is that is that the uh let's see this is the one with 235 was sent out yeah well what they have to do what we're trying to establish from these uh disability retirees they need to submit any source of income a copy of their uh tax return um it would survive and this is in this is in keeping with the vi code right so if if they do not then all we do is hold that check okay understood anyone else with any question for the administrator okay thank you sir okay we now move to committee reports wow one one one one last question um yes

2:00:36 sir one question and it's going back to the uh the number of pending applications some of them go back a couple of years back is there any way we could uh speed up resolving those well when you see something like that it's an employer usually it's an employer share especially with i don't know i i can go back and check we do have an analysis of who it is and i can't put my hand on it right now but when you see that happening it either the employee owes contributions or the employer refused to make payday contributions especially wang louis going back like 2013 and 20 to 2014 and 15. but when you when you said they refused that was a an active position that they refused or they just haven't done it well we are i mean they have they have there well there's a settlement agreement right now they have they're paying current deductions however the last meeting that we had they said they would rather buy injections and syringes than they don't have the money to pay the employer contribution because their focus is on buying supplies that was the response to us and in mr bowery in one of two cases we know it was personal okay but i'm just saying that response the last meeting that we had they claimed that their priority is the operation of the um hospital and buying whatever the needs are mainly paying accounts payables then instead

2:02:23 well i would think that the employer contribution is part of an accounts payable um we can discuss that in executive no because it goes i can give you some further insight but it goes into detail of the agreement so i can't discuss it in an open session well i'm just saying what was just the only question i i need answer i'm trying to get answered is have they acknowledged it acknowledged the liability and saying they can't afford it or they're saying that that they're not taking responsibility for it i'm just trying to get a clarification they have acknowledged i think what happened is the records they needed to supply us with certain records i think payroll records now with what we're trying to establish from them now i know there was a meeting um a few days ago and i haven't gotten any reporters yet because of the problem with the office you know individuals being out of office but i know that they had last week but it was getting the the data from them to establish the liability we we kind of estimate what it is but we need to have the actual amount this is jeremiah if i may pardon me this is jeremiah if i may say something sure yes um when we met with wang louis um most of their prior period um payments have been met however is the data for them to upload that's the problem we can't post if they don't upload and that's the major issue right now how did they come up with the amount in from they have to come up with the amount from a record so how can they upload upload the data

2:04:17 i guess it's recreating the files from all them years back they were having problems doing it but they you remember they need a lump sum payment so the lump sum payment covered those periods however the problem is uploading the files and when we met last week we realized that some of the payments that were sent in when they sent the checks what they did they said okay we are going to pay for this person and we are going to pay for this person but when the check dropped from their payroll it was to pay for a pay period so now they have to reconcile and try to figure out okay what it is we need to pay and that's where they are right now with that problem after we met last week that's where they are she went back she's gonna try and recreate whatever we gave her she's gonna try and recreate from that what happened so that they can reconcile and upload the files correctly now i know that there were someone from wangalui came to our office in st koi this morning with a check um and they obviously the office is closed so we have to reach out to them to see how we can maybe get the check delivered to us i know that mr excuse me you got the check yes mr miss nico got the check and deposited in the bank okay thank you okay so okay so it so it's it's not a matter of their saying that they are disavowing the liability they're just whether it's whether it's documentation or availability of funds they're just saying that you know they're not paying but they have that that knowledge that that is due to us i mean that's the distinction i'm showing to me yes i think so and you know um trustee board this goes back a long time uh from 2010 with uh mr nelson and um and you know i i know when you were there we we we worked together so we understood we were trying to get the payroll

2:06:22 records and we're getting something but um they have a liquidity a cash issue but we're working with them and like i said a check was delivered this morning okay so one last question on this i know that the the government uh those are and the legislation does an annual appropriation from what's that what's the fund what's the name i guess the uh revolving help people you help revolving fund no no no no no internal revenue internal revenue the matching fund the matching matching fund the fund that comes the fund that comes from the wrong tax there's an annual appropriation by the government uh and it was it's intended to cover the employees any missing employees portion so that the employee could um that's based on lack of permit so the the purpose of that appropriation is that in the event that an employee uh retires and they're missing government payments that it could be that the gis will be paid out of that lump sum fund uh the gis has to document and and send and send that request to the umb to be paid from a particular fund well you see are you are you familiar with that no i'm not i'm not familiar i may have no i just hadn't been it's not on my fingertips right now but even for us to document we would need the actual amount unless we estimate it and send it to omb right miss uh

2:08:13 jeremiah yeah okay okay i i understand that i'm just saying but for those that they're saying they can't they can't pay because they have to buy medicine instead and it's tough to argue with that but for those um that those could be reimbursed from from the particular phone okay so check into it it was when i was there was like seven million dollars a year something like that was it was a hefty number okay i will okay okay thank you okay community reports mr barry you're on yeah the the budget committee met on the 12th of march um basically we had one item on the agenda that was to complete our review of the 2020 budget and we had we conducted a trustee members present to a ball we calendar and smith we had a lengthy discussion extensive and a review and we were which was facilitated by a good bit of the senior staff led by mr nibs and i think at the end of that we had all our questions answered and we were satisfied with the justification and uh i'm prepared to to make uh to recommend to to the board that the board adopts the the budget that was submitted and i'll be prepared to make the the motion more specific later on when we get to that point on the agenda all right any other committee reports um i'm sorry trustee call would you another than

2:10:08 me then yes okay i think he left your name okay how did i miss that i'm sorry i know i'm feeling hurt is that why you're smiling man sorry I'm sorry yeah I was like me yeah I started okay I'm sorry no I smile all right any additional committee reports policy committee we are going to have now that we are mastering zoom i need to have a meeting short order we have a couple things that we need we have to finalize our board manual and in light of this new form of meeting we're going to need to include uh electronic meeting or distance meeting or create an electronic meeting policy if you're trying meeting policy or include electronic meeting segment to our meetings so we have to make that determination so i'm going to ask for next week i need to finish up this school situation for this week and then i'll ask you guys to have a zoom meeting next week when i have all the documents in front of you the american review committee had the week for 23rd of march and of course this was uh postponed excuse me one minute um so next week the policy uh committee is having a meeting

2:11:57 yes i'm gonna ask you i'm gonna give you two dates and you guys will choose which is best okay and and send us whatever documents ahead of time please yes you already have the mag the original policy i'm gonna send you the addendum and you make a determination if you want to have it as a standalone policy or incorporate into our meeting segment of our manual thank you very much okay all right treasurer's report good afternoon both chair and other trustees this is the government employees retirement system schedule of receipts and disbursements for the month ending ended february 29 2020.

2:12:49 receipts from collection loan payment loan repayment one million six hundred and sixteen thousand four hundred and forty three year to date eight million six hundred and seventeen thousand eight hundred and six rent from tenants slash utilities ninety seven thousand three hundred and thirty four year to date five hundred and thirty one thousand six hundred twenty nine rent from havenside tenant four hundred and seventy five thousand one hundred and forty five year to date 2 million 628 298 employer retirement contributions 7 million 799 221 year to date 36 million 80 872 367 employee retirement contributions 3 million 995 573 year to date 20,334,307 parking facilities 670 year to date 5,330 miscellaneous 405,265 year to date 2,005,536,538 for a total collection of $14,389,652. Year-to-date $71,526,274. Disbursements and UTI payments $21,934,598. Year-to-date $110,146,039.

2:14:49 Administrative expenses, $1,722,957. Year-to-date, $6,578,974. Personal loans, $11,507. Year-to-date, $146,506. Mortgage loans, $16,414. Year-to-date, $108,011. retirement retiree loans five thousand six year to date nineteen thousand two hundred and forty six then there is nothing for utter loans and land loans for the month of february yesterday utter loans twelve dollars land loans nothing for the year refunds of contribution one million eighty four thousand eight hundred and sixty nine year to date four million seven hundred 731,941. Allotments to Weichel slash management fees, 729,641. Year to date, 874,960. Total disbursement 25 million five hundred and four thousand nine hundred and ninety one nine hundred and ninety two i'm sorry year to date one hundred and twenty two million six hundred and five thousand six hundred and eighty eight for a net cash deficit of eleven million one hundred and fifteen thousand three hundred and forty year to date fifty one million seventy nine thousand four hundred and fourteen that's in the reading of the treasury report thank you ma'am so how how is that how is that how is that 51 million dollar negatives being made up by withdrawals from the from our speech our investment okay

2:16:56 okay that's the only question yes okay just to call what no questions here such a coin um what i was looking at was what i was looking at is the rent from haven site um in comparison for last year and this year but i know for a fact for march and april is definitely gonna go down mr nibs we're well that's actually you know what no that question is for our other meeting never mind no the question i was going to ask i need to save it for the other meeting the transition group so never mind okay so you know no questions just a coin no questions at this time okay I have no question I need a motion to accept the treasurer's report I'll so move trustee come and still move to accept the treasurer's report as is second let's see call yes trusty barry yes just to go in just to go in yes yes trustee liger absent trustee mcdonnell absent trustee smith absent chairman calendar yes

2:18:54 four years three absent thank you the treasurer's report has been accepted the investment officers report I don't know if he's here. Is the Henderson around? He was. He was up there. Hold on, please.

2:19:23 I think it was down there. He should come upstairs. He said he was having internet problems. Is he present? should be he's okay he stepped away from his computer because he was there before can we jump to the item about the generator to approve the generator he's not he's not answering he said he was having internet problems yeah but he could have come upstairs if you i don't know if he's downstairs i don't know if he's down he might be home yeah i don't know okay mr henderson isn't here um we actually a lot was presented from this report that he when mikita was here do you still want me to read it in because just about everything he said came from this report i think you have to for the transcriber don't you need to um i will uh on the second page the total plan performance the total plan return zero percent for the month total equity return negative 8.1 for the month with that 8.1 it should be 1.8 let's see 8.1 negative 8.1 for the month and outperform the benchmark by 10 basis points the total fixed income return 1.5 percent and underperform its benchmark by 30 basis points and total alternatives return negative 0.1 percent and outperform its benchmark by 790 basis points uh the uh at the end of the february 28 the cash flow monthly cash flow update we ended the month at approximately 582 million dollars no funds were raised in the month of february the system planned to raise 222 million dollars in the month of march 13 million from liquidation of russell 1000 growth and 9 million from liquidation of russell 1000 value funds uh the beginning of the month the total plan was 582 178 582 million 178 581 net cash flow was zero because we did not raise any monies in that month Our income was $295,166. We had a loss of $433,084. Therefore, the ending market value of $582,040,663 for the end of the month. Our notable fund performance, Russell 1000 value returned negative 9.7%, the Russell

2:23:07 1000 index returned negative 8.2%, Pew Capital returned 2%, and outperformed its benchmark by 17 basic points, U.S. Debt Index return 1.8%. That's basically it. All right, thanks Mr. Nibes, I'm gonna slide with the performance.

2:23:45 it would have been great if you had some more money in the fund but okay we now go to regular regular session item number one approval of funds for generator the system was became very vulnerable because our main generator here at the TRS went down because I think that gotten water in the in the system and we couldn't we couldn't operate it's a good thing that we were able to get the payroll on through some type of a relationship with the banks to get the direct deposits up so we know that we formed a disaster recovery committee and one of the recommendation is that we have a backup generator now there was a generator that the first bank um owned which is on the south side of the building we thought we probably could have used that generator however it um we couldn't use it also i think we couldn't get it permitted by dpnr i'll let you i'll let you talk to you so what we did is we went out and i let legal because there was some legal back and forth with the agency so we went out and we we got quotes for a generator that will take the load of entirely payroll section and accounting and also uh the i.t because these are the the sections of the the system and the backbone

2:25:43 support to to move the entire operation so i would let the attorneys get involved because they were more involved with this than I was. So, Kathy Smith, you're getting it. Yeah, we looked at using the first bank generator, but there were several issues with it. It would have to be, because there was a change in ownership, it would have to be permitted. We could not find any of the information. We couldn't find the old permit, which if we could, it would have sped things up. Also, the cost to retrofit the generator so that it would meet the admission standards was going to be expensive so we decided to scrap that and then look for a new generator because one of the issues with v3 was that when v3 went down because the generator went down everybody knows it caused a lot of issues and it took months before v3 could come back up and so it was mr thomas who really spearheaded this to want to have a backup generator for i.t and then um in discussions with mr nibs we decided to also add payroll onto it so that we could make sure that we could always get out the retiree and the administrative payroll so we did um originally we had it listed as 150 kw 155 kw generator but we had the company come out and do a load balance and they determined that we'd only need a 50 kw that that could support those um those um sections and so what mr nibs has presented is uh a new quote for uh kabuda 50 kw at 29 895 dollars and that includes um delivery by crane trucking it to the grs site it doesn't include the

2:27:31 electrical installation though that would that would be a separate um i have is it okay for questions yes go ahead sir i have a couple of questions what's this v3 you mentioned what what is it deep you're saying or v3 is our software system that um holds all of our member records that's what we use to retire people it has our loan system on it and so it held up trying to be able to retire people it held up and being able to add people to the payroll because we couldn't get into v3 we had to work with the software provider to bring it back up it's the equivalent of the erp in the central government it's the equivalent okay got you got you and and as i understand and this this is uh in saint thomas this is saint thomas this is saint thomas yes as i understand it you you're purchasing a backup generator to cover a partial load partial load requirement yes and that was the recommendation to just have the backup for those two sections um that was a recommendation based on what it means um that was mr thomas he wanted to have it separated he had some reasons i don't remember now what the reasons were that he wanted to separate it but the thing is that if the if whopper goes out and the main generator doesn't turn over at least we know that we can function with that backup generator i understand the need for the backup that's not no question there for me my question has to do

2:29:34 what why we want to buy how much more would it cost to try back up to do the full to take the full loan as opposed to the partial loan um that was one of the considerations i don't know but mr mr thomas had technical reasons why he wanted to separate it and it's unfortunate that he's not here to explain because that was originally what we looked at because mr burrows wanted a backup generator that could run the entire office but there was technical reasons why mr thomas wanted it separated can you get him i like i like to hear those okay i'm not i'm not technical here we're gonna try to reach him but can i see the core i mean just do you have any sense of what what it would cause though i mean i don't know what size we would need to run at the entire um but if you look at the quote if you look at the quarter 155 000 hello terry sorry the quality there's a question in regards to 57 000 would that not be sufficient to run the entire system no that was the quote i think too i when we when it was originally thought that it would run everybody but then we did a load survey and so that load survey showed that that request was too high, but I don't know. I don't know what the general is. Well, there's four reasons, one. Can he call him? Can he call him? We have the main general.

2:31:11 Is there any way you can come into the- No, call him, he called him. Oh, call me at 693-39-22. 693-39-22? That's correct. 39-22. All right, okay. Thank you. Hello, Terry. Thank you for calling. Hi, Mr. Neitz. Good morning. Good morning. Good afternoon. Good afternoon.

2:32:17 Yeah, what I ask is that maybe explain the reason why you would prefer the generator be separate for the IT and the payroll. Okay, two reasons. One, the current generator that's there is at near capacity. That generator went in, I think, 1997 after Hurricane Marilyn. Number two, having a separate generator would allow us to continue ITF payroll operations independent of the first generator in the event it failed.

2:32:54 one of the reasons we had some issues after irma and maria was when they had to take the main generator offline for fuel and servicing issues it required us to shut down the network and that impacted our pension operations okay mr thomas one of the questions mr bowery had was why can we just get a backup generator that would run the entire operations and as i recall you had some reason why you didn't think that was the best option and i just couldn't recall well cathy if you're saying get a premise-wide generator that's going to require a lot more work to be done because you would have to find some place to put that generator that's number one um number two Having a separate generator gives us an additional layer of protection in case the main generator goes offline, you know. I think that generator, the main generator, if my memory serves me correctly, is like a 900 kW.

2:34:08 I think in speaking to borrows and the nutrition, if they were to replace it, it would need at least a 1.5 megawatt unit. know so having a second generator basically gives us an extra layer of protection i i uh this is this is mr boring i was not questioning the need for a separate generator i was i was questioning why we decided to go with a separate generation that only covers have a limited portion of our load if you're going to get involved in adding a separate generator particularly when you're saying that the the current one is approaching its its its load capacity why why not go for a separate generator one of the things taken into consideration was the location of the generator has been replaced If you were to see where the existing generator is, which is a smaller unit, that was one of the considerations given.

2:35:24 Basically the original plan was to retrofit an existing generator. And so once it was determined that retrofitting that generator would be too much of a headache, There was a, you know, looking at something that would fit in that same space versus having to build out a bigger space. Well, I mean, aren't you going to be facing that soon, according to you, saying you're winning up against its max capacity? So aren't you going to be faced with that soon? Can you repeat?

2:35:58 i said um you mentioned earlier that your your the current generators is hitting up against its maximum capacity so so aren't you aren't you going to be faced with um replacing it soon i mean why not why not use the opportunity to that's a question uh that's a question mr barry i could not answer because that would fall under facilities i don't know what their long-term plan is with that particular generator the generator operates very well it's just that during the storm there was water that went into the generator it we we test that generator every monday it operates well it never did that before a lot of water went in so we what we need to do is make sure that we the water doesn't get in there the next time somehow okay so so i mean that that that to me is a mixed message there so you're saying we don't need it i don't think we need we need that uh we don't need the present um um what we're trying to do presently just for the two units i think would suffice in the event that that main generator have any problem before but we haven't really been having problem it is maintained routine maintenance is done periodically and i've been here 13 years and we never had no problem like that other than with the hurricane but but it seemed to me one of the concerns i'm hearing is if i thought i understood terry to say that one ish may be either size or a space to put a bigger generator but i think mr boy's concern is if it's going to cost us another five or ten thousand dollars to get a generator a bigger one that could carry the entire system it may be cost effective to do that rather than spend thirty thousand on a generator that's only going to be able to run a portion or limited portion of the system you're going to need at least

2:38:13 900 you're going to need at least 900 kilowatts 1.5 million that's about 600 000 or 700 000 or more than that well i guess the space is an issue where would you put that generator you have to take a parking space i think all i'm saying is that one needs to then show them what the numbers are so they can make that decision they don't have that in front of them i have a question for mr thomas so thomas regardless of this of this new whether we get a new generator or not regardless of the size you still want to have a separate generator for your it area right we want to have the ability to provide the services necessary to the system in the event of a major disaster and having a second generator gives us that level of assurance right so it doesn't matter whether they get a new generator or not you still want to have that generator for you for the area that you that you need that's correct that's what you're saying right yes okay okay i mean does that make it any clever trustees he still needs to have that separate generator for that area but but does it have to be a separate generator just for i.t or does it matter that it's a second generator that could run the entire system that's going to take longer that's my that's my question i've never questioned the need for a separate generator that's not my question at all i'm questioning whether if we're going to invest in a segment generator whether it would be more cost effective to invest in a second generator that carries the entire system

2:40:16 as opposed to invest in a separate uh separate generator that only carries it and whatever else i think one of the considerations i i i i mean i i i t is a critical piece of critical component of what we do but that's not all we do well one of the issues also was this where to put this second generator it's a big generator we'll have to take up parking spaces plus the new air conditioning system will be taken from the roof and it'll be put on the ground so you're going to take up a lot of parking spaces plus you have an investment of probably close to a million dollars instead of 29 000.

2:41:00 because i think i asked the same question to mr bottles why don't we get yeah that we that's what you wanted that's what i wanted already so when do we go from here excuse me the uh trustee coming The idea for that amount of money to get the second backup generator for the new IT, because all that equipment was just purchased, you know, and protect the ability to send out payroll on our own, I think is a high priority.

2:41:52 And for that price tag to have that separate generator, we need to do that. Now, to go and spend $600,000, $700,000 for a new generator altogether, let's deal with that when the time comes if this present generator is still in good shape. My only concern is that this is not in the budget, $29,000 out. You may want to increase the budget or the administrator has up to $30,000 per transaction outside of the budget to expand you you have you have almost four million dollar budget estimate but for 2020 for capital expenditure uh you can find 29 000 in there well we can try you know i'm just letting you know you can you can try i just brought it up that in the event yeah i mean you you need to you need to look at the four million dollars and see and find thirty thousand dollars out of that fine okay well it's gonna be a little more than 30 because we gotta do the electrical installation well tell me now how much is it uh we don't have a phone for that yet i'm estimating electrical yeah we don't have that yet um come if i think if if someone what are we i will recommend is that just now when we when we come to that point we would submit a supplemental to the board for consideration if it's not within the thirty

2:43:44 thousand dollar limit uh that the uh authority that i have but i understand uh mr barry's um position we will see these are estimates so coming out of capex you mean yeah yeah they're estimates because you know things can happen i mean you already have the 2d and you don't have your budget yet so all right but they can be encumbered yeah there's some urgency because we need to get this um unit ordered so that we can get it permitted so by the time it arrives on island it'll be already permitted and it could be installed before hurricane season and that's what the push is i think coming over through the monies so they don't want to find anything in your in your budget with the 3.8 well you know the board would have to give us authority and i came to the board many times to give me the authority as long as i'm not in a deficit position at the bottom line to give me the authority to move monies around to reprogram money well i mean if i mean that that would that would be inherent in this approval i mean if we approve this today that would be uh and we tell you find it there then then that's that's an inherent approval okay so we're seeking approval of uh the 50k oh yes what were you seeking we We got to get approval from them.

2:45:16 Yeah, the $59,895. And according to the budget committee chair that we try to find monies within the current budget to payments capex. actually is a motion needed to approve uh mr nibs um utilization um pursuing this yes and maybe maybe don't based on uh mr mr barry the budget chair has said that i should find the monies within the current budget to do it or also another option is within my authority for any one single item the board has given you that authority up to 30 000 to expect so then we don't need the approval right but i understand i understand that we're not we're not increasing the budget and correct right right we understand that okay um so then if if it's a hundred suppose it comes up to 50 000 60 000 with electrical my limit is 30 with the equipment um i have to find money within that budget you're better you're better off just yeah you need to find it in the body that's what i'm saying you got that's right 3.8 million dollars within the capex or within the

2:47:14 budget outside of personal and fringes yeah with the capital budget within the captured budget you have the the budget we're going to prove today um is 4.4.6 million almost five million dollars a capital expenditure and these are all based on estimates so you find 55 000 million there and if you approve the purchase if you approve the purchase that's the authority you need well miss uh clandinen isn't there a change out of coming up with the uh the uh st koi building shortly how much is that the st thomas building yes the st thomas building it's not change over there that is not in the budget yes we haven't got it yesterday or day before it's almost 300 000. okay see what we up against mr barry that's fine when that time comes you do it okay okay let's go let's go on the list so we don't have any change orders going in the opposite direction oh you're a tough one uh i haven't seen it yet you never have a change to go in the opposite direction never i i i can't promise you that sir we're gonna look at it sir we look at it right right right now right now the approval as i understand it uh-huh

2:49:01 is that we're going to approve your purchase i don't know you still need you still haven't given us the even an estimated number for the installation which which could which could run as much as as the portion of the equipment itself about 20 000. okay so we're looking at 60 000 that's something like that yeah and we we the authorization you get in is to go ahead and obligate that within the capital improvement budget and it's going to stay within the within the uh six point something was it 4.7 million dollars that hopefully will approve today and what about the change order coming up and we still haven't done the i don't know okay we can come back to board for some type of something yeah i mean it may be that some of the things you have and you need to come out yeah well what we can do what we can do i'll postpone yeah we can we can uh postpone well i'm not sure if we can postpone until next year budget but what we can do is do our analysis of what next year's budget next next year's budget is six months away and yeah yeah it's coming up yeah and for four to those six months you can't do anything because we have to quarantine right but at least we should encumber the amount or accrued encumbered out encumbered out of the current budget well you can't even come with it any income when you wait to encumber is when you have a firm number we do have contracts that's what i'm saying that's when we encumber when we have contracts

2:50:56 so we do have some firm numbers with contracts and agreements okay so how much you have how much how much you have income okay okay right off the top i can't tell you the ceo or the tfo can can but i understand your point what we'll do is um we'll go ahead you'll approve the budget we'll try to find the monies within the budget and we can probably do budget actuals maybe up through june see if um if we can can find some monies in there and if we're not we'll have to come back to the board there you go okay there yeah and then we probably could offset some of that from the operating budget at some point yeah yeah well okay fine i don't have any problem but the board have to give me the authority because i came to the board before and they didn't give me the authority to reprogram where i think that i'm not going to use whatever was uh was approved okay give me that authority i can do that okay all right now the authority i put the authority i'm willing to support right now is that it comes out a capital budget for 2020. okay fine we'll do an analysis and by june and we'll be able to determine with budget and actuals and to hope and completion percentage of completion and see what we can do okay uh okay there you go all right good no problem but you still need the motion to also pull the expenditure out of the i'm prepared to make the motion if i have a number

2:52:47 29 it's the uh 50k um generator in the amount of 29 895 dollars mr nibs the the quote we have is a 40k i didn't send some this morning for the first this morning there's a no quote we have for the 50k it was sent out this morning it's twenty nine thousand eight hundred and ninety five dollars okay okay mr naves between you and kathy frame frame the approval that you need what give me the words to to to to and i'll make the motion Motion to approve the purchase of a $50,000 generator for the purpose of providing load for the accounting, payroll, and IT sections of the GRS.

2:53:57 In the event of a catastrophe, an amount of $29,895. I so move okay the caveat that it's it's it's within your existing budget number to be expended from the 2020 capital budget okay right exactly second I still second it okay All right, give me the roll call.

2:54:53 Second is Calwood, I mean Cohen. Yeah, Cohen. Trustee Calwood. Yes. Trustee Bowery. Yes. Trustee Cohen. Yes. Trustee Liger absent. Trustee McDonnell absent. Trustee Smith absent. Chairman Cullinan? Yes. Four yes, three absent. uh just one last question i have one last question i have if you could answer mr news um any capital projects support that you sent to support your budget there's a long list of capital items which of the which of these haven't started know it and could be could possibly be postponed to the next fiscal year I miss you have to help me because you work closely with a contractor the exterior and the AC and the northern roof all have been started and the fence at nollie bird okay so which one everything else has not started yet okay let me sorry um so so tell but only listen tell me which one have not started tiling tintin lobby security cameras transformer lighting have not started yet although we we have all quotes in hand we just needed a budget to start but they have not started yet

2:57:02 okay um so that's that's 120 that's about 200 000 right there it could uh trustee barry to us to determine that where we're going to get those monies from give us the chance to do that because we got a determined priority transformer is very important to us i need to sit with the uh the staff to come up with uh where we can forgo or postpone that's what i wanted to hear you said mr mr yes i'm gonna do that go ahead i agree we'll do that and send your report okay okay all right are we are we okay now yeah okay who's doing update on jazz code i want a virus protocol i let miss clinton and do that she's in charge of that I'm sorry, I was typing. Could you repeat?

2:58:22 I want you to give an update on our protocol within GRS as far as the COVID-19. Okay. What we have done and now we're under the executive order. Thank you. Good afternoon again. Prior to the executive order and prior to all that's going on in the community, the GRS had contacted our suppliers to procure for the staff some supplies to Lorax wipes and Lysol sprays and hand sanitizers for their own safety we've also increased the number of times the maintenance and custodial staff do the disinfecting and sanitizing of high frequently touched areas prior to to the executive order we had meetings with all the management staff and devised a remote work at home plan for two days a week and the remaining days would be in the office with friday being closed so the staff had worked through who would work how and when and equipment however because of the executive stay home order we have suspended the staff coming into the building two days of week and those that can work remotely would do so we had set up in our lobbies drop boxes which will continue as we had suspended the in-person services as to protect the staff and our members we would continue that even if

3:00:13 we reopen just for a while that they can drop off all documents. We created a customer care at usbigerst.com. That person can contact us with any questions and that's how we know about the check for Wang Lui today because we have several people on that email for all of us to feel what's going on to continue the business of GRS so that's where we are the return to work date is supposed to be Monday April 6th we will see if that holds true or if we are suspended till after Easter or we'll listen out for the governor and mr. nips will make a determination how does that if at all affect GRS that's it ma'am yes trustee's any questions any comments we don't have any employee or employee member family member who's gotten ill has doing we don't many employees um or well family members not here um my sister's not here but she had it she's in seattle um but not locally that we know of and again the payroll continued miss jeremiah and her team i know she's still on the line um work to get out the payroll so they got their payments a little early um working through that with the banks if anything else happens um we were able to get lots of people on for the 15th payroll that will be at the standstill until we return

3:02:08 to do the rest of the cases for the 30th um payroll by payroll you're talking about the the annuity payments that's correct trustee there's admin payroll which will go admin payroll is regular and then the annuitants so just clarify what you said you you got some done or not the rest no through member services We were slated to put almost 25 persons on the April 15th payroll. We got almost 15 on, so the others will be slated for the next available payroll.

3:02:52 Oh, okay. These are the additional ones? Correct. Okay, gotcha. Thank you. This is Jeremiah. payroll managed to get 22 additional for the April 15th payroll. So we did add 22 to the April 15th. And that is just awaiting the upload to the bank, but it was processed. So we just have the final part to do when that time comes. Thank you, Jeremiah.

3:03:27 Welcome. Okay. Okay. Are we having a presentation with the Haven Mall Merchants Association? Well, I gave them the link. I'm not sure anyone is on there. So I can, I'll just go ahead and just speak to the board in regards to what occurred in the meeting. I sent an email to the board and for board consideration. As a matter of fact I just received another letter this morning. So if Ram is not on the line, Ram are you there? If not, we'll move forward. Mr. Chairman on March 18, the Oversight committee met via zoom as we're doing now with the Havenside Mall tenants was a diverse group not only the merchants with businesses catered to the cruise line passengers it was a very good mixture there were many issues discussed malfunctioning of the generator this is something the oversight committee has to look at again because yesterday we had a meeting with the WICO and we have some issues with that generator as to ownership and all of that stuff so that that is on the table but the generator malfunctions meaning that it will work for like maybe a half an hour then it shuts down needs repairing they wanted to have more speed bumps needed in the mall some stores have closed for two weeks and from what i understand yesterday waiko had asked all the uh restaurants to close down by 6 p.m that's the business offices the restaurants have already closed

3:05:28 they were talking yeah yeah daily deck was that close he told them to close by 6 p.m tomorrow today yesterday okay grs should close down the mall they they uh the tenants were saying we should just close the entire mall down and at that time at that meeting the only non-essential retail is is closed except the post office and the restaurant for takeout as far as i know yesterday the meeting with waikud this says that the mall will close they uh they will have the restaurants in the mall closed down that's by 6 p.m march 25th based on mr raki i think delhi deck was there because i saw them doing takeouts um i was over there that day however the main discussion centered around rent abatement and or rent reduction i don't want to talk about any rent reduction but this is what the the their recommendation was tenant's recommendation and i'll read some letters into the record rent abatement for the months of march and april from what i know some of the march rents maybe have already been paid we need to confirm because of the staggered dates for the receipt of rent payments also they're looking for a rent abatement during the off season May to October because no one knows what will happen after the closure dates the 30 days I think that's 30 days they're talking about would the ship still come at capacity it's one of the question would people be willing to travel like

3:07:19 they used to before I gave my recommendation I would like to read into to the record some correspondence that I received three pieces of three letters that I received there was another one received I can't find it that came from little Switzerland but I read the letter into the record for tap and silk date March 25, 2020, from Maria Austin and Oman Edram.

3:07:56 Little Switzerland. Okay, thank you. It's re-COVID-19 impact and request for relief. In recent weeks, our global economy has been shaken with COVID-19 pandemic. Tap and Still Havenside attempted to adjust in various ways while keeping the safety of our employees and customers in mind. In the past two weeks, Tap and Still saw unprecedented declines in restaurant traffic due to lack of cruise ships, overnight guests, and local businesses. Even after the hurricane, we hadn't seen such a decline. We continued to try and provide basic take-out service for the past week with no success.

3:08:35 And as of yesterday, Tap and Still was forced to close its doors island-wide for the first time since its inception. By this letter, TAP and STILL respectfully request that WICO, which is now GRS because WICO sent it to us, immediately suspend the rent. We recommend this measure continue until the travel industry rebounds and for this pandemic and ships and overnight guests start calling again. Immediate implementation of these measures is critical to offset the lack of revenues, but we don't foresee being able to continue operations in the future. Dappen still values its partnership with Waiko GRS and believe that together with these rent allowances, we can preserve the restaurant service at your port and be ready to emerge stronger than ever when the customers return. Managing Partner, Mario Austin. Another letter from Bull Chance, Ashok Chugani, dated March 20 in an email. Good morning, Mr. Nibs. We thank you for the online meeting with Havenside Mall's tenants the other day and for clearing up most of our doubts and reassuring us that the mall will run the same way, if not more, enhanced improvement after Wyco's departure. There was something that said about moving the tenants from Warehouse 4A to Warehouse J.

3:10:02 Please confirm as the song was going off and on. we currently are in warehouse 4a and look forward to moving our warehouse operations from there to warehouse j when it is ready looking forward to hearing from you on the rent abatement from the grs board and you for april and may thank you for all thank you and have a great weekend regards ashuk sugani bull charge letter from porter sale that i received this morning from joel trannum uh it says good morning mr nips this is the email i'll read a letter after the world has turned in vast and unexpected ways since we parted ways in the departure launch a month ago and little for the better alas i can only hope that you and your family are well and safe in florida at that time i was going to flood up here a port of sale we are trying in every way to stay ahead of events and give your tenants hope and heart in the face of rapidly unfolding events. To that end, and with great respect and reluctance, I forward the attached request for rapid near-term consideration, so in hope that we can immediately pass relief along to our tenants in the name of GRS and without delay. Your prompt attention to this will be deeply appreciated by our tenants and by everyone in our community respectfully yours joel trano canaan developments he also penned a letter it's addressed to austin nibs administrator ceo employee retirement system government employees retirement system grs complex in thomas us virgin island 00802 is dated march 26 2020. there mr nibs i hope this finds you and yours safe and healthy as we live through these extraordinary and trying times both locally and worldwide. As you know, Port of Sale has been one of your most reliable and responsive tenants after since we signed our lease in March of 1995, almost exactly 25 years ago. We have weathered major hurricanes and the financial crisis of 2008 without complaint and without having ever asked for or received any relief. Forgiveness or reduction in our obligations,

3:12:26 to you but now in this world war crisis and with the government ordered shutdown of effectively our shutdown of effectively our entire economy we will find ourselves in a position where we will we realize we must seek your assistance if our tenants are to survive and strive again when the current crisis passes as you can imagine and no doubt here differently from your tenants on the dock with no ships and bars and restaurants closed and all non-essential activities ordered shut many of our tenants are on their knees and begging for relief what with that in mind and with the prospect for a speedy recovery every uncertain very uncertain i would most respectfully seek the assistance of grs with respect to our ground rent specifically we would request a forgiveness of rent preferably for the next four months but at the minimum for the next three months for our part port of sale will pass that relief along directly and fully to our tenants making absolutely clear that this relief is due to the community-minded leadership of you and of the grs we feel we must do whatever we can to assist in bringing relief to our tenants especially to our small and most endangered tenants if you are to survive and recover additionally in as much as we trust that our ongoing negotiations aim at your goal of purchasing the port of sale easel and folding our business into your control of havenside mall and the other properties you own on the cruise dock ship dock will continue we would like to make this additional commitment if we are able to conclude these negotiations and close on our sale and your

3:14:20 purchase of the lease in a reasonable period of time say by the end of the third quarter of this year we would apply the amount of the rent we are requesting be forgiven in this letter as a credit against such final price as we hope will be negotiated between port of sale and the grs in the near future we respectfully ask that you grant this too proud and proactive approach to saving our tenant base our ability to make known the assistant that your rent forgiveness would provide our tenants at the earliest possible moment may well prove critical to your decision decisions with respect to our immediate futures and certainly will go a long way towards building their confidence in the strong recovery and bright future that i know you and i share as our wish for the virgin islands with best with all best regards respectively yours joel trannum president another letter came from another letter came from uh little switzerland it's an email wednesday march 25th 2020s from tom ballas and subject message on covet 19 there mr nibs and miss katie smith i wish the best to you and your families to and fellow employees during these uncertain times as a carillon based company we have navigated disasters in the past but this one is uncharted waters unlike a hurricane there was no planning for this event you have all been gracious in the aftermath of those past disasters and i'm counting on you to do so now we have been great partners to each other and hope this is the case for many years to come our first obligation is to the safety and well-being of our employees and customers

3:16:09 we began advising on increased cleaning and personal hygiene procedures a couple weeks ago based on recommendation by the cdc and who we are developing plans for remote work and begun the temporary closing of stores yesterday which we believe is inevitable from a public safety perspective and possibly a government mandate although all businesses are dealing with many issues right now our situation is unique in that the great majority of our customers must travel to our destinations for the unforeseen seeable future this simply will not be possible cruise lines have ceased voyages originated in the united states for at least 30 days and flight schedules are changing rapidly some of our markets such as aruba curacao and st martin have restricted inbound travel from u.s and many other countries in the very near future our revenue will approach zero we must anticipate that once things begin to normalize in the u.s our recovery will be many months behind as we will not only need the cruise schedules and flight schedules to normalize but will need people to travel again based on our anticipated slow recovery in quotes we must suspend we have suspended the placement of new orders and the shipment of existing orders we have cancelled all upcoming events and will cease to plan any new events at this time almost all other marketing initiatives will be cancelled or put on hold indefinitely what we need from you now is the following is suspension of rent payments until may 1 2020 to give more visibility into the global situation agree no late fees or interest payment on suspended payments consider a cessation of rent until we are able to reopen our stores

3:18:04 and return to some normalcy in our business the action we take now will give us a better chance to cure our long-term relationship with you. Tom Baldus, VP of Operation, will be contacted you in the next one or two weeks to discuss the options. Please be patient as we are truly overwhelmed with the amount of issues we must deal with. Personally, I am focusing my time on our employees as we will be forced to lay off a great number of them. The immediate actions we take now give us the best chance to recover in a certain future. Truly, we are all in this together. Stay healthy, keep safe, and thanks for your support. Regards, Tom. That's from Little Switzerland.

3:19:01 All right, trustees, any comments? um i'd like to make some comments but i think it'd be more appropriate in an executive session all right do you know mr nibs if if any of those have um business interruption insurance brought this in the meeting to them i asked the question in our meeting on the 18th that uh if they have any business interruption insurance and they said they have business interruption insurance but not loss of income also mr bowry um i've been doing some research and a lot of um business interruption policies don't pay for this type of pandemic they have exclusions for that and i know we just renewed our policy and one of them has an exclusion for this type of incident but i think isn't there something in the making now through in the government locally and nationally for business owners who are being impacted with corona related in um closures or temporary closures they're providing or they're working towards provide some kind of financial relief A bill did pass yesterday. I haven't had a chance to pass late last night.

3:20:33 I saw some of the things on the news this morning, but they are making some provisions for the employees to be able to get cash if they make less than $75,000. Also, there's some provisions for them to be able to get unemployment benefits. there's provisions for um business um for low cost loans which can be forgiven if the businesses keep their employees on the payroll so when i get out of here i'm gonna try to pull up the bill and see because it's one of the things i wanted to mention you know we need to make sure that we don't give them rent forgiveness and then they can take advantage of these programs and to our detriment this would have to be one of the provisions and they would have to show what they receive we were all we would know about we would that was one of our concerns post on maria that they were seeking assistance on us while they were collecting from everyone else but i would assume any assistance would have to come to the sba or sbda it would be sba i know they're making the through sba but some of it i read somewhere and i heard that some of it's going to come directly through the banks so i i don't really know i haven't had a chance to pull the bill because it just passed last night that i don't know if they're still trying to type of everything so we need to really see what's in the bill that they can apply for i don't know if there's any confidentiality issue maybe if we're gonna give the board make a decision to give any relief that we contact these uh institutions and see if we they can tell us they're a rainbow i don't know if it's a confidentiality they're not going to tell us i mean it probably will take about 30 days for these things to to get up and geared so you might want to look at maybe giving them a 30-day suspension and then we added this well yeah i'm just saying that would be but you know i would refer them to those programs is what i would do is say you know this is what's available out here you need to seek out this assistance because grs still has to pay security you're still going to have some upkeep and you still have expenses even though the mall is shut down and and so it's something that you have to consider

3:22:52 but relative to the confident confidentiality kathy um again assuming grs wants to do all that work and go to these agencies as as part and condition of of any um rent abatement consideration they'll have to provide a waiver so that we can in fact get that information from the federal entity even the banks well that's a lot of work pedro so what i would prefer is to tell them that you go seek it out and then you show us where you got turned down for it you know because they would have a letter saying that they weren't approved for it and that way we don't have to do a lot of the work well again they could show that they've been turned on and then they go to somebody else and get approved all i'm saying is i mean there are ways to address those concerns i'm in consideration of the 30th day to give them an opportunity to work things out we'll discuss it further like dr cohen said later on in the meeting yeah plus we'll have um a little bit of time 30 days isn't that long and we'll have a little bit of time to see exactly what's going on how extended this is going to be yeah we could also check to see what are what other communities are doing i'm sure we are not the only one we face with this kind of um with this situation so remember wanting to take find out what kinds of relief other other other communities are offering also in executive session i'm gonna and i'll say to the executive i'll say now it's only certain businesses it's not all businesses we have to look at that and we need

3:24:44 to see what port authorities yeah port authority let's just let's do the executive session okay let's go in the executive session before the discussion can you find out what port authority i'm sure i'm sure the tenants at um at haven site could could tell you what port authority is doing for the tenants down there he said he's sure the tenants at havens i can tell you what port authorities do because some of them are going to say they have their their tenants support already too i can call him mr dub yeah the fact that they didn't mention it mr nibs lets you know that it's if they had gotten some kind of reprieve from port authority they would have quickly shared that information with you at the last meeting the fact that they didn't bring it up you know they haven't gotten anything yet i don't know i'm not sure um like i know during the hurricane for the 30 data unless uh they are main street did i don't know but i will check with mr okay so we will discuss this in the executive session yeah we need to approve the budget okay the budget mr barry yeah uh um i just i i move that um the board of trustees of the employer's retirement system approved the operating expenditure budget a total amount of

14 million 717 thousand eight hundred and forty five and a capital outlet budget in total amount of $4,698,164 for a grand total of $19,416,009 for the fiscal year ending September 30, 2020.

3:26:59 For the purposes specified in the fiscal 2020 budget exhibits A and B, which are incorporated herein by reference. I also move that the administrator and the chairman be authorized to execute any and all instruments and documents necessary to facilitate the intent of this resolution. So move. You second. Second. second trustee carwood yes trustee barry yes trustee cohen yes trustee liger absent trustee mcdonnell absent trustee smith absent chairman calendar yes the chair four yes three absent thank you to them to finally have a 2020 budget okay so we can take a break for we're going to executive session is my lunch drone headed my way need a motion to go into executive session please that we go into executive session he's done you have to give a reason you have to give a reason the reason being to deal with um uh confidentials uh uh legal matters as well as financial need a second second i have a suggestion and in a lot of boards that i work with

3:28:57 they have a standard written it's on the agenda it's on the agenda okay i didn't see it sorry oh okay that's okay this portion will be close to the public for matters pertaining to trade secrets commercial information trusty carlwood okay trusty bowie yes trusty cohen yes trusty liger absent trusty mcdonald absent trusty smith absent chairman cullinan yes chair four yes three opposite all right so we're going to take a few minutes excuse me how many minutes five minutes break yeah And Dr. Cohen, they tried to deliver the food.

3:30:09 They said you didn't answer the bell.

## 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.

3x **Trustee Leona E. Smith**
heard in this transcript as: Smith

3x **Trustee Vincent Liger**
heard in this transcript as: Liger