Government of the Virgin Islands Retirement System Board Meeting

GERS Retirement System (Board of Trustees)

January 28, 2021 · 3.3 hours · gov

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0:00:00 I'd like to call this meeting to order. Could I have a roll call, please? Trustee Callender? Present. Trustee Clendenin? Abstent. Trustee Cohen? Present. Trustee Dorsey? Present. Trustee Liger? absent trustee mcdonnell absent trustee smith present chairman barry present five present three absent okay we have a quorum um following along with the agenda are there any comments suggestions from retirees any communication hearing none we'll go to the next item on the agenda secretary's minutes um are there any corrections to the minutes mr chair i have a few some of them are typos um and some other things i'd like to point out uh for the january 28 2020 meeting um without trying to to disparage anyone i saw that on the note the minister it stated that trustee smith arrived late at 10 or 2. well the meeting started at 9 41 and she arrived at 10

0:02:10 or two she was late i don't i don't know the importance of indicating that she was late mr mr mr mr mr culliner yes if i call the role and the person is not here they're absent so when the person comes in i usually record the time and the person is late so it's a process so you just simply you just don't put the time when the person arrived you just put you put that they were late no i jotted down the time and i put late that's how i've been doing it all the time okay okay maybe okay i mean you know tell me tell me no no no it's it's this is just something i pick up it seem um just seem unusual that you indicate that the person was late and you would know that the person was late because the meeting started at 941. i don't know why i don't that's the way i've always recorded it okay not a problem then um the second item has to do with the board recommending um that each disability that's on the comments from board members regarding december 17th the second bullet the board has recommended each disability applicant have a physical exam by a physician um it probably needs to be worded differently or at least more precisely and probably should read out the board has recommended that each disability applicant should have a physical examination done by a physician approved by the gis which page are you on um not kind of

0:04:10 under secretary minutes um comments from board members regarding december 17 2020 regular board weekend it would be the second paragraph i guess no one sees that yeah page two uh page two of the meeting documents Is that taking care? you have more head as an english teacher i have a whole lot more some other things if these things are going to be kept and archived i think this should be as correct as possible under the under the saint thomas office building um on the building appraisal the appraiser building by mccloskey was conducted in december there's a comma there's a supposed to be a comma for the sexist but the comments up in the air

0:05:57 someplace okay i'm trying to i'm trying to get on the same page as you so what which page are you on mine is showing page um six okay and we are on page six on the same time as office buildings okay and then on the building appraisal yeah okay it has an apostrophe instead of a comma yeah okay on the same page on the flat roof repair no dr carlina since you're there the word appraisal is misspelled okay uh okay we have a transposition there on the flat roof repair north the flat roof of the north side of the building begun should be began and then for miss um this is this is under the chairman's report i spent about a half an hour the lengthiest report the thing i've given in the six years I was chair, and I saw that it was nicely condensed to a few lines, and I thank you for that.

0:07:52 Dr. Collinger, there's a verbatim transcript required by law, and that your verbatim would be in the transcript, and that's the legal document. Okay, no problem. That was a joke. oh okay yeah there was that criticism that's it thanks thanks for putting up with me okay i'll move to accept the secretary minutes uh from the last meeting of january 28 2021 uh as corrected we get a second second moved on second vote vote call trustee Governor? Yes. Trustee Cohen? Yes. Trustee Dorsey? Trustee Dorsey? Trustee Liger? Absent.

0:09:04 Trustee McDonnell? Absent. Trustee Smith? Yes. Chairman Barry? Yes. Trustee Dorsey? I'm not able to vote at this time. I had some questions on the minutes. I couldn't find my minutes that would not vote it. So I'm voting. Okay.

0:09:41 four years one not voting two options okay so the minutes minutes were approved um and yeah that's the minutes for the january 28th meeting um and we have minutes for the extra special meeting of february 2nd like guys here good morning good morning sir okay so we are at the the minutes for the special meeting that was held on february 2nd okay and um any comments corrections to those minutes so not as far as i know sir anybody else will hear a motion to accept those minutes I'll move to accept the minutes of the special meeting of the board February 2nd 2021 as stated in this document second move then seconded we'll call trustee calendar yes trustee Cohen? Yes. Trustee Dorsey? Not voting. Trustee Liger? Yes. Trustee Marzano? Absent. Trustee smith yes chairman barry yes five yes one not voting one absent okay so minister approved

0:11:43 communications and correspondences um i just have one piece of correspondence that uh i had discussed well president gregory had discussed with me in a meeting that i had with her and um it's in regards to act number 8383 bill number 330418 that was an act providing for the remittance of an amount not exceeding 50 percent of the revenues realized in excess of the funds appropriated by the legislature of the virgin islands for the operation of the government of the virgin islands grs in the fiscal year ended september 30 2020 and for an amount not exceeding 50 million dollars to be remitted to the grs in the fiscal year ending september 30 2021 from general fund revenues realized in excess of the funds appropriated by the legislature of the virgin islands for the operation of the government of the virgin islands to be used by the grs exclusively for retirement annuity payments for the fiscal year and in september 30 2021 i just wanted to bring to the attention that grs has not received any funds in excess of exceeding 50 million dollars from the from the treasury this was discussed like i said she brought it up in a meeting that i had with her if we had received anything and as far as i know and miss gerry meyer can uh would be able to confirm that we have not received any monies on the act number 8383 she told me that there was a schedule that she had seen and she was going to share with me i have not received that schedule as yet so as of this This time I have not received, we have not received any funding from any excess general fund revenues for 2020 and so far for 2021.

0:13:48 The year hasn't over yet, but 2020 we have not received anything. Just wanted to put that in record. When you said that she told you that she was the Senate President? is senate senate president donna fred gregory okay she was just inquiring as to if we had received and i said no she said she had seen a schedule and she was going to share it i haven't seen it and i asked her to send me a copy i haven't seen it as yet i will follow up should we um should we formally write to um the commissioner of finance since he's the one according to the statutes that it's supposed to remit the fund should be formally right um with inquiring about it yes we can i think she had mentioned the OMB director i can do that and copy the um she mentioned what she had mentioned the OMB director she had seen something that was shared by the with the OMB director so I can copy the OMB director and write a letter to the acting commissioner of finance yeah I think yeah so I think we should we should craft a letter inquiring about about it uh chairman bory yes sir uh point information i was not able to find my uh january 28th minutes so i had some questions on that i need to be able to address those i made some one or two requests in the last meeting i need to address that and also i noticed that from that meeting we had I had on that agenda.

0:16:01 Yeah, you're on mute. Point information. I was indicating that I was not able initially to find my January 28th minutes. So I had some questions, one, two, the January agenda. agenda it had about six items that covered the haven site mall different aspects of it and i didn't notice any of those follow-ups on this agenda today for the haven site mall and also on the 29th which was the day after um we were requested uh by the administrator to do a walk through i was the only one that showed up at that walkthrough so i had made some notes i'd like an opportunity to discuss the haven site mall and the possibilities of the reconstruction of that underutilized asset um so i'm not sure when that can be done and also i requested um based on the letter received from mr nibs and his pending retirement that i asked for that transition plan uh that was proposed by mr nibs to the board i had made a request um for that plan as well and i didn't receive anything on that item so i did have a few questions okay let's let's start with your question that stems from the minutes okay um i had made a note from the initial communication mr nib sent a letter to the board at some point before i came on indicating that he's leaving close to a year ago um so in that letter it talked about a transition plan either hiring an assistant to assist him um an understudy uh those were some of the thoughts that came up

0:18:00 and i just asked for a copy of what we were proposing since we're in a critical state what exactly did the board come up with um to address that issue so i didn't receive a document on that so i guess somebody can address that to me at some point but i would like to see something on that as well and getting right into the minutes um the issue i had talked about last time was the arrears with the ag office and the division of personnel and looking at the current document there's a discussion but i didn't see anything or hear anything today in terms of something more finalized and then my other question is to counsel for the system um how how do we take the ag to collect how do we collect from our legal arm of the government how do how do we do that because this apparently has been going on for a while um so i'm not sure how that's going to happen but the arrears are still there so it's one of the agencies and they have the largest bill so i'm not sure are they in that capacity because they are who they are the recommendations i made last time was that we need to we need could could we take your issues one at the time and get get your responses to your questions okay that's fine go ahead your first question had to do with transition planning what's the question i was asking what was the uh what did we conclude as a board was there a document uh developed um that addressed that issue now that we know that mr nibs will be moving out shortly are we looking to put someone as an understudy are we looking to put uh even mr

0:20:00 nips on a contract basis and i say a question i i have asked um um trustee calendar and trustee clendenin to to to work with me to to do just that to to develop a transition plan and um We have an initial discussion that has not been concluded. So I intend to finalize an approach shortly and we'll be able to present it to the board.

0:20:47 Okay, Chair, I was not aware that you had come up with a scenario since I had made a request. I'm not sure how the board goes about establishing systems to answer questions of not just the trustees but general public members active and non-actives retirees in this situation but if it's possible I'd like to be part of that process to bring something forward if it's possible it's going to be it's going to eventually be board's um decision so yeah you'll definitely be involved in that discussion and that that that whatever we decide going forward yeah also also also my other question the uh former chair did answer is related to uh disability um when members have a disability issue and they have to go to a physician to get the approval by the board so I believe the doctor did a good job in answering that I do agree that the board should approve that process I just figured that process would be similar to how it's done at workman comp because at workman comp if you're hurt you know they have to approve who you go see when you go see so i just figure it'd be a similar process to that

0:22:38 okay so my other question i get i'm going to go back to the haven site mall and the last minutes um we have a lot of discussion with the haven site mall not just the repair the roof um the vendor that's going to be looking to do the promotioning of that i just noticed that we didn't have anything on the agenda today and then the following day of that meeting uh mr nibs requested a walk through and i was expecting most of us to be there who could be there since he indicated prior to that the members haven't been uh recently i guess would be the best way to put it true tomorrow but just talk about selling an asset that most of us know that that's just not the right thing to do so i have some notes on that so i don't know if you want me to bring those notes up on the new business if you can add it to the agenda i can do it then i think they're very important because they're capital investments being made beyond the roof um mr chairman i think that even site would be best discussed in investment committee meeting um where you have time to lay out all the scenarios um but i've never something like this i've always been always been discussing an investment committee meeting well i would just answer it i would just answer this way mr nibs um i already been asking when is the next uh me meeting subcommittee meeting and i haven't seen a schedule on the different committees where this is probably should be in and i'm not even sure it needs to be in the investment committee or the development committee at this point i'm not really sure but i'm just saying that

0:24:32 I have made the request to the chair and I'm waiting to see where we're going, but time is of the essence. I'm just trying to do what I can to move the process forward. The other item I had was the, I'm asking about the arrears of the AG office and the division of personnel primarily. and i understand in the new agenda um there's some communication i just wanted to know where we were at in terms of status in terms of status where we were at with those issues and then i was asking legal counsel how do you address the issue with the ag how do you go after the ag for back payment and arrears and my recommendation was the last time that we establish something through the code if we're going to do business with agencies that we just extract that money from the budget process um i'm not sure if uh senator violay was going to be here today i didn't know if he was invited since he didn't come to the last um meeting that we requested or the senate requested with the with the system and he was one of the people that wasn't there which was a critical person because he's over the financial portion of that breakdown of that new senate and when we're requesting a meeting i suggested then and i'm suggesting now just as the 33rd legislation was able to put policies in place to collect the wapa bill through the budget process for the different government agencies we would have to do something similar going forward with that so i was asking legal counsel

0:26:24 miss smith attorney smith how that works and we were at on those collections um trustee dorsey the collections come under the um coo's office so she would have to address that I only get involved if they turn it over to me for legal action, which it has not been done recently. May I add, please, in the administrator's reports, there's a section that gives you a schedule on all the arranges of our tenants. Ordinarily, if a tenant is in a raise, we send out a notice to quit, just like any landlord-tenant relationship and that has worked and i think we have done that before however since that time there's some mechanism at omb and i think we have been in contact with omb by letter um so that we can get those funds but we have sent out a notice to quit and usually we get the funds when we do that okay you got a letter you received the letter uh mr niz but you didn't forward that letter to us because we've been inquiring as as trustees so we need to see a copy of what's going on with that also also um again i would ask legal counsel what is the timetable because i think we've been at this long enough we we need something more concrete what is the timetable for what to go after the ag and the division of personnel for non-payment there's always going to be a letter we need something more concrete

0:28:13 as i said uh oh go ahead ryan go ahead so the record is clear uh trustee dorsey i would recommend that you refer to it as the department of justice as opposed to the ag we're not going after an individual but the entity with whom grs has contracted so the inquiry which be about the department of justice i agree i agree attorney williams but it starts at the head the communication is addressed to the attorney general so it starts at the head like i said previously there's a tenant landlord relationship we do send out notice to quit meaning eviction notices we have done that in the past and it has been successful. However, I said subsequent to that with some mechanism within OMB where they, you know, the monies are, the WAPA bills are lumped together and payment have been made. That has been successful in some cases, but it appears that the vision of the Department of Justice is still behind in their round. I noticed that in the schedule. So, you know, I don't think I'm going to send out a notice to quit for WAPA. I'll send out the nopis will quit for the rent. Okay, so it looks like you don't want to get into that too much. No, no, no. My next comment. What I'm saying is I understand Trustee Dorsey your recommendations. However, it's a time, it's a process. Okay, and maybe Ms. Trenninggums, because she's closer to this than I am, maybe can respond of what the latest correspondence that went out can i can i say this to you mr nips um when i don't pay my wapper bill i get cut

0:30:08 okay when i when i uh was laid on my mortgage grs i got a notice was asked to come in and have a discussion i didn't just get a letter so i'm not sure what the process is i'm on the receiving end right so i'm saying i don't expect nothing less not because it's as the council is saying to the board of attorney williams it's the attorney general's office that's that's not how i see it we have to be fair everybody's equal here i want to move on to the next point no i just want to mention uh trustee there's one meter you said you get cut it's one meter like i said we usually submit a notice to quit and it has been successful we can do that again we had pulled back because department of justice had caught up now they're behind in in their whopper whopper bills it's not that we don't get the monies but we don't get them on time yes there's a lost opportunity for in an interest however we do we do charge them interest as far as i know you know you know you You know, Mr. Nibs, when I came in to look at my file, you guys are telling me I had old money from a res, and then I had to make a payment schedule, and I had to stick to that schedule.

0:31:30 But I'm not hearing that from the AG or from the Attorney General's office, right? But anyway, like I said, this is just where it is. I'm just putting it there. The other question I had was the um the notices you sent out for individuals um the life certificates you sent out is that for all members or is that for a category of members that was under uh comments questions from the board members those are members that every six months you send it out does that go out to all members those members that live in off island outside the territory international okay and then the um the resolution i asked for i haven't received you said there was a resolution prior to me coming on the board where the board asks um a resolution to sell all assets because of insolvency and i asked for a copy of those resolutions i have not received those resolutions i also asked for a copy of what was proposed for each of those assets to possibly turn those assets around to start to look at saving the system um not sure again what committee that's going to fall under if it's going to be the development committee or the investment committee but i up to now i haven't received those documents as well you haven't received it because uh miss kasha has been looking for it i have been looking for it too um we've been in contact with attorney williams office sometimes the resolutions are not as timely but i know that there was a resolution

0:33:20 i was looking through my my notes but i know that the board made a decision to sell those assets why why why don't we um why don't we schedule uh uh uh and then i don't know whether that'll be an investment committee or budget committee what do you well it could be the investment or the development he's talking about uh remodeling or rebranding but since it's an asset i think they should start with the investment committee which comprises of all board members okay so so i will do uh we schedule a meeting uh an investment committee meeting um and um and that we put that at the top of the agenda okay so the the last item was the uh well the second the last item was the walk through the haven site mall so you want me to put that on the new business this i'm talking to the chair you want you want to talk about the walkthrough yeah you're going to put that on the new business under the agenda you want to add it to new business why why don't you talk about that now okay so on uh january 29th i met at the uh haven site i guess you call it the white building mr nips We call it the White House.

0:34:53 The White House. Okay. And we went over, we did the walkthrough, but we had a discussion prior to going out. So as we came out, we started right outside the White House. And the members were explaining. The property manager was Mr. Moorhead. I forget his assistant at the time, but it was a very good discussion. They already have started the, at that time, they had started the layout. I understand they're actually doing the actual construction now of putting in the foundation for, um, the new, um, the water, the water lines, they say have to be replaced, uh, throughout the property.

0:35:35 So that's somewhat being worked out with water and power authority. Um, I indicated that, um, that's, that should be a good thing as an upgrade to the property. We walked around the perimeters to see exactly from point A to point B, what we are really in charge of as a mall. And I realized some of the more prime property is under the Weichel portion of that layout. And that just triggered that. We probably need to have a meeting with the sponsor of the plan since the sponsor is in a position, which in this case would be the governor. in a position uh since he's looking to do a property swipe that we do that swipe to the uh to the haven site itself come under the grs the entire property um so that we can include that in the overall comprehensive plan that we would like to do to increase that asset so that's what we came up with also to put that on the agenda for the committee meetings say again Why don't you put that on a second agenda item for your investment committee meeting?

0:36:53 Okay, so you want to bring it up then? Yeah. Okay, so... Because we have a long agenda to get through here. Okay, so my last item, just in general, just a comment, and maybe someone can explain to me why it's not there. But there's a section on here I notice being my second meeting. it says comments and suggestions from retirees now is there any reason why we don't have a section uh for active employees they have comments and suggestions as well and then also besides uh point of information is there a section that can be placed on the agenda as well comments from trustees so that's my point to um the chair the reason mr chairman the reason why you see that is because by statute it says that the trustees should meet with the retirees at least once a month or in some type of uh quarterly or whatever but um since we had board meetings once a month the retirees were always invited and to the meetings and they would hear the you know recommendations or grievances but not by statute it doesn't say anything about actives okay so so miss so mr nibs we now realize we have an oversight in the statute so can we amend that can we have that process amended well a recommendation would have to be made to legislature well we don't uh i mean if if if if we want to put a a an item on the agenda for comments um from from active active members i mean i i don't see i don't see that as a problem

0:38:47 i'm just saying that if we're gonna if we're gonna have retirees comments i heard you i'm agreeing with you okay so i'm saying what we could do on that item even though the law only requires retirees we could just make that comments from retiring we could just say comments from members i was just saying uh chair that um you know we're all included in this the actives i'm as well as the retirees i'm agreeing with you mr dorsey okay i'm just gonna mention uh uh, since I've been here is only one active member used to show up in St. Croix. No active members showed up. Okay.

0:39:27 I mean, I mean, he, okay, I mean, I would say that, um, one active member showed up in St. Croix is fine. Um, I would just say that, um, we're going to publicize differently. Maybe how we go forward so that, you know, we're in a situation where people just need to stay informed. So you might have one now, but I don't think it's gonna be one in the future. I think the whole paradigm of what we do is going to change in a different way. And I don't think it'll just be us here going forward. I think there will be a change.

0:40:00 My recommendation would be to the board is that you have a separate meeting there because you can have a hundred active members and you have to address them. You could be here for hours. So my recommendation would be could have special monthly meetings and open it up well let's let's let's i mean we are well i was i would say this uh mr nibs i would i would say this sorry chairman i would say this mr nibs i would take it even a step further you see those employees that you work with mr nibs i i would actually like them to have a voice on the agenda as well because they do the work so i i didn't want it to just come from the head if it's possible they could also have it or they can be able to allow without anybody coming after them to speak under that section for active employees they could speak under that section so like i said it's not there now but once you put it in and they're able to speak active employees throughout the government you will see a difference but it's not on the agenda so i was just raising that point so chair i appreciate the time on that issue okay so i think i'm trying to find where i'm at on the agenda now um that person's report okay chairperson report i i don't have a big report i'd just like to to say that I attended the presentation.

0:41:48 I actually participated in a presentation that was done on the 10th of February to the legislators. I'd like to congratulate the staff. It was a very comprehensive and informative presentation. i think it was well received by by the senators present and and judging by the the interactive discussions that that went on for a bit um i i think we did well we one thing we did take away from that uh which i didn't know before was that um they got into the senate president they're going to establish a subcommittee of the of their budget committee as the legislature's budget committee they were going to establish a subcommittee to address GRS matters and that some subcommittee is going to be chaired by Senator VLA. I must say that um since since that meeting i've i've reached out to center vla he he's off island and he indicate i indicated to him what i wanted to talk to him about because it would be a follow-up to that to based on what the senate president said um and he indicated as soon as he's due back on on Monday and he'll contact me soon thereafter. So I look forward to establishing that dialogue

0:43:44 with him on that issue. The other thing I want to comment on is that I also attended the board session of the of the early stages of the strategic planning initiative that's ongoing and I look forward to engaging more fully in that activity. I think it's an important initiative and um i look for i'm looking forward to to its conclusion that that's complete that that completes my report uh chair i had a comment in reference to the same meeting okay go ahead um i had a difference spent on the meeting i thought that um which one which one the same uh two of them i talked about okay so i'm talking about the 34th uh legislature orientation meeting that was held on wednesday february 10th by zoom from 9 to 12. um my take on that meeting um i'm not i'm at a different place um i think if uh somebody doesn't show up in any organization that shouldn't stop the process from moving forward and we can make all the recommendations we want but you and i asked at least five or six times for a follow-up date and we never got that so we don't have a follow-up date then we're kind of in limbo at this point and

0:45:37 i don't personally want to be there so we still need to do what we need to do as trustees and presented and what we believe could help from changing some of the language we can do that through uh attorney smith and the system with mr nibs but we just need to keep it moving at this point because there are a lot of different groups segments of the government talking about putting committees together and those are just committees and talk but we have to do what we need to do to move forward those are just talk right now subcommittees of this this committee of that there were previous committees when you read some of i i've read some of those reports there were a few changes but they weren't the type of changes to help the system you're still losing the millions of dollars every month and there's no capacity building along the way so i don't want to sit here and fool anybody but we just need to not rely on that we need to do what we need to do so i think we need to start looking at those assets and if they want to help us improve those assets help us move around the uh the assets at haven site where we control the whole dock because just by controlling the doctor fee structure changes on the fees that come into that port they will be coming to us just the fees alone would be an improvement without even putting one dime into the property so i i just expect different from uh individuals i would put it that way because i don't want to feel like anybody i'm attacking um or directing anything to but it's like i said it is what it is that's all i have to say about that so okay i really wasn't happy about that meeting nothing came out of it i make three or four requests and you couldn't

0:47:32 answer me and then the other thing i would say for the record going forward chair if we're having meetings someone wants to meet with us they shouldn't dictate on the terms how we meet everything should be taped it should be a record it shouldn't be like we don't want you to take what we're saying so why are you coming to us we have to be transparent we have to be transparent so i was very disappointed that wasn't recorded and i came into the meeting late um but i'm still disappointed it wasn't recorded okay um administrator's report good morning on february 2nd i attended a special board meeting on the third i met with senator fred gregory seagull representatives rocky joiner and alvin frias and general counsel kathy smith in a zoom meeting to discuss grs funding on the 4th of february i met with the american federation of teachers in regards to rental at Havenside Mall. On the fifth I met with senior management and proposed reduction in force of our employees. On the eighth I met with Carlos Ferreira which is our architect at some of the work that we're doing at Havenside Mall, Otis Smith, Roy Moyad, staff and Natanias Buschelti to discuss concerns of the contractor in regards to the Havenside Mall roofing program. On the 9th, I met with the owner's rep and the contractor in regards to the roofing program again. On the 10th,

0:49:23 I met with the 34th legislature and the legislature's overview. On the 16th, I had a kick-off meeting with a contractor by the name of DCM on the erection of the maintenance buildings at Havenside Mall. a contract has been signed on the 17th I attended a special board meeting membership applications as you can see there's 165 applications which include central government and semi-autonomous agencies as of January 31 2021 retiree payroll for 2021 calendar year so far have received 24 applications. If you note that 2020 has been a slow period for us compared to 2018 of 402 applications and 2019 315, 2020 we received 232.

0:50:27 in regards to the disability life certificates the same in the same position out of 231 letters that we sent out we have received and validated 199 one person was deceased and 31 still waiting pending life certificates and those individuals annuities have been held back until we hear from them suspended. Refunds, January 2021 from October 1, 2020 to January 2021. We have paid out $1.8 million. Of that $1.8 million were from members who were invested of $1.6 million.

0:51:18 debt benefits also we have paid out same period 550 000 as of the february 15 2021 payroll there were 8 663 retirees receiving benefits um total amount paid to retirees and pensioners from october to january 15th payroll was 96.6 million dollars from october 1 to february 15th we have added 272 individuals retirees to the payroll the same period we have deleted 108. that january 15 date is that correct That looks like a high number. What was that?

0:52:17 Well, it's October, November, December, January, February. That's five months times about four. It's October to January 15, so that's not five months. What I'm saying, I'll have to check and see. I just saw that that was an oversight because it's about 20, about 2021, let's say 22 million a month. So I'll have to check that, sir. That's an oversight. I didn't see that. Okay.

0:52:52 So the gross payroll pay date January 15, 2021 was $10.7 million. hours. As far as a loan portfolio, as you can see, it's decreasing January 31, 2021, we have 2,545 units compared to 2,580 units in December for personal loans. And our mortgages At January 31, we have 88 units. The total portfolio as of January 2021 is $32.3 million.

0:53:33 In operations, there are some issues with the buildings that are still pending. The fire protection annual inspection was delayed. The ground preparation for the planting has been completed and irrigation has started, and as far as the buildings are concerned, we're still waiting to estimate for the damaged floor tiles in the building. The building is about 10 years old now, so the tiles, some of the tiles are cracking. Maintenance, the quarterly maintenance on the air conditioning system was done, completed in the end of January.

0:54:20 Some projects with the security doors installation, they were 70% complete. This was a recommendation made by, I think it was by Tema in regards to um individuals that comes to the office and active shooting in case that happened god forbid um in st thomas office the air conditioner which is a large product is on its way it's it's getting there um the actual installation began on january 7 2021 we had to move those um units old units from the from the the roofs and the units are now on the ground and the project is working smoothly there were some issues with some pooling in certain areas but that has been corrected docks cleaning that's that has been also been done it continues on the second and the third floor cleaning all the docks mold concentration things like that there's also a roof project the flat roof project the same contractor is is on the job in in at Havenside mall that project is slated to be completed by the end of march before the rainy season comes in as far as the generator there was no major problems with equipment however there is need for pump and that is being ordered we also have to install some perimeter fencing at the st thomas complex to protect the air conditioner units on the ground and that is estimates are being done for that as far as the rent on electrical you can also see that in

0:56:07 Exhibit A. As of January 2020, we collected $26,269.63. Total fiscal year to date, we collected in a total of $111,755.81 of that $101,963.47 rental. Our rare age is very high so far fiscal year to date 497 415.14 of that amount 303 784 303 784.82 is electrical as you can see from exhibit a um the majority of that uh arranges in the electrical area is the department of justice and um we are working on that i i would want miss um clinton if she needs to just expound on that a little as what we have done between uh this the january board meeting is clinton and gums awesome good morning uh trustees and everyone else on the call um i spoke to miss jennifer o'neill last week the director of omb i have had previous conversations with miss o'neill about assisting the department of justice in getting that electricity and rental payment to us their challenge is twofold the property and procurement director commissioner is no longer taking justification letters which they have been writing monthly because of the expired lease

0:58:00 to pay the rental so they have a backlog in that we have since agreed on a division of personnel lease so we're waiting for them to sign and we sent a new lease to justice and we're waiting on that also to be returned so those arrears could be taken care of with an executed lease secondly the electricity the challenge there is in their budgets the electricity through the legislature it's a line item directly to wapa as the pay e so i'm working with miss o'neill to figure out how that portion for the grs can come directly here i have since sent her the breakdown of what is due and she is going to she is committed to get us that funding and then work on going forward how do we get our funding for the electricity regularly because of how it's set up in the budget could i could i jump in here a little bit um okay so the appropriation for electricity for the government is is all combined in a special a special line item that's controlled by the commission of finance right and so in order to get paid out of that how does a a normal agency forget will come to us in a minute but how does a normal agency get paid I think it's a direct bill. I think those bills are sent directly so that money we could make sure I think their intent is to make sure WAPA gets paid timely. So the bills from the agency go directly to finance and it's a direct pay to WAPA. Okay, so the difference there is that

0:59:58 when they get a bill from WAPA, it goes to the agency. It's in the name of the agency. that's correct but wapa doesn't build in our case the bill from wapa comes to us correct so i think there's got to be some kind of special arrangement there uh because we they can't i don't think the finance commissioner is authorized to pay a bill that's out of that account that's built towards the grs it has to be build towards an agency that that's correct and that's what she is working on just to take care of their arrears first um and then moving forward how we're going to set it up so this doesn't occur again okay um okay we need to follow up on that because i i okay go ahead maybe what You and I could have some discussion about how we could fix that because that's gonna be a problem going forward.

1:01:16 And it's gonna be a situation where it's not enough. She can't influence it directly because the appropriation is made to finance and finance can't pay because the bill is not made to a government agency. That's what she was brainstorming about. She had some ideas of what they can do, but yeah, we can talk about that. But does GRS send a utility bill to the agency?

1:01:48 No, we send a utility breakdown. The Virgin Islands Finance Housing Authority gets the actual bill. They're federal. They want to see a copy of the bill, but they don't pay the bill. still pay us based on their square footage and the percentage they occupy they pay a percentage of the bill so we send them an electricity bill uh invoice from us based on their square footage based on the number or the amount that was billed to us but they don't get like an actual wapa bill well i understand but i'm saying but it would be the same thing i mean they get in the utility bill from grs or the chrisley bill whatever we call it so then the agent she will use that in lieu of a whopper bill yeah but the line item is to walk or directly so but we we could talk about it yeah we'd have to walk something out because i mean when we come to appropriation and line items so those those are legal those are legally specific so i mean i mean you know i i have i have a little bit of idea about how that works so um the the issue is that you know when you get a line item appropriation it's for a specific purpose and they got to be some maybe maybe some some different some okay you gotta do something different because it can't work on under this present arrangement uh chair i just have a point go ahead um i can make two suggestions i've made some before but it is what it is my suggestion is as Ms. Clangettins-Gum just indicated, there's a breakdown by square footage as to the costs

1:03:42 broken out for each of the parties. So that same document could be forwarded to OMB. That's one approach. And then they would pay for Division of Personnel and the Department of Justice in this case, right? The other way we could do it is we can ask for a three-month deposit and then we just draw down they can forward that money to us and we draw it out so when we get close to the money running out we ask for another deposit until they can work it out right until they can work it out those those are truly our options at this point because what we're doing now it's not obviously not working okay okay um okay and i just wanted to say the arrears are for this fiscal year it doesn't span like years prior although the amounts look high the amounts are high they don't look high they are high they're just for this fiscal year starting October okay go ahead hey uh the The only issue with leases from what I received from operation is with the personnel, justice, casino commission, and the meetings have been held to negotiate the one-year lease with division of personnel and waiting signatures.

1:05:10 Department of Justice, this acting CEO has sent out follow-up emails to secure dates on february 10th february 15th had not received the response to negotiate the one-year lease for october 1 2021 to 9 30 2022 as far as the casino control commission um they were somewhat reluctant in getting into a one-year lease we gave them reasons why and there's a new meeting date which was supposed to have been held tuesday it's splendid i think i asked you if that was hell was it hell i think you responded to me um it's um tentatively they sent a new date it's march 4th so i'll respond after the board meeting so we have a watch what went to 21 day so those are the only three division of personnel seems to be in agreement justice we're still waiting for them to set a date and also casino commission has set a date to meet on march 4th as acquiesce to the uh the one-year lease agreement um we're still waiting for the appraisal reports for the st thomason and st croix buildings the appraisals were done and this is um obviously to determine the value um so that unless otherwise advised from the board we would start looking uh sending out um invitation for bits or maybe obtain a real estate uh person agent to act on our behalf to see regards to what we can um get for

1:07:02 the uh those buildings uh strategic planning that was a meeting on the um meeting hell recently um with uh uvi i was unable to attend because of a um a medical appointment and um so there's uh meetings to be held um and it were the week of the 22nd and march 2nd with active members retiring members in the fourth business community on the night um hopefully these meetings can be um can be held at the time that they were scheduled however it appears that it's going along pretty well I'm going to ask Ms. Clendenin to speak about warehouses. We have warehouses that are slated to be razed or demolished.

1:08:02 There's one warehouse that we would like to remain and do some repairs to so that we can house the existing warehouse tenants, about two or three of them. and we are getting into a little snag with FEMA reimbursement so I'll ask Ms. Splendening to expound on that please. Good morning again for the warehouses the GRS because we are not rebuilding warehouses on the dock as is, opted for a 428 project. And what a 428 project does with FEMA is allow you to use the money received for an alternative use project that's approved by FEMA. We've been going through this about three years now, I've been working with FEMA, and we have gotten to this point where we have a costing in the report you could say the gross cost for the project of the warehouses their costing agencies reported that it would cost 2.358 million dollars they deduct your insurance proceeds which we got 1.548 million for the warehouses so it leaves a balance of seven hundred and ten thousand it's a 90 10 cost share where the federal picks up 90 which is 639 000 and then grs would be an additional 71 000 so the conversation we're having is about six hundred and thirty nine thousand dollars

1:09:47 but for that six hundred and thirty nine thousand dollars if we demolish the warehouses currently we don't have a plan what the alternative use is on the books um nor that do we have a plan in the foreseeable future like a year or two out whenever it is the grs decides to do something with that money be it in a year two or five or six years from now we will be accountable for the entire 2.3 million dollars back to fema they would essentially own all our money for 630 for a 639 000 gift we would have to go through the we call it ehp which is the environmental okay so i'm with you up until you explain how we go from the gross minus the insurance leaving this balance of 7-10 and that 7-10 is split 90-10 and 90 percent going for fema for fema the federal cost here and uh grs cost is 71 000. okay so i'm understanding up there And then you said, this financing is based on our determination to go for a 428 project, meaning that we are allowed to, we are reimbursed on the basis that we're going to implement an alternative project as opposed to rebuilding what was there.

1:11:45 Correct. and we we have not yet determined what the alternative for um project is going to be all right okay i'm with you up to that point then you you talk about whether we take two years five years and then when is when you're talking about okay were you saying that if we have a five-year window in which to do something otherwise you lose them i mean well okay i'll back up no problem i'm saying that because we don't have a shovel shovel ready project or even an idea of what we're going to do we don't have bids or an rfp there there is all we know is that the warehouses um sit on prime real estate and we don't want to rebuild the warehouses as is except to keep warehouse j and to do the hazard mitigation on warehouse j so that could be stronger and not just the metal material is built out of the other space because we don't know what we're going to build there if we build anything there might just make it green space the project as per fema is still a 2.358 million dollar project even though they're only giving us 639 thousand dollars so we would be accountable forever in the foreseeable future of how we spent 2.3 million dollars on that warehouse project for today or five years from now we will always have to be mindful that we're still on the hook for 2.358 million and if the demolition cost a hundred thousand and to fix warehouse j cost two hundred thousand they still need to know what did you do with the other two million dollars and be accountable for them yeah okay um on the hook um 1.5 of the 2.3 is insurance money so how do we

1:13:55 how do we get to be on the hook for FEMA for insurance because they call it they gross so if we didn't have insurance the whole project would have been 2.38 so even though the 1.548 is our money and all they're giving us six hundred and thirty nine thousand they're approving the project for 2.3 and saying we're going to reduce that amount by your insurance proceeds and then 90 10 the balance but the entire project should cost three million i mean two million three hundred fifty eight thousand four hundred sixty eight dollars and twenty cents so when we send in receipts because everything is reimbursable they don't give you the money first the receipts for that warehouse area project has to total two million three hundred fifty eight thousand four hundred sixty dollars and twenty cents so my question would be to the board is it worth it it's been three years okay can i mention one quick thing um instead of getting into this complicated matter with deadlines and no plan um why don't we just like put that on hold take the insurance money and build something with the insurance money even if we need to make it temporary for storage or whatever house house these three particular people or um you know um attendance i mean that's where that's where i i'm i'm thinking also i mean i mean well that was my that was my recommendation i just spoke with ms grenlin and i think we should just go with insurance money forget about fema um there were there was some consultant that did a plan and was presented to the board to put up some high-end type structures um for retail up front by the dock and also build some apartments like business apartments on the top of those high-end

1:16:00 stores that has never approved but it was brought to the board there's some talk of also probably making it more of a green space and do some recreational things there for you know when the kids come in and you can do a lot of arts and crafts and things on the area of the lab but my recommendation would be to forget about fema and go with the insurance proceeds and remodel and and tear the buildings down what's what what is your fema deadline yes um i meet with fema widow brian fight team and odr every two weeks about this project so monday is our next meeting i've already brought this concern to their attention um that um if we don't know what we want to do but we decide in three years what we're going to do with the project go four years from now we're still accountable to them eve with not five years from now when we decide today sending quarterly report like you could still be in their midst until something is done so i've already thrown it out i said i would bring it to the administrator and then he would bring it to the board we've already be slated for about 1.6 million um we have already managed to obligate from fema so it's not like we're not getting any money at all we have um done a tremendous job and getting every dollar we can but i didn't know if this one for the warehouses is worth it we're not saying no to all the projects again we've already obligated 1.6 million we've collected most of that already um this is just for the warehouses my question is do we have a deadline to make a decision you want when we could withdraw the project at any time i have to approve

1:18:03 they just sent me an approval and they usually give us five days for the approval what i can check is even if i approve it what's the deadline to withdraw it i know they said you can withdraw the project at any time asia i just wanted to make sure um of the point of no return kind of i will find that out i do not know at this point chair point information go ahead um i just try and get clarification from miss clinton gums um you said that you've been on this for three years yes okay so over those three years um Well, let me ask Mr. Nibs. Mr. Nibs, you've been at this for three years and there was a plan proposal. It was never a plan proposal. I'm trying to get clarification on that, Mr. Nibs. What are you saying? You've been at it for three years. It's after the hurricane.

1:19:01 Obviously, Wyco was the agent and we've been trying to get those warehouses torn down. There was a consultant that, Pickle, who did a consulting report and recommended that we tear those warehouses down and put some high-end stores closer to the dock with apartment, the business units on top of those apartments close to the water. I know Waiko didn't like that. I've spoken to Waiko before they felt that, you know, people in the ships could be looking down on people or no but that's the way it's done in a lot of ports in florida it's done that way um people like to be by the water they would also have like maybe like starbucks and all of those type of things in that area um there were some discussions since we took over in regards to just opening up as like a park some green space with benches and have some recreational area um you know for families and things like that but um there was a a recommendation to the board to do some high-end structures right up to the dock with some uh high-end type business businessmen coming in and want to stay in town close to the town and you know close to the water I think we need to make a decision.

1:20:31 Yeah, it's something I need to. I would hate for us to lose, for $71,000, we lose $2.5 million. I mean, that's, we have an opportunity to get a $2.4 million project with $71,000 of our own money. we need to we need to find a way to to exploit that i think i just want to add one more thing trustees if i may that we are not allowed to touch the warehouses while we are going through the process environmental protection and hazard mitigation um could take months and i know around the territory you see derelict buildings you want to know why they haven't done anything because you can't so even if we decide to go forward with the project which is fine we could not tear down and do anything to the buildings until those agencies approve it and i've already been told that takes quite some time uh chair yeah go ahead yeah i had lost my communication i just got it back so mr nibs um and chair i'm still at a little disadvantage because i did ask for a copy of the contract that the board had with weichel and managing the uh the properties um because it sounds like someone is being derelict in their responsibility so i'm sure in that contract it probably has some objectives that they had to meet as managing the the government asset because where i said it's like they managed this property they let it go down and now they would like to take it over so it's like you're you're a slum lord in a sense you let the asset go to nothing so then we had the hurricanes hit the board at the time i guess made some requests for improvements and we are where we're at today so i'm thinking chair that this may be something else that just needs to come to committee so that we can start moving on it i don't want to put all this on just the system itself i think we as a as a board whatever committee you decide we need to just move on this and i was thinking as far as monies i agree we should probably lead to fema money at this point unless we're going to utilize um community block grant portions of monies that

1:22:55 could do the offsets for us um through the sponsor of the plan unless we're going to approach it from that standpoint that's another option we have and i don't know if that came up in any discussions i haven't heard anything about it but you know it's over a billion dollars sitting out there that we could use the top into to help develop this this project on our own so we just need to get it moving okay all right well why don't we um make that a second agenda item for investment committee chair i would like to still get a copy of the document on what the contract was with waiko that's not a copy of the agreement it there's no agreement with presently with waiko and give you copies of the prior agreement you did ask for it i can send that to you that's no problem thank you i just want to mention trustee dorsi i've just been informed that your device has arrived and it's been completed set up so um um it will be making arrangement um to have it to you the week of the first or the second that's fine thank you okay i i i put it information technology on the agenda because as you know we migrated to the new v3 environment which is a platform in the cloud and i just want the um the director the chief to just mention certain things to you we did have some challenges and we have overcome most of them so i'm gonna have the chief terence thomas to um give you a little update terry all right good morning everyone good

1:24:43 morning morning morning okay um as mr neves pointed out we migrated our retreat platform on january 18th from being in-house to being in the cloud um in a system of vendor by tech has called beach velocity um the primary reason for doing that was back in 2011 2012 grs made an investment in the hardware to run that system and essentially the same hardware has been in use since the system went live in 2012 we had some choices to make and after the twin hurricanes decision was made to move all of our line of business platforms to the cloud for a number of reasons including the ability for us to spring back in the event we had a major disaster without having, excuse me, to worry about losing our data center. As I've said in previous presentations, we actually dodged a bullet when Hurricane Irma and Maria passed through.

1:25:56 As Mr. Neibs pointed out, we had some challenges during the first few weeks of the migration to vitriolosity um we went through a period of about four to five weeks of having our staff do some testing of this system however um once we went fully live with it we had some issues where during the height of the day when almost everyone was uh signed on the system would log them out. We've had a number of meetings with BiTech, especially with their technical team to address those issues. They've been able to narrow down the issues and have implemented some fixes. As of this week, meaning the week of the 22nd, we've been monitoring performance.

1:26:48 I haven't seen anything come across my desk reporting people having access issues. Some of the other issues that exist are have been worked on for example our records management operation that is also a cloud-based solution there are some security issues that came up with that cloud system accessing the vitri cloud and we've been able to work out a solution which has been and is being implemented uh overall um what the vitriolosity system allows us to do is set the stage for grs to migrate to um updated version of v3 um i pointed out in presentations to the board um during previous board retreats that we are probably one of two vital clients that are still running version 8.x of v3 they're currently up to version 10.x which is a totally new platform so this gets us started in that direction and also gives us a level of additional security that we didn't have running the instance in-house and outdated equipment so as of today um and as of this time i haven't seen any reports come across my desk that says people are still having access issues so we've been able to resolve those issues up to this point so i just wanted the board to get an update on that because we did have some challenges and you know members were concerned and you know a little frustrated but we have overcome those challenges and I think it's doing pretty well I think now since we're in the cloud if we do have a catastrophic

1:28:47 hurricane again we as long as we have connectivity even if we have to go to another island or something like that to get the payroll out or we can use ADT we do have a backup that would be the prior period payroll. But as long as we have some type of connectivity, we'll be able to access our information on the network in the cloud. Any questions? The last thing I would like to mention is that, as you know, we had a St. Croix-Vitavi lecture. Okay. We We did have the last thing on my report, we did complete the Sinkhoi Retiree Election.

1:29:33 As you know, it was held, it began on January 8th, 2021, and it ended on February 8th, 2021. Two nomination packages were received, Election Committee and Election Observers convened St. Croix and the two packages were reviewed on February 9th. The election committee with the agreement of the observers deemed that neither candidate met all the requirements as required by law which states that 3VIC section 715A2 requires that with the exception two members of the central labor council and the director of personnel members of the board of trustees shall have at least five years experience and at least a bachelor's degree in any of the following investment banking economics finance insurance law medicine accounting actuarial science taxation real estate appraisal or brokerage and security training so therefore But none of the two, I mean, the two individuals who put forward themselves were deemed qualified or met all of the requirements.

1:30:51 Therefore, we plan to do another round of elections I guess in about 60 days, that's all I have. I have a question for, um, the it, um, and I guess from Mr. Nibbs as well. Um, are we at the point, cause I haven't been able to check recently, but are we at the point where members can actually go online and check their status if they wanted to say, look to retire that they would be able to look at something that would give them an idea of where they would stand before they actually physically have to come in or talk to you over line to verify are we at that point yet all the members records can be viewed by a member if they have a password also we do an annual an annual statement the last one would be you should be getting one for through December 30 2020 very shortly it'll be available that would tell you how many years you have you know what would be your um probably your expected benefit payment things like that it would list all your it would list all of your um your periods where you were employed so yes there's there are things that they can look at to determine but these are just there has to be more due diligence by the benefits analyst but they do have a snapshot as to where they are so

1:32:42 mr thomas mr nibs how far does the information in the system that you now have uploaded to the the cloud how far does it go back well it goes back to a certain point i think there was some issue where they had to bring over lump sum data but um any member should be able to and i don't i i don't want to maybe miss uh trending in because she's in charge of that area because i know that there were some issues with older retirees but now since you have new people who came in probably in the 90s you should be able to go right back to the beginning from inception of your employment is that correct miss clinton yes mr nibs tier one members should be able to see their annual statements and all members can see their posted contributions on their account we're still having some issues about with images so if somebody cannot see something they can call our customer service line and we'll be more than happy to try to help them through that i just like to add to what has been said on trustee Dorsey it's my understanding when they migrated from the previous system over to between 2012 there were some records that were as miscellaneous pointed out were brought over an alum some fashion I think those records are for people who may have been members of the system prior to i want to say 2005 i'm not 100 percent accurate on that but um if you are in a system a long time ago you're not going to be able to go back and see the minutia in terms of every single contribution you made that was brought over as lump sum information so is that

1:34:33 is that information available that you're saying you can't see the lump sum or yes the lump sum the lump sum is there yes okay so does the lump sum include the nine and funded liabilities no this is just the only information that grs tracks for each member is what the member pays and then also what the employer pays the the government's contribution in terms of the unfunded liabilities and those kind of things that's not in the system no yeah if you what i what i what i was asking uh mr nibs mr thomas miss glendon and gums of the unfunded liabilities is obvious what was happening at that time so i was just trying to figure out if the data that you collected it would include those individuals who benefited from those early christmas bills because today the system is making recommendations on tier one employees to give up something to give up something to help the system however during those unfunded liability years you had individuals that were leaving because they took whatever position at end of their career and they didn't put in the proper amount it's similar to uh some of the other branches of government in the retirement plan that they have they're not putting in the proper amount and they're able to go home and not put in the proper amount but you're asking those in the tier one side to make up that difference so i'm asking the system itself i'm asking if you

1:36:24 have those records in order for you as a system to go back and sit down with those individuals who are now receiving an annuity who didn't put in the proper amount you should be able to tell them that now and that's the only point i was making i'm not because that's that's cash that needs to come back to the system that needs to stay in the system and maybe some of those annuities need to be adjusted just based on those unfunded liabilities mr thomas why don't you why don't you say what this what this system has in it what what could you get as i mean he's trying to explain what's not in there why don't you set explain what information is available on the system what has been paid in If you go to the annual statement of any employee, it will show you from day one what you paid in and what the employer paid in.

1:37:25 Now, further due diligence is done because if you go to my statement, it will see that I don't owe anything. And it will see that the employer paid in everything because I was very meticulous to make sure that that happened. So when an employee gets their annual statement, and then December 30, 2020, but we can get it, it'll be up probably February or March. They should be able to go and look and determine if there's any deficit in any employee or employer contributions, and then they work with the analyst to determine where. So there's a way to determine, yes.

1:38:02 That's not what I was asking, Mr. Nibs. The 12 unfunded mandates, Trustee Dorsey, is gone. Those people are retired. This is an actuarial thing that has to be done. There's no way we can go back and get any money from any employee. This was something that was done legislatively. Mr. Nibs, I hear you, but I'm just trying to state my position. I understand. I understand what you're saying, but we can't go back. We're not going to go back now and look at thousands of employees to determine what they paid in them. It's gone. They retired. They retired 30 years ago. Mr. Nibs, Alan was asking Mr.

Thomas if this software, you have this new software and I'm happy that you have it. I was just asking if you're able to figure out what those unfunded liabilities, what those members, because at the end of the day, Mr. Nibs, Mr. Thomas, Ms. Clendenin-Gums, this is one system.

1:39:11 it's not that you've been gone for a certain amount of time you are now asking hold on you're now asking active employees the tier one employees to to take up for the hiccups of something they had no control over these these people put in their time they put in their 20 to 30 years some cases 40 and you're saying they must take a hit this is the recommendation they must take a hit for the time they put in it's not it's not right we all need to be in this together and I'm going to go back and say all branches of government all retirement systems this will go up to the governor we all need to be in this plan together there's this there's no free lunch we know sitting here at least you guys have been there I don't know I just came on but you guys know if you have unfunded liability obviously something wasn't funded properly for individuals to go home so if you know they didn't pay their fair amount and you're going to keep paying them then that means you're part of the problem you're not part of the solution just my mr chairman if i may let me respond to mr dorsey mr dorsey number one we didn't bring over those old records at all and not in the system we didn't bring over no retiree records okay so i don't know how we're gonna go back manually looking for records maybe but we didn't bring them over to the system because they've already gone out so we we didn't bring those records to to to into the system new system okay i think i think okay wait a minute kathy uh tony smith i i think where i'm sitting the the the best way to answer trusted dossier's inquiries so tell him what the system could produce and i mean we're trying to explain what what what it cannot do

1:41:12 and and i don't know how we're going to get there what what what what information is available to a current retiree uh that they could access on their own i think i think that was the origin of the question so i think if you answered it um you know i don't know if you're satisfied but it will answer the question i don't know how you could you'll spend the whole day trying to explain what it cannot do i think it's easier for you to explain what it can do what information i think they already did that i'm in agreement i'm in agreement with the former chair you answer the first question you answer that but you know sometimes when you ask a follow-up which i did you'll have reasons why you don't want to answer that question right and it's not it's not about my satisfaction you indicated to me mr nims that you guys have the information but you didn't bring it over mr thomas indicated that it's in a pool it's in a group but you didn't bring it over for whatever reason you didn't bring it over so you have the information so the other comments you made how do we go back well i'll give you one suggestion we could hire some part-time uvi students we can look at the same cell program that has a document going around now trying to figure out what's going on there there are options to get that information but the point is you indicated you have the information you just verify that people who went home didn't pay their fair share and now you're asking tier one to take a hit that's all i was saying i'm up you know

1:43:09 mr chairman i just wanted to make something clear the imp the members who retired early under those programs are not responsible to pay the cost of the unfunded mandate those were enacted by the legislature and the plan sponsor and it's the plan sponsor's responsibility to pay the cost of any early retirement programs that's a very good point uh attorney smith and i'm just glad you jumped in i appreciate that support um and that's my point mr nibs we we need to probably have this meeting um which is recorded going forward uh with the senate and with the government we we with the governor's office we we need to need to get this done and we need we don't need to say we have a new software for active we were happy about that but the issue lies in those unfunded liabilities and we need to start where we need to start i i already made the suggestion before that we need to have that meeting sooner than later so well i understand what you're saying but the luxury tells us we know what the unfunded liability is okay um thank you chair you're welcome uh mr thomas see okay don uh yes i would just like to reiterate again the information that's stored in vitri is what the members slash annoy annoyance have paid in and what the government has paid in for them um i'm not a legal mind here but that information goes back how far okay i think at the conversion time in 2012 those people who went back i think it's around 2005 and like i said i stand to be corrected but there were lump sums brought

1:45:11 over for those people who met that particular criteria okay since since since the bringing over of the lump sum you have detailed information from that right right and um just for the record let me say this. I joined GRS in 1995. I left in 2004. The old system that existed did not provide a level of detail that you now have. For example, in the old system you could not tell what agency a person was working for when they were paying contributions. You can in this current system okay um i i heard um trustee dorsey saying and i think that's one of the issues and katie can correct me if i'm wrong that came up in that district court proceedings because that information is what was presented in terms of the adec and so forth okay all right anything else on administrators report mr chairman very briefly i'll be leaving at 12 o'clock this is like okay hi I mean I can tell you what time. Committee reports, committee reports.

1:46:54 Any committee reports? um none from the medical review committee hearing none um treasurer's report good morning board chair other trustees this is the government employees retirement system schedule of receipts and disbursements for the month ending january 31st 2021 receipts from collections loan repayments one million four hundred and four thousand eight hundred and ninety nine year to date five million three hundred thousand six hundred and seventy nine rent from tenants slash utilities thirty four thousand seven seventy eight year to date 179 609. i'm sorry um employee retirement contributions 10 million 31 290 year to date 31 000 31 million i'm sorry forty one thousand five hundred and thirteen employer retirement contributions five million two hundred and thirty two thousand forty six year to date fifteen million seven hundred and sixty one thousand eight hundred and thirty two parking facility two hundred and ninety five Year-to-date, 2,940. Miscellaneous, 329,301. Year-to-date, 4,887,192.

1:48:43 Total collection, $17,031,909. Year-to-date collection, $57,173,764. Disbursements, Annuity payments, $21,758,920. Year-to-date, $87,904,866. Administrative expenses, $808,912.

1:49:20 Year-to-date, $4,578,098. Personal loans, $15,642. Year-to-date, $112,045. Mortgage loans, $29,580. Year-to-date, $58,084. retiree loans 334 year to date 3133 there was nothing for auto loans refund of contributions 328 216 year to date 2 million 570 463 total disbursements 22 million 941 604 year to date 95 million yeah finish that i have a question but 95 million 226 thousand six hundred and eighty eight for a net cash deficit of five million nine hundred and nine thousand six hundred and ninety five year to date net cash deficit of 38 million 52 924. yeah i had a quick question is that is that did you find that the refund amount is going up i mean do we see um unusually high i'm assuming they refund them out to people who are who are taking out what's in the system right correct uh is that number going up are there in terms of dollars in terms of number of people i don't have a count of the number of

1:51:08 people who um are refunded i just have dollar amount so that maybe in mr nibs numbers that he presented earlier he had um that count i believe yeah but is it okay yeah i agree that but from the dollars perspective is that number going up monthly is it unusually high or is it well if you look at the year to date is lower than last year last year was three million six hundred and forty seven that's true okay you got a point at this time last year last year okay okay mr nibs the number is anything the numbers that indicate well i i tried to look at the dollars but um i can go back to the numbers okay okay i mean if you don't have it that's i don't i haven't have it i have it for just yet to date i can have to go back to see what it was here today the same time last year okay i just i just wondering if if the pending insolvency is um is uh encouraging folks to to back out to the system or not yeah or they're waiting until you know getting closer to okay all right go ahead go ahead mr okay haven site mall operation for the month ending January 31st, 2021. Rents from tenants, 90,234. Year to date, 225,884. We have a total collection of 90,234. Year to date, 653,964. We have disbursements totaling 283,705 year to date 1,209,593 for net cash deficit of 193,471 year to date net cash deficit of 555,629 and that ends the treasurer's report okay so we're

1:53:39 annualizing about 1.6 million dollars in the year negative about that that's about what we said in the budget right i believe so yeah okay any questions uh chair i just have a question for miss jeremiah um can you just explain the internal revenue matching fund four million dollars received in october where is that coming from exactly and where is that being applied that is coming from the spawn spawns um the plan sponsor and what we use that money for is to assist i believe mr nabes with it is applied to the contribution the employer contribution so what it does really is bring down i believe the liability however we apply it to anybody's going home from the central government we apply whatever is owed to them from this amount and reduce it as we go along we don't build a central government anymore because we have surplus and we keep a spreadsheet of every um and we liquidate the balances and when we get down to our small balances and we need to replenish we let the central government bill before we used to build every agency and i think um chairman barry was there when we used to send those bills up but we made a decision um not to do that the government gives us monies and then from internal revenue matching fund and then we use that for any um contributions employer contributions that are missing

1:55:30 okay so is there is there any way we can increase that uh amount is there a request we have to make that's a legislative we get 10 million dollars a year from the the legislature from internal revenue matching fund let me explain what that is because as mr nib said i was at omv when that so what every year the legislature makes an appropriation a line item appropriation and that's specifically to be used in the event that there's a an employee about to retire and that employee has paid up his his or her contribution but the government piece is lacking rather than waiting keeping the the employee in a suspended animation waiting for the government and rather than having to build individual departments to get that money the giris is allowed to send that list to omb and only will pay the government's delinquency out of that so that the employee could retire.

1:56:43 So, Chairman Borey, that's a law on the books? Is that what you're saying? Yeah, it's a line item appropriation by the legislature. Okay. Line item appropriation is a legal, it carries legal weight. so the language can i can i get a copy of the language on how that works with this uh matching fund portion can i get the copy of the language it's it's in the government's budget i guess uh mr nims you could see if i can see if i can find the legislation plus it's a miscellaneous section so it's in the miscellaneous section of the budget every year so i understand that i would like to see a copy of the language and i was asking chair um how much is in that account when it's money where this money where the line item comes from right and the internal matching fund how much is in the account overall before they extract the four million how much is still left in the account every year i i have no idea okay well i can start with the language if i can get a copy of that i'd appreciate it okay thank you thank you miss jeremiah all right you're welcome any other any other questions if not i'm sorry go ahead i was going to make a motion to accept the treasurer's report but was waiting for you to say that okay yeah okay i'm sorry that's my bad yeah i had a motion to accept this did you did we did you accept the the other reports there there are no other reports

1:58:46 yeah i'll take a motion to accept the treasurer's report don't move mr chair i'll start getting it we'll second it move that second then trustee calendar yes russie cohen yes trustee dorsey yes trustee liger yes yes trustee mcdonald absent trustee smith yes chairman barry yes six yes one absent okay thank you um investment officers report yes yes that's guest that's gustavo all right yes thanks for the new title yeah i'm happy to give you an update of um the month of uh january pretty much uh we gave you an update be careful a new title doesn't pay as much but at least i will have a retirement uh the uh jokes aside um we uh we prepared um a couple of slides on the uh general performance report as well as some comments on the markets um we uh already briefed you on what happened uh on the fourth quarter so this uh information is only taking uh the point of view of the month of January 2021. I believe that you have the report in your hands. That being the case, I will ask you please to jump into page number four.

2:00:47 I will touch on this MACRA update on a couple of data points that I believe that are important to take into consideration to perhaps keep some understanding of what's going on in the markets. The first one is absolutely clear here is that this chart represents the global cases for COVID. Definitely impacted by lockdowns, vaccine distribution, we are starting to see globally uh the case is coming in a down one trend um the hope and the hope of the markets is that this can continue and it's not being disrupted by new variances or any disruptions in the in the distribution but we are starting to see this trend i think that it's in the hope of all of us that in fact we continue to see this trend going on the well down very very soon um the i would ask you to switch to the next page page number five please uh which is um also a graphic representation of of the percentage of total vaccinations per uh 100 um inhabitants in that specific geographic region uh definitely as last and as we all seen on television israel is making uh very good uh distribution of the vaccines and uh this this uh actually is what keeps uh the hopes and of uh you know economic growth um all this as you can imagine is already priced in in in price of equities and and in inflation expectations any disruption on any of these trends uh would definitely signify a major

2:02:39 swift in the market. So what I'm trying to imply with my comments is that even though we are all very hopeful, we are seeing vaccination getting distributed, we still have, unfortunately, the possibilities of any of these disruptions coming in, which will increase volatility in the markets, which will affect definitive prices. Next page, page six, it's actually market returns from the month of January. We saw a little bit of a break of the upward trend in equities in the month of January compared to what was the trend the last couple of months in 2020. Basically there were There were some fears about the logistical issues of the vaccine rollout and distribution.

2:03:42 Europe at the end of 2020 went back to lockdown. All that affected in general the volatility in the market and generally ended up by a retreat of 1% in the S&P 500, also a 1% retreat in developed markets. emerging markets was actually saw a nice pickup in performance in the month of January, basically driven by the expectations of China growth rate in the short term. I will ask you, please, if you can switch to the next page, page seven. This is a graphic representation of what we've seen in the SMP in the last couple of months.

2:04:40 And as you see there, during the month of January is when we saw that slight decline. The reason that I stop on this page is that that I believe is a reflection of the fears of anything that might go a little bit away from the very optimistic view of the future in terms of vaccine rollout, growth rate and unemployment will definitely be a major determinant of volatility in the market excuse me um i will ask you to please jump one page two pages ahead go to page nine this chart is a representation of of the sector returns uh during 2020 in blue uh 2021 this is basically january in in green um as you've seen not not there they are not all correlated at least this is only one month data in the months of uh in the in the year of 2021 but basically the the message is as we starting seeing the economies open up around the world and basically this is the us because of vaccine distribution and herd immunity you will start seeing a little bit of um of um reallocation of of those assets that were basically allocated into growth stocks you know the amazons the apples uh of the world into more into more uh staples right so a good example is there in that chart you have a big blue line on information technology

2:06:34 43 percent while it was down on the month of january uh by by almost one percent and on the energy side you see a big drawdown in 2020 on energy uh at minus 33 percent while you see in january a pickup 4.3 so we will start seeing this rotation probably as economies start moving forward and again with the caveat that any disruptions in the any of the optimistic point of view in the near future will definitely create volatility and this is the the fear right the volatility uh moving forward uh i will ask you to please jump into page 12 which which, again, a data point here that the markets have already priced in and that stimulus, right, has been so helpful. And the project of the new administrator, or the plan for the new administration is actually to pass on this 1.9 trillion stimulus, which definitely um has you know creating some headlines and and comments from one side or of the aisle to the other side of the line if it is too much it's too little we are not in a position to to make a judgment on how big or how small if it is too much it's too little um the the point is that in any stimulus uh that is directed uh to the real economy uh hopefully will have an impact in creating the jobs that we're we are still missing and create some growth uh so this is also even though it's still in discussion this is also something that is already priced in in the price of the

2:08:25 equities um there's the expectation that this will generate some inflation expectations that where you see a change in yields and now what you see all these discussions about uh is this too much I will ask you to jump into, we are going to move forward with a couple of pages, to page 16. These are the graphic representation of the yellow curves. Green was December 19 before the pandemic then we moved down to after pandemic December 20 what was you know big decline in all the different iterations of the curve and then actually generally because of how that you see that markets actually retracted there was these fears and every time there's fear just people moves back into fixed income, which lower again, the yield on the curves a little bit, we see a pickup back again, in February. A lot of discussion in terms of inflation.

2:09:35 What is really interesting that I listened to it. In fact, yesterday, when I was listening to Chair Powell was his comments about you know in general market participants are focusing on the economic growth growth rates and how that would generate inflation which definitely is a point they have a point however the plans that Powell was actually disclosing also take into consideration the 10 million people that are still out of jobs. And remember that those are the two mandates that Powell has very much stated every time that he can, right? That his charter has two faults. One is, you know, economic growth and stimulus and the other is unemployment, get it to low levels of unemployment. So if we just focus on the possibilities of short-term economic growth, then we might be in agreement with the market participants, there are some inflationary pressures and perhaps there's a case for the Fed to start backing up on their QE. But if you just think on the still 10 million people that are out of jobs that definitely there's still some need of the Fed programs actually to help lower that unemployment. And basically that reaction of the Fed is based on what they learned after the global financial crisis it took a decade or even even a little more than a decade to get those people back

2:11:27 into into their jobs just because they started retreating the qe programs at some point in the middle so uh all those considerations are the ones that are in play uh just the the uh inflation rhetoric based just on economic growth without looking to the to the unemployment uh we don't believe is is is is is fundamentally valid you need to take both into consideration so um and the big economic uh factors that influence this low inflationary environment like demographic growth uh like uh uh technology increasing uh productivity all those are still in place around the world so in the long term it will be you know a push and pull on on inflationary pressures um i think that that covers pretty much um the economic uh the macro report i will jump the report and ask if there's any questions um so summarize for me what's the takeaway from all that for for grs i mean particularly given the very limited exposure we have in the equity market i mean we we had i don't remember the percentage but we like two percent three percent we have invested in yes yeah so so what's what's in a nutshell what does that that five five minute ten minute um detail you just gave us what somewhere is that somewhere is a takeaway for us for grs and investment posture sure

2:13:22 the takeaway is the same takeaway that we've been discussing for some time now that is we are in in capital preservation mode we are in liquid assets around 440 450 we have a net outflow of 140 millions a year 120 140 so the math is telling us that we have two and a half years or so of direct money here that will be used to pay contributions and expenses so with that saying uh we are still in the in in that that's that actually uh does not change the philosophy on how we are investing because we are 100 focusing on capital preservation to be able to pay those contributions um as you will see on the next couple of pages uh in cash flows um the there's there's a need there was a need this week also for an extra 20 30 million dollars that will be coming out of white with this will retreat decreasing a little more the exposure of equities as well so i think that takeaway is to as fiduciary trustees you need to be aware of what's going on in the market and also as fiduciary as a trustee we are taking care of capital preservation at this point that is our number one priority if you put what i just told you 140 million dollars of outflows in terms of percentages it is uh four times uh 40 80 like 30 a year that should be coming exclusively from investment uh uh from uh

2:15:12 investment performance uh to be able to match up at this a level of of assets so it's a it's a an almost an impossible task, definitely to deliver the projections that we are seeing for the environment from now on into the next 20 years is an environment for every single asset class actually, that the returns are actually lower expectation with higher risk given the history of high performance that we have. we were actually putting together some numbers for some of our clients and even a portfolio of, listen to this, even a portfolio that is, which no one practically has, 90% equities and 10% fixed income, expectation is that on the next 20 years, that will not be returning uh more than 6.7 6.8 percent and 90 10. so uh again you said already i think that it's capital preservation put that in the context of the decision that we made to reduce the the return rate to four percent versus to seven percent that is uh in line with the expectations that uh return expectations and it's in line with the dynamic after allocation that we put in place since 2016. So all this in line is all within you know fiduciary duties.

2:16:54 Okay. So I will ask you to let me show you some of the cash flow analysis but the ones that make sense are the ones that are fiscal year so let's i will ask you to jump into page 28 please um so since we started the fiscal year that is october 1st we already had around 32 million in withdrawals and there is an uh another withdrawal that is coming soon uh that is around 20, 30 million dollars extra. So pretty much in line to what we forecast is around 30 to 40 million per quarter. So in line with the expectations and with the forecasts there. I will ask you please to jump into page 32 to give us a picture of how we are how we are invested. It is at the time of this report that was January 31st we were around 14 percent in equities. Remember that we are actually calling around 30 millions out of that equity, so that will be reduced to around half, so it will be around 10% at the end of the quarter, I'm guessing, in terms of equities and the rest in fixed income and cash. A little in these two private equity managers that we have, that are distributed in my idea at this they're not calling the distributing online.

2:18:48 And this is again, Mr. Chair, this is in line with the projections. This is in line with the dynamic asset allocation. Page 34. this performance so even though even though the um that we have only 14 percent invested in equities if you see overall fiscal year today we're at 2.1 so very good news uh you know not not just uh when we have invested in equities but fixed income they have also make some some returns uh so we are up for a good start so you were asking mr chair about projections of uh four percent this is one quarter or two no one can guarantee if next one we will two and the next two but we're up for a good start even though we are 80 uh inequities which is exactly uh what uh uh i was trying to mention with you before right it's just it's capital preservation that we're trying to do within our fiduciary duties so we are for a good start good news in in the fiscal year so far um and um and remember january was the month in which the equities came down because we have so low exposure to equity did not affect much uh the performance of the file, which also it's good news. Let me see. Again, just to finalize my comments, if you jump into page 38. These are the total fees that the plan is paying to managers. It's not include custodian let's not include Makita for this portion so this is how you the the when when

2:20:54 you see comparisons between pension plans in the country this is how they it is compared they do not include custodian or consultant or legal fees they include management purely management fees. And this is at eight basic points. At this level of assets, it's around 45 to 50. So we're probably one of the lowest fees in. So this is other measure that we've taken years ago when we saw this trend and say, where is it that we can take some or make this plan more less expensive and this was an area that we worked with with the board as well years ago and these are the fruits of that labor so those are my remarks mr chair and is there any other questions i think you're on mute mr chair any questions from board members staff no i'm okay okay i'm hearing none um i just like to thank you gustavo and uh oh i have a question chair okay go ahead um i was looking at the I asked this question before of the gentlemen in reference to the responsibilities.

2:22:43 So looking at performance under exhibit A as part of this document we received, at least I received, and it's performance and managers monitoring. Can I read item two, evaluate investment managers' performance in terms of effective implementation of investment strategies, performance versus established benchmarks, organizational stability, and apprehensive to such investment managers' contact with the system?

2:23:20 My question is, that still wouldn't cover uh the investments that these individuals would be making and those uh positions go against with what that has fraudulent activities that go against the plan where we end up with a situation of litigation against um these investments that we're making so i was just trying to follow that i'm sorry i'm not sure what is that your responsibilities of what you do for the plan yes i was just reading what your responsibilities are in that section um and what it is you you are reporting to the trustees right and the monitor the monitoring you're doing of transactions right um that you report to us as trustees so i'm just trying to figure it out because up to now i'm not able to figure out who's checking the checker as relates to the investments that are made on behalf of the plan and then we come to find out that another third party was able to figure out that there was some fraudulent activity going on on behalf of the plan so you were saying last time we had that discussion you didn't have any your company didn't have anything to do with that but just read into what your responsibilities are unless i'm not uh that in my eyes and crossing my t's correctly i was just trying to figure out there's still not a connection there i'm i'm missing the connection on where exactly you're talking about fraudulent activities um gustavo um he's talking about cases that are securities

2:25:13 litigation cases where the grs has participated in and um so i guess you can explain to him that usually the fraud is is discovered after the fact and how your firm you know works with that Yeah. Yeah. That is part of the charter of the securities litigation firms that I believe, right, Cathy, that you work with as well? Yes. Yes. So that is their charter, Mr. Dorsey. Our chartering is in terms of the manager specific due diligence, manager reporting, and then securities litigation, you have another service provider that looks into that, which is the standard for the industry. I guess my other question is, I'm not going to get into the name of the account, but, you know, we recently had a meeting on a litigation and we had an investment of somewhere around a half a million dollars i guess and our recovery was less than a quarter of what we put in so going into those investments we don't we don't have language that indicates that if fraudulent activity uh is verified in the process that we at least can collect the principal amount of what we invested we don't have anything like that there mr dorsey that's not the way the system works when you're investing through investment managers they're doing and buying it on the stock market so you don't have the ability to make those kind of demands on make when you make an investments through the stock market and um and you wouldn't get those kind of agreements from the companies and as for the fraud that we're talking about the prior case that is discovered after the fact we had been invested in that those stocks for i think it

2:27:12 was a year or so when the fraud was discovered and brought out when they had the company had to make a disclosure but the investment managers who were investing in those companies would have no idea that there was this fraudulent activity going on until a report comes out in the market or something generates the discovery so you can't tell that when you're investing in the stock there's some cases where you may look at it and you can see that there's some fraudulent activity but normally you can't discover that this is an after the fact discovery yeah my point is this uh attorney smith i'm asking again because you didn't answer my question when you realize that there's fraudulent activity that was that has been verified and in this case it was verified to the security exchange commission there are other cases we have we have litigation and if some are gonna we're gonna win some we're gonna lose but my question is is there something in the system now that at least we can get the principal amount of what we put in because if we went in with the understanding that we're gonna do these investments if it's fraudulent activity we should at least cover the principal amount um mr dorsey the securities exchange commission act it doesn't allow for that type of recovery as the attorney explained last at the last meeting it doesn't allow for the recovery of your losses or what you anticipated your losses are so that's not a a recovery that can be made under the act well i never got my copy uh on that uh particular item that the gentleman at the time in that case indicated he was going to forward to me counsel through you so whenever you can get that i'd like to be able to read that for myself and go from there i will follow up with him today and remind

2:29:16 him to send those documents but speaking back to the gentleman my point was uh Just in general, when you're investing with other companies, representing other clients and there's a fraudulent activity, there's nothing your company would do in that case? That's all I'm asking. Yeah, so remember we don't invest in companies. um our process is the selection of of uh investment managers um there is a process and i think that you're you're you're asking uh specifically something that i believe is outside my my scope of knowledge so i will be happy to uh uh ask our legal counsel some advice and come out with your uh with a response because um i i don't have the the exact answer for you mr dorsey i would appreciate that because i'm not getting the answer i want and i think if you're monitoring the investment uh managers we we just need to be more pointed with this i i will i will uh actually um i will actually stand by what i told you before i would i would i will um internal legal counsel and get back to you mr dorsey thank you thank you chair you're welcome any other questions for gustavo no but i'd like to make a comment i think i think i think if

2:31:02 um mr dorsey were to ask 50 persons he may not get the answer he wants and that may be a problem and then we go to the number 51 51st person still trying to get the answer that he wants whether or not the 50 50 51 people have already given him the same answer nothing else the chair the chair is actually correct the former chair uh chairman bori he's actually correct but you know today that's how we got the iphone that's how we got the cloud that we just presented today because individuals put the time in to get that to happen that's how we have what we call discovery and all i'm trying to do is try to get more documentation under my review of discovery as a trustee that's all i'm trying to do i'm not going to sit here like i said to you guys before and just listen to reports i have questions i need document and then i could formulate a an answer i just got this i just got this document a few days ago which i was asking for from before but i just got it a few days ago so that's where i'm at um okay okay thank you thank you um i think we go to the next item on the agenda um thank you have a good day thank you you too bye thank you go stabber so we're into um regular business the first item is ratification of the of the poll vote to extend the contract between marketer marketer investment and grs and that that's

2:32:59 that's a vote that we took um in a special meeting some time ago i don't remember the date Mr. Nibs can you um yes a poll vote the uh results were garnered through a phone and the results um on February February 1st yeah but uh Miss Cooley reported back on February 4th with all the um votes there were five yes and one no the no vote was Andrew Dorsey uh so what we're action here to ratify that poll vote to extend the um nikita contract through february 1 2022.

2:33:50 okay so i mean that's that's that's an action that the board technically has already taken a decision already made so um at this point i'll accept a motion to to ratify the poll vote the chair make a motion to ratify the poll vote to extend the contract between makita investment group and trs through february 1st 2022 second all call trustee calendar yes trustee cohen Yes. Trustee Dorsey. No. Trustee Liger. I think he left so absent. Trustee McDonnell absent. Trustee Smith? Yes. Chairman Baring? Yes. Four yes, one no, two absent. Chair. Yes. I'll change my vote to not voting. Okay. So recorded. Thank you four yes one not voted two absent okay i have a point of information chair my hand um when you have regular session and executive session uh what determines like for the

2:35:39 The disability annuities retiree are returned to work repayment policy under the regular session versus the contract for Ms. Coley under new business and executive session shouldn't all those be in the same place. what's the difference of a contract it should all all contracts come under executive session or do contracts come under new business it's enough personal matters um that's there in regards to the contract for miss foley mr williams are you still there yes mr chair trustee gossy all matters are generally um initially on the regular session pursuant to the um sunshine act unless they fall into one of the exceptions um and so the the contract from his coley would fall under one of those exceptions that's why it's an executive session so you said um i guess it was uh trustee smith indicated that if it's a personnel matter is that the thinking as to what you're saying council is you consider this a personnel matter personnel matter okay so if this is a contract a contract is not personnel that's a contract

2:37:33 personnel would be personnel coming through the system itself assigned to the board they do work for the board but if it's a contract it is a contract that's not personnel uh and and this this is a ratification of a vote right i mean that was taken earlier so is that should that that's a good question should that be an executive session no because you're not discussing the terms of the contract i mean at least as it's place on the agenda is simply a verification of a vote that has already been taken place if you're going to discuss the terms of the contract then it would have been an executive session okay my my my thoughts on this this is a contract if it's a contract it should be in uh a regular session. It's not a personnel matter. It's a contract.

2:38:37 Well, I mean, yeah, I'm agreeing with you. I think I'm agreeing with you. I mean, that's especially since it's a ratification of a vote that's already taken. And that vote was taken in a in a and it was in a regular session wasn't it no no no that was done by a poll vote so there was no discussion i mean you all sent out the information to the trustees that each person voted individually i assume at some point whoever tabulated the vote miss coley indicated that there was at least an affirmative vote one way or the other yeah and yeah so so let me ask you counsel the uh poll vote was taking who who did the tabulation you said i think from the email i saw and i'm subject to correction i believe either miss coley or mr nibs tabulated whoever the trustees voted to uh sir i wasn't aware that there was a poll vote for miss coley's contract so it wasn't me oh i thought we were talking about makita's contract he's talking about police contract i think it's the chair i think they're mixing up everything yeah i think everything is being mixed up yeah i mean i think i think i think we didn't get there yet that's why that's why because we didn't get down to that but um let's let's let's let's let's talk about i mean i mean if the basic question is whether there's an item in executive session for and call a contract and i guess the question is whether that should be an executive session or not attorney williams stated this should be an executive session because it was a

2:40:38 personal p-e-r-s-o-n-a-l personal matter not personnel but and and his question is whether the ratification of a contract is a is is a matter that that falls within the the exception that puts you into executive session but but that ratification is not an executive session that's the distinction i was trying to make i i thought i said if we're discussing the merits and the details of the makita contract then that most likely would have also been an executive session all all the trustees being asked to do based on the agenda is ratify a vote that had already been taken place so there's no discussion of the specifics and the details of the contract i mean so the fundamental question is there's an item on the agenda under the executive sessions n-coli contract and it's it's a ratification of a of a vote that has already been taken no no no the koly contract is not a ratification the koly contract is a new item that the board has to decide on today as to whether or not they want to extend her contract that i believe is scheduled to expire next month so that is not a ratification that's true that's not the same or i uh an action item which is different from what we're dealing with with makita okay chair that's not a personnel matter that is that is a contract that's not someone assigned from mr nib's office to work under the board in some capacity that is a con independent contractor

2:42:31 that should be under regular session Mr Chair I think if you go ahead with the agenda when that comes up then we deal with that but right now I think we need to move forward the agenda that we have present in front of us right now okay yeah let's let's do that when the matter comes up we'll make a decision we'll discuss it Well, Chair, my other point of information early on was the portion on the regular session, the disability annuity item on the unfinished business and retiree return to work repayment policy. Should that be under or shouldn't that be under executive session? That would seem more of the area of concern. So I was just trying to get clarification on that as well.

2:43:29 but if the if the comment is addressed to me or mr chair you want me to respond the problem with those two items i mean unless you you know more than i do is that i don't know what those items mean i have no information as to what they are or whether they fall within any of the exception under the Sunshine Act, which is a reason why they are in regular session. So unless as counsel to the board, I have some detailed information as to the nature of what's going to be discussed, I have no basis to determine whether it falls into one of the exceptions. And unless that happens, it, by definition, will stay in regular session.

2:44:20 Okay, so then I would just ask counsel for the system, Mrs. Attorney Smith, is your recommendation it should stay under a new regular session or should it be under executive session? That is to the counsel through Mr. Nibbs. Trustee Dorsey, I had originally asked that it be put under executive session. I was overruled and so it remains in the open session so you heard that mr chair so obviously that needs to be on their executive session as well i'm not sure who overruled it who overruled you because this is the first i'm hearing you over who overruled you attorney williams but he just said he didn't know anything about it i did speak with him and explain to him that we may i understand that i understand that but he just said to us he doesn't know anything about it so something's not adding up there well yeah what are we going to do chair we putting it under the executive session are we leaving it under regular hola attorney i mean attorney trustee dorsey first of all i i don't know what attorney smith means by she was overruled by me because i don't know that i have the ability to overrule on anything i i am counsel to the board when an issue comes up i look at the agenda and if i have issues about whether an item should be an executive session a regular session i try to find out i did have a conversation with attorney smith based on that conversation i indicated to her that she did not give me enough information for me to make a determination as to whether these items fall under the exception to the to being at the regular session under the sunshine act in the absence of that my position has always been that the items remain in regular session unless and until the board decides otherwise or i receive information that in my mind

2:46:27 justifies them going into executive session i have not received anything to justify them going into executive session. So chair, in this situation, do you make the final ruling or is it a motion? What happens here or do we respect the position of council Smith? Well, I think we need to, um the the the law is clear clear about the the what what qualifies um as an executive as executive executive session material so um we uh we let um um attorney smith explain to us how and why this fits under the the the the prerequisites of the law to become an executive session item the reason i thought it should be on the executive session because there are individuals that fall into those two categories that we may be discussing their personal information as to how it applies to the discussion and i didn't know if we wanted that information out in the public i was told by attorney williams that um we can discuss those individuals names in public because it's all um and i forget exactly what he said but my my thing is that the decision of the board was made in private in executive session so if we're going to have any discussions that are going to bring up those individual names again i thought it should

2:48:22 be an executive session but i wouldn't as i said i was overruled and we are willing to go ahead and proceed in open session again we're mixing up the issues and the item if i again if i if i understand what where we are what we're saying there are some matters that will file as an appeal as appeals to the board the board made decisions the decisions of the board was made in executive session under the provision that the premature disclosure of the item they have an effect that is the only reason those decisions were made in executive session once those decisions have been made by the board then technically all board decisions in appeal cases are public documents so anybody could write or call to the system and say i want to see a decision in whoever versus grs and that information can and should be provided to the individuals so they're not public documents as to the decision made by the board on january 5th 2020 um i i am not aware that that in these two items there need to be any discussion of individuals personal information and if i'm assuming and i'm correct that we're talking about the solo matter and maybe the marissa wilson matter i would caution the system not to go into much detail since to a certain extent those matters or aspects of them are still pending and the system should not be having any discussion with the board because those could be construed as

2:50:22 ex-parte conversation when the the appellant and the appellant's counsel are not privy or present during these discussions so i was under the impression that if there's going to be any discussion there are going to be policy discussions and not discussions having to do with the specific individual or the specific cases but we are going to refer because the reason that the policies have been changed or because of the decisions made in those cases and so we may have to refer back to those individual cases and the decisions in discussing why we've done what we've done or why the policy is the way it is and so we you know and it's going to be care we have to be very careful that we don't disclose any personal information and so it and we may inadvertently disclose some of those people's personal information and so you know it's better to do it under executive session so that we don't inadvertently disclose somebody's personal information in the during the discussion i'm not sure how you could inadvertently disclose people's personal information if you know that it's a personal information and it should not be disclosed pedro i'm i as i said you know it has been done before where people inadvertently disclose something that shouldn't be disclosed so i'm just in you know to be cautious you don't want people's personal information out there and we may have to refer to something that was in those orders specific to those individual people or do or that occurred during because of their situation but anything in the order is public

2:52:14 information but it's some of the information that we may disclose is not necessarily carried in the order but it affects something that was ordered in the order and that we may have to discuss it to talk about compliance with the order then i suggest you not discuss it i'm not to go back i don't want to i don't want to go back and forth in a difficult position because they don't know what you're going to discuss Pedro as i said i'm not going to go back and forth with you i don't like this kind of all going back and forth you know the board can make the decision if they want to follow your opinion that's fine we'll do what we have to do and if we inadvertently disclose something so be it we'll try not to but you know This back-end taught me to start. Any thoughts from any other board members? I mean, I guess the question becomes, I mean, as a board, we have a council, a council to the board that's advising us, and we have the...

2:53:26 Let me ask a question. Is this item time-critical or time-sensitive? Yes, they both are. Because we have orders that we have to comply with, and so we have to change processes. mr chair if i might the way to deal with these items is you discuss them in general session and if and when you get to a point in the discussion that somebody feels that something needs to be said that should not be there then at that point you could move to go into executive session or leave it for executive session since that's already on the agenda my understanding of of that of that process is that it is that the the move to executive session is is the exception as opposed to the rule that's correct and that the the presumption is that it's it's public information unless proven otherwise um so is is this and what what i'm thinking about is whether there should be an opportunity for further discussion between your our council

2:55:15 and the management council to see if we could figure out. I'm uncomfortable going contrary to a board or council advice. You know, I mean, that's why we have a board council. On the other hand, I respect the staff council and her thoughts, I mean, so my, the, the The, our council is saying he doesn't know enough about what's going to be discussed to come to a conclusion that it should be an executive session.

2:56:21 Would some further conversation between you guys resolve that? Is that a way to resolve that? Mr. Bowery, we're prepared to go follow. Chair, excuse me. Attorney Smith, hold on a minute, please. Chair, I can make a suggestion that we just put it in executive session and if it meets whatever it meets during that time when we come out we can report to the public what came out of that but at least we'll be in a safe place going in but if we don't start there we can't end there but if we can start there then we can end someplace with a soft landing because we're already there so that's the only point i'm making because if that's the case then um the contract should not be an executive session it's a contract unless the policy is all contracts from any vendor is supposed to be an executive session if that's the policy then that's what it is and that's what i was asking initially when When it comes to contracts, not employees, and contracts, are they supposed to be dealt with in executive session?

2:57:37 Okay, okay, so let's do it one at a time. So the items on the B, there are two items on the B, disability annuities and return to work. And they're both, your question, Trustee Dorsey, was it was with respect to both of them the two of those items should probably be in executive session now that's those two and then the contract i was asking for any contract not just this one any contract is it the policy that is supposed to be done in executive session it's a contract let's um let's let's let's let's let's let's take let's try to follow the agenda and deal with these two items and we get to the contract when we get there um all right so i guess at this point then i'll ask for a motion to go into executive session Hold on. You're going to executive session? You're changing the agenda?

2:59:01 Well, the discussion I'm hearing is that the agenda calls for two items that's left under B. you know there are a bunch of items on the a we didn't about the the those um bank things that are you skipping those yeah oh yeah i i'm sorry yeah i got distracted on those yeah but so i'm saying we need to follow up finish the agenda yeah yeah yeah i got you i got you all right so okay so let's let's let's keep on going we agenda and we'll we'll get to b when we get to b okay so we'll finish the first one under a which is ratification of the marketer contract the next one is is approval to designate the chairman as a signatory to all bank accounts and chairman as a signatory or holder to cooperate card um can i take one at a time sir yeah yeah yeah okay okay let's take the first one well yeah chairman barkley what happens when there's a change in the officers of the grs the officers are considered a chair i know that there's not a vice chair at this time maybe we need to address that today sometime because we'll have to go back and change the corporate documents again um also the treasurer which is miss um the cfo and the secretary administrator are signatories to the bank accounts

3:00:59 Yes, yes. So I'm just asking that you be designated as the chair and the new chair on the bank accounts. And I'm assuming too that this would include Carambola account because Carambola has not been completed as yet. We have not wind up all the business of Carambola. So as the chair of the GRS board, I'm making the assumption because of past practice, also the chair of the Carambola board, because there's still a Carambola board. So I'm asking that you be designated as a signatory, as a chairman, and all GRS's bank account, which includes Garamola, Davinsite, everybody. Who are the other signatories?

3:01:56 The vice chair, which we don't have a vice chair. We need to designate a vice chair, the CFO, and also myself, the administrator. So it's like the chair, the vice chair, the secretary, the treasurer. Okay. I think on some accounts, Ms. Jeremiah, you may confirm with me. I think we had Ms. Potter on there as the CEO also. Am I correct? Anyway, we just needed the officers.

3:02:32 I think Ms. Potter was at it because you need at least two signatories at one time. the chairman and the vice chair really don't sign the checks uh usually the checks are signed by um cfo and um and myself the bank look for those two signatories so move second motion and this question and this question on that motion um if not we'll call just the governor yes trustee cohen yes trustee dorsey uh not voting trustee leiger absent trustee mcdonnell absent trustee smith yes chairman barry yes four years one not voting two absent The next approval I'm seeking is to designate Nelon Bowery as chairman of the GRS as a signatory and holder of a GRS corporate credit card. Now that's in conjunction with corporate credit card policy um which um was developed when i came in 2008 i sent a copy to the um the board members and staff and usually that credit card that credit card is in the amount it's at banco popular it's a visa card it's in the amount of uh maximum of 25 000 it's used primarily when we traveled a whole lot Also, it can be used for any type of operational expenses that have to be documented.

3:04:42 So that is for board use. The chairman used that for board use, board expenses. As you can see in the other, what I'm approving also is for Ms. Jerry Meyer. I currently hold a card. I use that card for travel expenses. we don't have travel expenses as we used to. I also use it for operational purposes. We find that a lot of the vendors now don't want any checks. They'd rather have a credit card. So in order to do business, we have some recurring charges that happen every month, especially in the IT area. So I presently hold that card. Ms. Jeremiah doesn't have a card. I know that Ms.

3:05:29 Dubbins did when she was CFO and she had returned it but I'm saying that Ms. Jeremiah should have a card now because obviously my time is getting short and the recurring items on my credit card that may have to be transferred to a card so that there wouldn't be any problems um i'm not sure what the board intent is at this time in as far as transition but i i do presently have a card when i leave that card is cut up it's it's um it's closed out at the bank and there should be someone else within the agency and I would look forward to have the CFO have a card so that she can monitor. She'll be the one responsible to approving any type of expenses on that card and monitoring the use of the card. So I'm asking first to designate the chairman which is customary.

3:06:32 the Chairman has a card at Bank of Papadrad, Visa card, in the amount based on policy of $25,000 limit. So move. I have this question there. I mean, so this has been the practice? Yes sir, and it's in the policy. It's part of the corporate credit card policy, which was approved August 25, 2008, and since that time, all chairmen, Chairman Liger had one, Chairman James, also Chairman Callender had one since he's been here.

3:07:23 So when the person leaves, term is up, the card is turned in and the new chairman would have to have a card in the event that needs to be charges for board expenses. Okay. Second. So I had a question, Chair. Chair, go ahead. latter part of what mr nibs was saying that his time winding down and that i guess there are reoccurring charges on the card that he has at this point um we we haven't still talked about the winding die uh winding down time sorry uh with mr libs uh moving on that's the question the question was um should we entertain uh looking at mr nibs going on some kind of contract so that we can have continuity for the system at this point i agree this contract is done can we at least look at continuity yeah i think i support that i i think i told you uh i told somebody recently that um that is something under consideration i think i said that i i asked um dr calendar and and the other the other clinton to uh to get together with me to to fit to to to discuss a path forward given given mr nibs's uh announced retirement and i think i told you that we'll be uh coming to some determination fairly soon and wasn't it you had this conversation with

3:09:18 with myself yeah well i thought i was gonna i thought i was gonna see some kind of draft document that was coming to the board from mr nibs as to what he could live with well i mean we we have to we have to have that to talk with him before he sends that job i've been discussed i thought we discussed that when we were under the former chair we were talking about uh succession uh movements for the system i thought around that time that's what we were discussing that there would be something on the table coming from mr nives he already sent i thought i read the document um it was copied to everybody that was there at the time i guess based on what uh mr nibs and mr thomas indicated earlier we yes the system had some hiccups in terms of the software but now that we have the new software in place we have a backup cloud i guess we won't have those problems going forward because it'll always be in the cloud but i was just saying that um are you looking at something like in the next by the end of this coming month uh chair yes so i mean we have to we have to make that decision fairly soon because we if mr nibs is going to be part of the conversation we have we have to let him know so he can we discuss this in executive session mr chair i mean that that's that didn't might come what uh mr chairman all i'm trying to do is uh see make sure that miss jeremiah has a card as a cfo i think that is the objective right now just to make sure that she has a card so that you know things can transition in smoothly and when the

3:11:04 new administrator come in whoever that person is that person will get a card also but ms jeremiah i think as a cfo should be the one really i really don't need a car anymore because we don't travel like that okay i understand but i mean this this this has morphed into more than just yeah this is more often to a discussion about the way forward right right but so right now i'm just asking for motion to have the chairman has have a card based on the corporate card policy of the grs and also the cfo to be designated and we also issue a card in the same amount based on the corporate credit card policy i i haven't gotten that policy so i sent it to emails yahoo and gmail plus your grs email excuse me mr chair yes sir you have a problem with having a credit card me personally having a credit card two geis not not not fundamentally i i know um not fundamentally okay now it's like it seems that you have some hesitation i had the card for 10 years never used it did no way to us turn it back in actually and there was really no need for for me to use the card so i i don't i don't i don't picture a time when when i've been using it either what i mean the point the fact is i could i could see of i mean it's the i i believe the occasion will be relatively

3:12:55 rare in my case all right let me give you some assurance um trusty barry used for both travels mostly put it well i mean these are things that are approved they go through the process so it's not that everything is monitored properly um so you know i don't even look at the card but it's done by my um executive assistant she monitors all of that stuff and gets all the um seats and everything and i understand mr nims i mean you know i understand i i already said i read you already voted on mine right yeah well we like to we like to vote on that right now i think it was uh moved by uh trustee calendar and uh seconded by trustee smith so we vote we voted on anyone for we didn't do it for the credit card for you okay i'm i'm i'm losing it yeah yeah because you know what you're you're you're you're you're taking too long on one item all right all right mr nibs i just got it mr nibs okay mr nibs i just got the credit card policy thank you so i just need to call the roll on this because it was moved and seconded yes sir go ahead Trustee Calliner? Yes. Trustee Cohen? Yes. Trustee Dorsey? Yes. Trustee Liger? Absent. Trustee McDonough? Absent. Trustee Smith? Yes. Chairman Bari? Yes. Five yes, two absent.

3:14:45 now another request for his approval the same thing but for the cfo miss uh dennis jerry meyer move second moved and seconded we'll call trustee calendar yes trustee cohen trustee cohen they're moot yes yes trustee liger absent trustee mcdonald absent rusty smith yes damon barry yes five years two absent thank you okay all right so now we now we get to um item b yeah and i guess here's where we i'll ask for a motion to go into executive session um you want you want a motion to uh to go into executive session for these uh unfinished business the disability annuities yeah i mean i think that that's what i i make a motion to rearrange the agenda to put uh the unfinished unfinished business on the executive session second okay okay yes rusty cohen

3:16:38 yes rusty dorsey yes rusty liger absent rusty mcdonnell absent frosty smith yes jaman barry yes five years two absent okay so that motion was to reorder the agenda we now need a motion to actually go into session yes sir okay we'll hear that motion so move mr chair and i'll second it move a new executive session post the calendar yes Yes. Trustee Cohen? Yes. Trustee Dorsey? Yes. Trustee Liger? Absent. Trustee McDonnell? Absent. Trustee Smith? Yes. Chairman Barry? Yes. Five years, two absent.

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.

13x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

7x **Trustee Vincent Liger**
heard in this transcript as: Liger

5x **Trustee Leona E. Smith**
heard in this transcript as: Smith

2x **Senator Kurt VLA**
heard in this transcript as: VLA

Bills and acts referred to

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

Bill 33-0418	Act 8383 · An Act providing for the remitter of an amount not exceeding 50 percent of the revenues realized in excess of the funds appropriated by the Legislature of the Virgin Islands for the operation of the Government of the Virgin Islands (GERS) in the fiscal year ending September 30, 2020, and for an amount not exceeding $50,000,000 to be remitted to the GERS, in the fiscal year ending September 30, 2021, from General Fund revenues realized in excess of the funds appropriated by the Legislature of the Virgin Islands fur the operation of the Government of the Virgin Islands, to he used by the GERS exclusively for retirement annuity payments for the fiscal year ending September 30, 2021 ---0
Act 8383	Act 8383 · An Act providing for the remitter of an amount not exceeding 50 percent of the revenues realized in excess of the funds appropriated by the Legislature of the Virgin Islands for the operation of the Government of the Virgin Islands (GERS) in the fiscal year ending September 30, 2020, and for an amount not exceeding $50,000,000 to be remitted to the GERS, in the fiscal year ending September 30, 2021, from General Fund revenues realized in excess of the funds appropriated by the Legislature of the Virgin Islands fur the operation of the Government of the Virgin Islands, to he used by the GERS exclusively for retirement annuity payments for the fiscal year ending September 30, 2021 ---0