GERS BOT's Monthly Meeting 9/26/24

GERS Retirement System (Board of Trustees)

September 26, 2024 · 1.9 hours · gov

0:00:00 Thank you. all right um good morning ladies and gentlemen is government employees retirement system of the virgin islands regular meeting of the board of trustees for thursday september 26 2024 it's i might call to order mr administrator can have a roll call please yes good morning mr chairman trustee barry present trustee mary present trustee dorsey present trustee dorsey present Trustee Dorsey present. Trustee Liger? Trustee Liger absent. Trustee Russell? Present. Trustee Russell present. Trustee Smith? Present. Trustee Smith present. Trustee Caldwell?

0:01:35 Present. Trustee Caldwell present. Mr. Chairman, there are five present. One answer. Thank you. Are there any comments and suggestions from retirees? Hearing none, are there comments and suggestions from active members? Hearing none, the next item up on the agenda would be the Secretary's minutes from the August 8, 2024 meeting. Are there any edits or corrections to be made to the minutes? I have a motion to accept the minutes for the August 8th, 2024, regular meeting.

0:02:23 So moved. Second. Moved by Trustee Dorsey, seconded by Trustee Smith. I have a roll call, please. Yes. Trustee Bowery? Yes. Trustee Bowery, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Leiter? Trustee Leiter absent. Trustee Russell? Mayor Mrakas- Russell yes trustee Russell yes trustee Smith, yes trustee Smith, yes trustee Colin, yes, you call yes Mr chairman five year one. Mayor Mrakas- one absent. Mayor Mrakas- Thank you. Mayor Mrakas- it's admin share there any communications or correspondence system we read into the record.

0:03:10 Mayor Mrakas- No, Mr. Mayor Mrakas- Alright champions report. there's none let's move to the administrator's report uh yes the administrator's report that appears august through september 15th as usual we begin with meeting presentations and appearances so um july 18th we yes july 18 we had the uh haven site green space visitor center kickoff meeting july 23rd through 26 we had our board retreat uh all this first um turning carol rich regarding uh i also had an interview with the saint thomas source august 8th we had our board meeting august 12th through august 29th i was on vacation uh september 4th we had an annual overview of operations legislative hearing on september 11th we had a meeting with a union on con on a matter september 12th budget committee meeting was held september 13th we had an all staff meeting and employee recognition and september 18 we had i had an interview with the wt jacks tv in September 19th, I had a meeting with the U.S. Government Accountability Office, and I also had a meeting with Acting Attorney General Gordon Riga regarding the Department of Justice lease. Regarding what? The Department of Justice lease. Oh, okay.

0:05:09 No. I guess you're telling us somewhat about that at some point. Routine regarding, of course, their rents and the nature of an upcoming renewal of their lease. Okay. Member Services Retirement Applications as of September 15, 2024. We through 2024 we have 148 remaining membership retirement applications to be processed. 165 rather 148 from 2024 13 from 2023 and we've already received one for 2025 totaling 165 um contributions processing refunds and death benefits uh we have completed 672 cases There are 32 remaining to be processed, so we have a completion rate of 95.5% thus far. Death benefits, we have 65 cases, of which 43 have been completed and 65 are pending, so we have approximately 60% remaining to be processed. The accounting departments that we have paid out for the period October 1st 2023 through September 13 2024 258 million 241 thousand dollars, the bulk of it being service retirement annuities of 252 million, we also have survivor annuities 1.6 million dollars and duty disability duty connected disability. 3 million and non-duty disability annuities 1.5 million for a total of 258 million 241 thousand dollars um number of retirees added to the payroll from October 1st 2023 through September 13 to 2024 was 312 excuse me bit of a cold a number of retirees added to the payroll for september 13 2024 uh pay date was 16

0:07:52 number of retirees expected to be placed on the payroll for september 38 2024 seven number of retirees deleted from the payroll from october 1st 2023 through september 13 2024 was 290 um as of september 13 2024 the gross retiree payroll per pay period has arrived at 11 million 281 uh we have total reimbursements per period of 9416 1719 of those are outside of the virgin islands and 7697 are within the virgin islands the loans portfolio as of august 31st 2024 we have 2500 active personal loans of which 1262 are innocent thomas and john district and 1238 are in this employee district mortgages which we no longer offer of course is a relatively small number at 69 Total outstanding loans, active personal loans, $20,071,000, retiree personal loans, which are legacy loans, $1,022,000, purchase refi mortgages, $1.2 million rounded, construction owns $1.6 million and land loans $342,000 rounded. Once again, all mortgages are legacy mortgages since they're no longer offered. The total portfolio as of August 31st, 2024 stood at $24,180,000. Regarding operations, O. St. Croix office complex continues to be

0:10:01 very well maintained with no issues other than routine matters uh we do have uh pending maintenance to one of our air conditioning units which will in fact be uh replaced here on st croix uh on st thomas we have commenced the southern uh flat roof renovation uh all materials required all materials required to complete the first phase were placed on the roof recently and we continue to remove carpeting throughout the building where feasible which assists of course without any environmental matters in the building at haven sites mall the hotel project of Hampton by Hilton continues very well, and that project is at 63 completion as of present. 63%.

0:11:03 63%, right. Okay. With regards to Haven site, we're also continuing our generator initiative, which is very important these days, given the unreliability, both of our primary and secondary power supply. We are adding a new generator. As you know, we have demolished the existing, it's a bit distracting.

0:11:44 Let's take our two-minute research. Thank you. You Thank you. [3 such phrases repeated 9 times · standby audio before the proceeding, transcribed by the recogniser as speech]

0:16:18 okay um we're back on the record let me apologize we were trying to rectify some technical issues that we were having um so pardon the interruption this administrator please continue thank you Thank you. So I was at the Haven site mall portion of the operations report. I indicated that the hotel project is 63% complete. With regards to the generators, the work demolishing the concrete pad where the existing generator was has been 100% completed.

0:17:04 We've also completed the necessary trenching and the construction of the new concrete pad for the new generator is 80% complete. So we're making very good progress there rental collections. As of August 2024, we for August 2024 other collections was 54,393 or nine fiscal year to date we have collected 1,206,629 dollars 857,000 was for rent and 350,000 dollars for electricity we currently have beverages totaling 360,055 dollars most the department of justice with 185 000 315 for rent and 147 000 what um 174. go ahead um just about it what that's 360 000 guys who is i assumed that was part of on the agenda for a meeting with um the new ag is there anything certainly was you want anything you want to share with the board about um what came out of that conversation well we with regards to the rents we did have an assurance that they were working with the department of finance for the processing of their payment and there was in fact sent some information from the department of finance indicating that their payments were being process so we do expect that uh the rental awareness and electricity uh will be resolved in short order um there's no um there's no dispute on it like that no there's no dispute whatsoever they have acknowledged that they owe the rent and they have done what they needed to do to initiate

0:19:10 the processing of the payment but of course ultimately the payment comes from the department of funds yeah of the 360 000 in overall marriages uh the bulk as i indicated is the department of justice there's a small balance for electricity owed uh from the division of personnel uh for twenty eight thousand dollars out of the three hundred and sixty thousand dollars so when we receive the payment from finance for the department of justice and also for personnel that we will I think some of it may be due to it being close to the end of the fiscal year as well, and the challenges that that can impose.

0:19:55 And that, Mr. Chairman, concludes the Administrator's report. There is a small report from the Quality and Control Unit, which She just outlines the number of employees per agency presently as of August 2024, okay? All right, question. The July 18th meeting of the Visitor Center, what exactly was that about? was that about the discussing the plans for the visitor center who exactly was that about yes that includes the plans for the visitor center as well as for the green space okay so we selected architect for that already or is the gentleman um mr mr miller was he part of that meeting yes the meeting was okay so he's basically moving forward with the construction and design and building that out 100 yes sir okay and then um the meeting with the u.s government accountability office what was that about well that was at their request under the promessa legislation uh the gao and the department of interior insular affairs is required to meet with uh with the government as well and the gers and other agencies of the usbi and grs happens one so of course when we get a request for a meeting from the gao well we're glad to accept it and to participate and then the other question i had is not on the

0:21:59 the agenda per se. But as you know, in the news, in terms of security to the building, the judge that was shot by the officer that works for the judge, in a sense, in the states recently, like when our security, like we just check in with the computer, you know, you put your finger on there, putting your email address, your picture comes up, and you select who you're going to go see or what you know section you're going to go see um are we considering maybe something to walk through so we can know people have i'm sorry are we considering something where people would walk through so if we can know if people have some kind of weapon on them to protect the employees in both buildings since that incident um like i came over on the plane with the rest of the trustees and then in my mind when i saw the officer this morning i really thought he was covering the chair on the way over in terms of security i'm sorry trustee dorsey i have no idea what you're talking about no i'm saying when i flew over oh when i flew over this morning i came on the plane with the chair another trustee and myself and our council and i did see an officer sitting to the sides i just assumed the officer because i never been to a saint St. Croix meeting, I thought the officer was covering the chair, coming to St. Croix, it's his security, and I was told by the trustee that he's the governor's security. So that I still had in my mind in this meeting that the building probably needs to beef up security, right? I'm not saying it can't, something can happen from within from a disgruntled, but I think overall, we may not, we may need to just look at that.

0:23:48 I'm not saying there's anything going on in either district, but from a security standpoint, and this knowing that that just happened from someone who's supposed to be protecting you. I know we have a security guard, but do we have something I mean, are you thinking about it, because I know you said you had meetings with your security person, Mr. Mr. Moorhead, are you looking at something where when people walk in the building, and I don't know if we even have a policy with that, when you walk in, if you have a weapon, you leave it downstairs, you know what I mean? Okay, so thank you for the question, Trustee Dorsey, and thank you for the concern.

0:24:27 If I understand the case that you're referring to, it was actually a case where the sheriff, a sworn law enforcement officer, shot the judge. So it's difficult to predict these things. I don't think anyone would have ever predicted that. But nonetheless, security is something that we're always conscious of and, you know, aware of. So we do have security guards in both our buildings, the one in St. Thomas and St. Croix Haven site, of course, has an entire security detail on hand. But, you know, you should always be assessing security. So I agree with you. We look at it further. have uh receptionists and we have the doors that you have to be both through as well as of course the guard and the ground level on one side uh at the main complex in st thomas and then you have a guard here in st croix um but we look at it and see with professionals and see if there's anything else that we should be doing and could be doing and of course when it comes to security we don't want to reveal everything because then you tip your hand as to the resources that you know that's i'm just saying like like we just came in this building and we walked in which is good but we didn't walk through anything you know security you know st thomas you signed in and all that but i was just saying like maybe we need to look at having something you walk through to let you know if you're carrying a weapon of some sort on you even the employees actually right i'm sure your employees probably have cars they can buzz in doors and that kind of stuff but maybe the next step i'm not saying you're not doing it but i was just putting it out there um because that did that did you know just happen it's in the news and it's kind of weird right but things happen and i'm not saying you have disgruntled employees but it'd be nice to know that you know at least everybody initially had to go through the security check right it's just

0:26:30 it's for everybody's safety that's that's all i was looking at right so certainly heard and appreciate it and we do have measures in place as i indicated including guards at the entrance of our building and you do have to sign in uh is there more that can be done we'll see we'll definitely assess the situation thank you thank you trustee i have one question i know at one time we were looking into uh uh the solar project are we still um looking into solar for our buildings i was only trustee smith in the year that i've been here we have not gotten traction with regards to uh solar system uh is it something that i've thought of and that maybe we should be looking into certainly but we were really focused on getting our generators up to speed which we essentially have but can that be supplemented by other means of power production it's definitely worth looking at i think we need to know in this um atmosphere that we're in right now do you know do you know if the um the hotel the new hotel is going to have any um solar energy capabilities uh trusty dorsey they are they'll be off yeah we have one more chance what was that yeah one more chance to get it right trusty barry we um hampton by hilton will be completely off-grid they're building a micro greater uh to power uh the hotel property oh okay okay okay thank you any other questions for the chairman i mean for the administrator thank you the weather yeah

0:28:38 all right um committee reports the budget committee met on september 12 2024 to review um for the grs um and havenside budgets um our trustees were invited to participate and you know do the big days um into the budgets um report the treasurer's report the cfo is hey good morning mr good morning trustee um both she and other trustees good morning everyone good morning morning okay this is the government employees retirement system schedule of receipts and disbursement for the month ending august 31st 2024. receipts from collections we have loan repayment 667 222 year to date $5,051,828, we have employer retirement contribution $7,890,057, year to date $93,159,406, employee retirement contributions 4,039,370 year to date 52,379,435 dollars We have a total collection for the month of August of $12,677,279, year-to-date $277,885,334.

0:30:54 dollars we have disbursements we have annuity payments of 22 million eight hundred and nine dollars eight hundred and nine thousand seven hundred and forty two dollars for the month of august year to date 250 million four hundred and forty eight thousand one hundred and forty one We have administrative expenses of $1,534,126, year-to-date $14,091,758. We have personal loans, $1,845,493 year-to-date, $18,682,508.

0:31:49 I'm sorry. We have refunds of contribution for the month of August of $475,695. Year to date, 10,896,644, for a total disbursement for the month of August of $26,696,542, year-to-date $294,253,125. For the month of August, we had a net cash deficit of $14,019,263 and year-to-date 16,367,791 local collections for the month of August were 47% of what was needed for our disbursement our fiscal our fiscal year-to-date collection were 14% on the fiscal 2023 year-to-date collection our administrative expenses were 62 percent of budget and our fiscal year-to-date administrative expenses were two percent on the last fiscal year to the expenses year-to-date withdrawal from the investment portfolio was 145 million then we'll go So the Havenside Mall schedule of receipts and disbursement for the month ending August 31st, 2024. We have a total collection for the month of August of $373,370.

0:33:46 Year-to-date collection was $4,900,451. dollars we have disbursement totaling six hundred and fifteen thousand five hundred and sixty three dollars year to date five million three hundred and three dollars and nine nine hundred sixty eight hundred we had a net cash deficit for the month of august of 242 1193 year to date 403 518 our haven site mall expenses for the year were at 67 percent of the budgeted amount when we look at this mr chairman i have um i mean i have a request as as most of you know that i've raised a couple of on several occasions i've raised a question about whether whether the the mall need to be contributing to the operation expense of the system going to the fact that which has some kind of management fee or something I mean part of our expenses contribute to the management of the mall itself and you recall Back when we first acquired the mall, we actually used to pay the WICO, an administrative cost or something, some kind of expense.

0:35:41 So I don't know how to raise that. So what I would like to request is some report or analysis for management as to whether or not that's appropriate, and if so, by how much. Um and that that that's that's my request. I know I've raised this issue a couple of times. Um you know I have I have an issue also a question as to the moral on all financial statements is is is part of the investment is listed as an investment on the books uh my question is what what is what is the return on that investment what return are we on in the system earning on that investment and how is that determined what just for clarification you asking what has been the return on investment since we acquired the property or or no no no what what what i mean we are supposed to own we're supposed to earn a return on our investments so we know what it is i know on our financial investments we we get a report every month that shows what what what the return is on our our financial investments that's provided every month by um in and that report i guess that's report coming up next i assume

0:37:34 but how do we how do we determine what the return and and that part of our investment or investment in the mall if if we continue to to show the mall as an investment how do we determine the return on that investment okay mr chairman if i may in addressing trustee barry's questions uh in the first instance with regards to charging of a management fee for whatever it's worth from a management perspective i i have no disagreement with trustee barry i think the dynamic has changed somewhat since we have now hired a full-time manager uh that is budgeted under haven site uh and a lot of the administrative effort that may have previously uh been exerted on the gers side it has now been transferred to haven site so by the paying of a full-time manager salary we have essentially puts a substantial portion of that burden so to speak on haven site directly uh does it mean that there isn't other support services that are rendered from gers no it doesn't mean that at all so i i think to trustee barry's point we can do an analysis and determine how much of that cost um it can be attributed to haven sites and build them accordingly with regard to the return on investment well first of all we are presently undergoing an appraisal of the haven site property so that will determine the denominator in the equation in terms of the numerator of what we are earning on haven site i would say that from the time i came in it was my assessment that we are not earning enough so we are undertaking various projects that you're aware of including our engagement with ideas uh the recruitment of the hotel to the haven site property and many of the things that we're doing and substantially uh rental income which had been abated during the pandemic uh will be back at 100 come october so all of these measures will come together to result in an improving revenue picture for Haven site which will increase and improve our return on investment. I have very high standards and very high requests of my staff and I will not rest until we get the return of the Haven site mall to a point that I would say that it would be the equivalent at least of what we're making on our marketable securities other than that it would be an opportunity lost so clearly it's a work in progress uh the property having been taken over from waiko uh right at the beginning of the pandemic

0:40:28 certainly didn't help but i do believe with what we're doing we're moving it in the right direction okay so so i i yeah i'm look i'm looking forward for for some a discussion paper or or something that that addresses that because i'm still not clear um the it seems to me that the the return on investment for the mall the old time is reflected is when we um when we do when we do a new assessment of market value of the mall. And I don't know when the last time we did one. The last one it was valued at 40 something million. I'm expecting that by now that value should be higher, particularly with the new hotel on site.

0:41:33 I mean any any approach to valuation should should be should be increasing that value based on and so well if I may Mr Chairman so trustee Bowery without getting it into the you know great detail until we get the appraisal which is presently on the way and to manage expectations. uh you know a commercial appraisal on a commercial property such as haven site will take into account the history of its net income right uh and there'll be a present value calculation strongly based on that income and i must say that having rent abated for the last uh four years even though it's coming back uh will have a detrimental impact on your market value now that will be reversed once you have a few years of performance uh showing that you're back at 100 rent and 100 tenancy and you brought expenses within the control uh we began that this year with this current budget where you'll see that we've decreased the haven sites um projected expenses of the budget by some 1.6 million dollars uh that will certainly help so we'll be getting help on both ends both the revenues as well as the expenses but that will not be reflected in the current value of the property as they're working with historical numbers but the key thing is that we're now moving in the right direction why why wouldn't we why would we i mean the expectation is we have we have a an agreement in place uh for for for the lease the lease the value of the lease of the model uh given given the we we have in place um a lease a lease agreement that we could project the lease amount all the way out to 30 years and the key word there for trusty bar is just project the appraiser is going to go

0:43:39 more heavily based on history as opposed to production they will factor in productions but not as much as this historical performance well i mean very good for history but i mean that could all be a positive for us i mean they can't go for his they can't ignore the fact that the the mall the mall went started last month i mean last year i mean not nothing all the hotel lease permits i mean so they can't ignore that an assessment is a going forward assessment right i mean you look backwards but you're you're the the new the new anyway i think we get into the weeds i i i would like for you i'd like for you to submit something for the finance committee please addressing those two issues yes sir they're both valid points and uh we'd gladly do so uh we'll also submit the appraisal as soon as it's received of course okay thanks sorry sorry too much time point information um that request needs to be a motion no no okay um any other questions um miss jeremiah we'll continue okay this is havenside statement of revenues and expenses for the month ending august 31st 2024 we have um our revenues for the month of 485 362 dollars year to date 5 million 521 162 dollars Then we have our expenses for the month of $460,307 for a net increase of $25,055 and a year-to-date of $5,575,530 for a net decrease of $54,369. and that ends the treasurer's report i have one last question well i have the last one but so the the report before the kind of cash flow the schedule of receipts and disbursements

0:46:18 show collections of 4.9 and the statement of revenue expenses show uh revenues of 5.5 I understand one is a cashier one is a pool but what's what's what's accounting for that difference how do you reconcile those two on the revenue statement of revenue that's what we build that's the total billing for the year okay so the other one is our collection so the difference is outstanding collections is that what the difference is i mean how just just in english what is the difference now i i know that yes so the difference is the difference between what we've built to date and what we've collected to it basically yes mr barry okay all right gotcha any other questions for the cfo no i have a question for ms jeremiah is this she is the cfo i'm sorry sorry i had i had the ceo on my mind sorry about that um miss jeremiah the uh the withdrawal of the 145 um um is that less than this time last year are we redrawn withdrawn less i think last year it was a little less than we withdraw um this year remember we had the loan program that used 20 million for it i'm sorry can you repeat that the loan program that we withdrew 20 million for

0:48:12 okay i got you okay which of course is not really an expenditure it's an investment right right thank you miss jeremiah you're welcome what wonderful job as usual any other questions for the cfo none for me i'm a motion to accept the treasurer's report so moved second moved by trustee dorsey seconded by trustee barry approval copies yes uh trustee barry yes Trustee Bowery, yes. Trustee Dorsey? Yes. Trustee Dorsey, yes. Trustee Liger?

0:49:06 Trustee Liger absent. Trustee Russell? Trustee Russell absent. Trustee Smith? Yes. Trustee Smith, yes. Trustee Caldwell? Yes. Trustee Caldwell, yes. Mr. Chairman, four-year, two absent. Thank you. Thank you, Mr. Jeremiah. Next up, the investment officer's report. Good morning, Mr. Chair, other trustees. This is an update of the investment portfolio as of the end of August, August 31st, 2024. Just to give a brief summary of the activities of the month in the markets. Global equities saw gains in August, although markets began with extreme volatility um that volatility was in part sparked by um with jobs reports uh at the beginning of um august as unemployment rose about 4.3 percent um u.s equities did end up higher at the end of the month with resilient corporate openings and improved economic data mitigating all the more all the month fares um eurozone equities rose driven by real estate and communication services admit admit expectations of further rate cut in the uk equities also increased with the bank of england making its fourth rate cut in four years and signaling cash on and further cuts on the emerging market front emerging markets recovered in august benefiting from dovish fed signals and local currency strength and as it relates to global bonds they had a broadly positive month with us corporate bonds outperforming and high yield bonds leading returns um our plan performance so total plan for the month returned 1.6 percent a fiscal year to date we're up about 20.1 percent our total domestic equity portfolio returned 2.2 percent fiscal year to date we're up about 3.1 percent on our domestic equity bond portfolio

0:51:19 total international equity returned 2.5 percent um fiscal year to date the total portfolio is up 22.7 percent total domestic fixed income returned 1.3 percent fiscal year to date total domestic fixes up 11 percent total uh what did that equate to in um dollar amount so we ended the month at approximately 48 488.8 million dollars uh we did have to raise some funds um in august um to cover our cash on hand needs so we raised 14 million uh we drew six million from our russell 3000 index fund we drew two million from our ms cie for index fund two million from our u.s tips fund two million from our u.s aggregate bond index fund and 2 million from our u.s high yield bond index fund uh to total at 14 million dollars activity for the month we began at a market value of about 500.7 million dollars we had a net cash flow of 20 million um netted out of the portfolio to pay benefits uh we had an unrealized appreciation in the portfolio of about 8.3 million um that helped us got to that get to that ending market value of 488.8 million dollars uh fiscal year to date uh we started at 413.5 million uh at the end of august we did hit a negative cash flow of about 21 million but we did So far for the fiscal year as of August, when August 31st, 2024, I've seen unrealized appreciation in the portfolio of $95.8 million, which again gets us back to that $488.8 million.

0:53:36 million dollars uh the release to um fees uh we didn't pay any fees in the uh for the month um investment management or custody fees um fiscal year today we've paid about 262 dollars in um management fees on the security i'm sorry a month to date securities lending we've owned about um two thousand dollars fiscal year to date we've owned about 23 000 and um those funds were reinvested respectively back into the into the funds uh mr chair trustees that concludes my report and i'll be happy to answer any questions questions for the investment officer Eric I have a question sorry uh chair I guess this question would go to an investment officer as well as miss jeremiah this next coming month is a three-pay period month does that give us any advantages in that particular month with three paid periods is that third day period we don't have a third pay period or bi-monthly so it's going to be twice twice a month we don't pay every two weeks of the year it's 24. 26 oh i guess i because i'm still working i'm a government full-time government employee still working maybe from that standpoint okay i understand so i retract that all right motion to accept the investment officers report so moved second moved by chelsea smith seconded by chelsea dorsey

0:55:28 of our roll copies yes mr chairman trustee barry yes rsi barry yes trustee dorsey yes trustee dorsey yes trustee liger absent trustee russell absent trustee smith yes trustee smith yes trustee call yes trustee call would yes mr chairman four yay two absent all right thank you mr henderson all right next item up um bill number 35-0307 um this is a bill sponsored sponsored by senator mental powder seeks to accomplish two things it empowers the active employees of the government of the virgin islands to directly elect their representatives to the grs board and the second thing it does is establishes a mandate that all seven voting members of the board of trustees meet the same um requirements with respect to education and work experience anybody care to weigh in that is going forward going forward so right now uh we have do we have vac we have any vacancies um for those two slots it's not so no uh as i understand as i understand this it's eliminating the the required the

0:57:21 provision for the um central labor council council to do any other current board members are from that um trustee dorsey and trustee like oh okay okay okay okay okay okay um like a storm has expired been expired trustee dorsey still in his terms but he would finish his term it wouldn't be applicable to to the conclusion of his term okay okay thanks i i i don't have any problem with that i i think we knew the retirees are represented so i guess we'll just be having the active members representing right that's exactly the the retiree is getting elected representatives so it's just to bring some parity for the active government employees we have about an equal number of actives and retirees right yeah i think it's slightly more retired i mean active slightly more after slightly slightly very very so so is the position of the board the board in favor of the bill or me personally i yeah i'm not in favor i think it should go to the uh probably the policy committee one since it's a piece of legislation i think the um the people who are over this section which would be the central legal council should have an opportunity to weigh in on this particular issue since it affects a certain segment of the union population or active government employees when you open it up to all employees then basically you're saying um any employee no matter the level of the employee can be the uh uh i guess the chief of staff of the government of the governor's office could be employed could

0:59:31 fall into that seat and i don't feel that's fair to the general population of the union employees that are represented to the central labor council that's number one so i don't see any fairness in that um i think in the approach with this with senator potter i mean someone probably needs to give him a call give him some direction on that sending it to the board as opposed to he himself and his office having that discussion with the central labor council because it will have an effect on government employees just generally speaking um i see that as an issue i think there's a different way it could probably be done but i think it would entail a meeting of the minds not just throwing it into uh ger's meeting like that position really is affecting how this board operates because that's clearly not the issue and for the record academically i'm definitely qualified uh to sit on this board when it comes to qualifications of what's required under the current code and i'm sort of central labor council could find other employees over in system that are part of the bargaining unit that could fall into the categories of the educational requirements uh to fall into that as well so i don't really think that's the issue it may be some other underlying issue why senator potter proposed this but that's a question i think he should bring to the central labor council because to bring it this way i think he senator potter is attacking the union unionized employees and i think the unionized employees when we hear this tape um they should think about that going forward as a representative

1:01:20 he's supposed to be a representative of everybody he's like singling out a particular segment of this population here so i definitely have a problem with it i'm just one vote are the union as employees the same employees are the active employees yes yes i just said trustee maury the chief of staff a commissioner a commissioner of an agency is an employee of the government the central labor council don't represent those level of employees that's what i was saying the central labor government is is particular who they represent in this government so i'm just saying it's not it's not fair to those employees to be left out maybe what you could do is expand that segment of the population that might feel that they're left out you can expand and put them in as trustees on the seat if they want a representative at the board you could do it that way but i don't think we should exclude individuals that are active government employees at that level because we're talking about levels of employees so i i i don't understand that that makes no sense to me i mean because you would fall in that category if you were still active employee you would you were an agency head so you were an employee as an agency head so you would qualify for the c so when you take out a unionized employee that that's that's not good but i mean all the the total number of government employees and then more for the union employees a subset of that number you know i'm missing the majority

1:03:14 i'm understanding the logic can't work in for me so that's so all pieces of legislation that affect the grs are normally sent to the grs for the vote to take a position that's all this is so is the board in favor of or opposed to the bill i have a problem with it i think everybody should meet the same criteria i i agree that everybody should meet i agree that everybody should meet the same criteria but i don't see why the central labor council would have to be exempt from meeting that criteria with the people they present to the board that's all i was saying i don't see why that would have to say well what you change it you want the central legal council to not have a nickel in the dime of this process and i don't think that's right they represent a certain segment of this population they're not there for the most part as far as i understand those are not exempt employees now i think if those exempt employees want a seat at the table i think we can increase the category and have a category group for exempt employees assistance to assistance assistance to agency heads agency heads i think we could do that we can add that in i don't think that hurts anything by adding another two seats or three seats um whatever that number should work out to for those employees who feel like they're left out but i don't think we need to change this section where the essential labor council to their process appoints a member to the governor a list for the governor to select because in the day the governor still has to select as it is in the code as we see it today

1:05:09 who those individuals would be so that's all i was saying i think you still meet you would still have to meet the qualifications and i believe even if you are going to the employee process i'm sorry the retiree process you should meet the same qualifications you should go through a senate confirmation because as a central label government um i'm sorry as a central council appointed employee like i was i still had to go through the senate confirmation as a retiree i don't believe you have to go through the senate confirmation process you just get elected by retirees and then you sit in the seat but i think everybody should go to the same process we're going to be fair let's just be fair across the board because i agree with the chair this is a very important uh financial institution and i think the public needs to know the constituents need to know you know what your thoughts are moving this system forward and i had to go through that confirmation i actually went through it twice so i think if you want to make amendments let's just do a comprehensive amendment and make sure everybody's equally going through a process not just run for an office and then come into the seat and we have no idea what you're going to bring to the table so i think that should be added as well my recommendation is add two more seats for those employees who may be left out that are unclassified um so that would include uh uh what you call unclassified at every level going up over the uh members of the different bargaining units because there are supervisors who are in bargaining units so they would come to the central labor council and then there's a rank

1:06:58 and file that would come to the central labor council but those who are exempt would not so it seems to me that's the group that needs to be added to this this law and leave the central labor council position alone i think that's a talk we should probably have with or the central labor council probably needs to have with the senator because i think that's an infringement on those employees so and i hope the employees are listening with me so um so let me ask how many people in uh uh may come to central labor council i think it's 30 something unions how many people i don't mean the number of employees i mean the people that are acting on the council oh i don't know that number off the top yeah i assume it 12 15 20. somewhere around that number so each each bargaining unit has a seat that has a seat at continue okay so 30 bargaining units so let's say 40 people make up the central labor council so you're saying that it's not fair to have the what five thousand six thousand union members directly elected representatives as opposed to 30 or 40 people depend deciding who will represent five thousand people there's a process that the central labor council uses um you have to you have you would have to invite them that's what i'm saying okay a policy committee we can iron out those details and it's also i don't know this is a bill that's in the legislature it's before us to decide well i'm if we are in favor of the bill or if we oppose the bill i hear you chair but i'm speaking to uh senator potter because it's his bill um and i know he listens to these hearings so i'm just giving him my position since it affects me as a trustee on the board only from the standpoint of i was appointed by the central labor council however again the other requirements i meet if i wasn't appointed

1:09:11 from the central labor council however there may be other people who were appointed to the board if they had to come back on the board may not meet these requirements going forward i'm just saying um so it's the two ways you can look at it you can do all of this and come right back and still end up where we're at in terms of positions on the board i was just saying just to be fair and i'm speaking to mr potter since it's his bill and this is a public forum next time maybe you can do it from that position start with the individuals who you are affecting first and then have that discussion this is like circumventing the process as a senator as a sitting senator mr potter okay so you're opposing it trusty dossi again i'm saying um it's not it's not it's not that it's a black and white we're having a discussion right we're having a discussion mr potter's listening his constituency parts we we discussed to get to so ultimately we have to decide as a board if we are in favor of the bill or if we oppose it you put on a record your issues with the bill you spoke to mr patter and record so i'm asking you now would you know what's before us are you in favor of the bill yes or no i'm not in favor okay trustee smith are you in favor of it yes or no yes trustee barry yes okay yes so three are in favor one oppose so the position of the board is we are in favor of the legislation and there was a so let's so so go ahead and go go ahead and take a a formal call of what Mr. Dawson so i have a point of information quick motion i have a point of information jim so it's the process as we get language from senator potter uh chair because it seems like we get a lot of language from senator potter we don't put this in the policy

1:11:30 committee we're not we're not using a policy committee vehicle that we have as a board to discuss this i i didn't think this was a forum to actually get back and forth into this i'm not sure what the rush is third this is something that should have gone to the policy committee what is before us is a bill that's in the legislature okay it's another policy of the grs for the king in as language to change the function a function of how this board operates chair we've been should have gone to the policy committee however you put it on the agenda i understand that but in the is this how we're going to do it in the future you put on the record you put on the record that you're um not in favor go ahead no no no that's not that's not the point here make a motion please is there a motion process so second motion will be to second i couldn't hear that the motion is that the board is in favor of the provisions of bill numbers three five that's zero three zero seven okay so moved by trusty smith seconded by trusty barry i'm sorry trustee maurie yes trustee dorsey no trustee dorsey no trustee liger trustee liger absent trustee russell trustee russell absent trustee smith yes trustee smith yes

1:13:27 trustee callwood yes trustee callwood yes mr chairman three yay one nay two absent all right next item on the agenda the approval of the fiscal year 2025 budgets um the budget committee met on september 12 2024 uh all the trustees were invited to dive into the budget um the budgets that are on the agenda today is what was forwarded out of the committee so that before the full board now for official action or ratification so can i have a motion to accept the goals budget budget chime make a motion to accept the budget budget uh committee recommendation for f4 budget 2025 any information check right are we gonna have any discussion on this budget to the public as to what we did or didn't do in committee but we just wrote it flat out and not telling the public what we increase decrease will we save money okay let me ask this question um for the central government salaries for government employees are public is it the same for the grs uh mr the ceo is that is it the same that our salaries at the grs is for public consumption like people can just go online for the central government put your name in and see what your salary is is that the same for the grs is that the same setup um my first year in i don't know what the past practice has been but i would refer to legal

1:15:30 general counsel as well as the board council well i refer to the board council at this board council now let's let's see the resources i don't know i don't think it's on the website no with public information what Thank you.

1:17:05 Thank you. Thank you. Thank you. Thank you. Thank you. Thank you.

1:20:05 Thank you. Thank you.

1:21:05 Thank you. Thank you.

1:22:05 Okay, we're back on the record. Trustee Dorsey has a question for Council. Yes, good morning, Mr. Chair, other committee members, and trustees. Trustee Dorsey, it's my position that the salaries of GLS employees are public information. So, with that being said, the other part I was requesting was a little synopsis on what actually happened with this year's budget as opposed to just bringing it in front of us and voting it up or down.

1:22:48 So I guess the CEO could talk about whatever savings occurred overall on the personnel side, and then the increases on the personnel side. Just a synopsis. It's not something we normally do, but I realize we need to do to let the constituent know how the money is being spent or not being spent, or how we're saving the money. uh would you present a synopsis of the fiscal year 2025 budgets to listen public yes mr chairman So the fiscal year 2025 proposed budget, which includes both operations, the capital, and the board of trustees, shows a reduction of $132,319, comes in at $22,703,164, of which $16.8 million is operations and $5.9 million is capital within operations.

1:24:13 We have the Board of Trustees at $752,000, which is roughly the same as fiscal year 2024. Excuse me, a slight increase of $90,000. of administration uh comes in at 11.3 million dollars which is 1.8 million dollars less than was budgeted for fiscal 2024 facilities management operations and control uh is at 4.7 million dollars that is an increase of two million dollars which is basically an offset of the reduction in administration given a reorganization within the gers so after all is said and done there we're looking at an operations budget of about 207 000 more than fiscal 2024 administration capital we have which is a subset of the overall capital budget, which was done by $339,000, shows one of our initiatives for our benefit administration system being up by $50,000, computer hardware being up by 57 000 furniture and minor repairs up by 13 000 for facilities management operations and control capital we have repairs and renovations which are at a million seven seventy five a reduction of

1:26:01 three hundred twenty thousand dollars vehicles an increase of fifty five thousand dollars as we We have to replace or actually supplement our fleet by one vehicle per district, so that's an increase of $55,000, machinery and equipment at zero, which is a reduction of $200,000, furniture at $5,000, which is an increase of $5,000. The net impact on the capital budget is $339,445 reduction, coming in at $5,860,355. So when you put the capital and the operations together, the overall proposed budget is a decrease of $132,000 for fiscal 2025. GERS proper. And the personnel is included within, excuse me, within operations. For Haven site, I will pull that up.

1:27:10 okay haven site for fiscal 2025 we are looking at a reduction of one million six hundred seventeen thousand eight twenty one and that is comprised of a reduction in the operations area of okay so haven site mall we're looking at personnel services having a an increase of 31,362 that goes from 1,974,832 in the fiscal 24 budget to 2,006,194 in the fiscal 25 budget for an increase of 31,362 there's an accompanying increase in fringe benefits of $114,917. Supplies are reduced by $255,900. The services, a reduction of $23,200.

1:28:46 Utilities, essentially the same. Capital outlay, a reduction of $1,485,000. so between uh capital and operations we're looking at a reduction of a million 617 821 for haven site and that's the uh ceo you skipped over the salary and title changes and that is incorporated within the administration line that i shared for gprs okay so what was the difference i'm switching the screen so you have to give me a moment please Mr. Chairman, all of this information was shared with the budget committee and it's split into several tabs so it's not quite as easy without going through several tabs to present it. to present this it's not a summary is incorporated within administration salary and title changes is that what you're referring well title changes is a supplement it's not in the budget itself okay but you change the salaries of certain employees who got different title changes so is that a whole lot of employees are we talking about three or four employees well first of all the bulk of the employees that received increases

1:30:50 are due to union contracts in the classified service and there were five employees i think affected by that are unclassified that were adjusted due to the reorganization or as being proposed rather and so the salary changes the bulk of them as you just stated were unionized employees right that is correct and then the title changes they were not unionized employees right that is correct so the title changes can you give it up or on the title i'm pulling that up sir and um just for the record as ceo i'm not against the title changes i just like it out there for the you and i listen in public to understand what's going on because yes you say you say there are five individuals as i indicated that we see salary adjustments in the proposed fiscal 25 budget okay the difference in the number from where you were at to where those changes took those numbers how much was the difference overall i would have to pull that from the supplement and do a calculation for you oh so you don't have that today i can have it i have all the information i have to convert the data into information to answer your question but not you mr ceo but maybe your financial miss jeremiah might have that number well i do as well if i can have a moment go ahead because i have to take it from the supplement that's fine

1:32:39 Mr. Chairman may request a recess so that I can pull that together and not hold of the meeting. All right. The board's on the recess. Thank you. Thank you. Thank you. Thank you.

1:35:25 All right, back on the record, Mr. Administrator, we able to gather the information uh yes mr chairman uh as i indicated there's five individuals that would be affected and the total increase is eighty seven thousand six hundred dollars okay thank you um ceo the other question i had in reference to the budget um are we looking at any cost of living uh adjustments overall for the constituents and i'm sorry what do you refer to constituents i mean the are sorry our retirees an adjustment or is that something we just wait to get from um the lottery um through the chair to trustee norsey that is the policy decision of the board with regards to any cost of living adjustments for the retirees well i was wondering if you had any recommendations that's really where i was coming from on that issue have you had individuals come into the office um i guess going to your website putting in comments in reference to uh a cost of living adjustment to the annuities no sir i am not and i'm not aware of any such comments on our webpage okay one other question um is the uh mr thomas online who handles our computer systems i don't know who's online uh senior staff often tunes in okay so i have a question of mr thomas in reference to the general public having access okay what time out time out time i'm talking about this time out time out let's take that agenda please i'm sticking to the agenda you know to the agenda

1:37:42 question we're talking about the budget i'm talking about the budget i'm talking about salary of government employees who are retirees who work i'm sorry active employees that work for the retirement system in terms of the public having access like they do with the central government where i work you put your name in the system they can go up on the website the division of personnel and you can see the salary of the individual right so i was asking your computer person is that something you're working on to get to that point since it is public uh information where individuals can go up on the grs website i guess through the division of personnel software put in the employee's name and see the salary so i was asking your your computer person that since you say that person is online mr thomas i didn't say he was online i said they're often online i don't know who's online frankly i don't know mr moses can assist us with them but knowing mr thomas if he was online he would probably have chimed in already With the two websites, we don't have access to personnel's website and they don't have access to ours. So it'd have to be a communication between us and them for that to happen.

1:39:08 okay so i guess mr moses my question is is the grs able to because you're independent of that website you're independent of that personnel right so are you able to set up your own in-house system where if someone wants to see what mr moses salary is they can put his name in and the salary will come up like the central government are you guys looking to work on that are you working on it are you having discussions well that's a policy type question i don't think that mr moses can answer that to answer you honestly that has not been a discussion uh this is the first that the subject is being raised not dismissing it but it's being raised today and if it's the pleasure of the board that we move in that direction well that that's not that's not correct i i raise this with the former ceo i don't know what happened before i arrived at the trustee dorsey okay i raised it with the former ceo so okay well if you're not there you're not there it's just something i i raised again once again i wasn't aware but no i am based on what you're saying so well mr thomas i think he did give an answer before on that issue on when mr nibs was here for the former ceo i like to call people's names the former ceo um was here i did i really didn't get an answer then i'm not getting one today so it was just a question and we are talking about salary and title changes and those things would come up under the central government you know your title your name your salary i have a question i have a question that's all i had for that thank you uh ceo well i'm chelsea bori um are we are we up to date as far as the budget is concerned are we up to date with

1:40:57 or salary negotiated salary increases yes proceed okay okay that was it for me any other questions i'll entertain a motion to accept the fiscal year 2025 budgets as proposed so move Moved by Trustee Dorsey, do I have a second? Second. Second by Trustee Smith. Roll call please. Yes, Trustee Bauri. Yes. Trustee Bauri, yes. Trustee Dorsey. Yes. Trustee Dorsey, yes. Trustee Liger. Trustee Liger absent. Trustee Russell. Trustee Russell absence. Trustee Smith. Yes. Trustee smith yes trustee callwood yes does he call it yes mr chairman four yay two absent thank you um next item up the administrator's recommendation to increase employer contribution to 26.5 is that is that you want us to motion that no no no let the administrator advise the public nothing for the resolution or he had a question um yeah yeah it it said the resolution that i had and i i i had a conversation with mr dawson about the possibility of beefing it up the one that that came out i i don't think it's

1:42:46 it provides enough support um for for the resolution i i think it needs to be you know i mean it in terms of justification i mean they said whereas due to continuing liquidity issues i mean that's all it says liquidity issues you think if you're talking about increasing the contribution by three percentage points and i think that for the government that's gonna i think i think mr dawson caught me from how long you you you indicated that that that's probably going to equate to about 13 million dollars addition to the budget so exactly that is that is for our trustee barry and that's not all central government it would include uh semi-autonomous agencies uh but the bulk of it would be central government correct yeah but it's okay and the government i mean they are the central governments um the other components the government's also quite old for money also they they also cash shop every one of them as far as i heard and listening to some of the um budget debates so it's a significant amount of money and i i i as a board member knowing all that i need to i've been through and with with the benefit of all the reports and stuff that support it i i think that that the the resolution itself should be a bit more robot a lot more robust in in terms of the justification uh it says pursuant to 13 vi to 3 vic 718 b and the version i've i've of of 718 b that i found on a on google um i'm not sure i understand

1:44:54 where 14 where that piece of um the code offers a justification for the increase i mean if i may address that last section um trustee boy i think when we look in one of the confusion is that there's a section called seven one eight and then it has in parentheses a b c d and then there's also a section seven one eight a seven one eight b so you may have been looking at seven one eight b but you need to look at seven one eight and then it has the parentheses a b but the parentheses b is where it has and i'm abbreviating however the government employers retirement system board of trustees may not increase rates in addition to rates already in effect by more than three percent over a five-year period and that is the provision that the system has consistently used over the years to increase the employer contributions okay so so i read that and that says it may not increase more than some number but that doesn't say what number it could increase to and i think i think the the the resolution should should should should support should should fill that in and i mean i mean i'm totally in favor of it i i know i know all the history behind it i know that the the actual studies um assume it and i know that the the eventually bond the bond resolution and we set up the um the permanent schedule that that i mean it assumes all that analysis

1:46:55 assumes that the increase in in 2025 um so i know the history about it i just i just i just think that that that history and that that robust support that we all know need to reflect and summarize somehow in the resolution i mean somebody on the outside picking up this resolution and says you know all it says is we're going to increase the pursuant due to continuing liquidity issues and future potential insolvency i just think it needs to it needs to be more robust in in different indecision i mean i'm in favor of this the decision i know that all the analysis we've done in in the for the funding note and all that has assumed and assume that that's increased and the the the the the conclusion that the funding note who would um pretty much at least at the time go a long way to to moving us away from insolvency all that that conclusion assumes that three percent increase into 2025. and my fact there was a point in time when we were suggesting as a board that we asked the legislature to to to speed up the implementation of the three percent too so i mean i i i just think that um the resolution that is in a current form i think doesn't lay out the case well enough um i don't i don't expect the resolution to to be the same as a as the the the actual analysis which is one many many pages but at least you need to give a

1:48:54 further robust justification for that increase so i'm in i'm in favor of it of the increase uh as i said because of all i know and everything we've done before that that um only analysis we've done before that assumes that but um i i think somehow some some of that context needs to be reflected in the resolution understand i think just simply saying due to continuing liquidity issues and future potential insolvency i don't think that that does that does justice to to the case that we have that we all know about and be keeping in mind that is going to be what what that's that's going to be adding like 13 million dollars or so to the to go to the government expenditure at the time I mean, they're all crying out for more money, or lack thereof. So that's my take on it, Mr. Chairman.

1:50:06 I mean, I'm in favour of the increase, but I just think the resolution needs to be more robust in terms of their justification. All right. Point well taken. Point there for me. You go ahead, Chair. point well taken and um at least my experience as being chair we vote on a resolution and then the the actual final resolution is drafted after you know we take the vote so um your ideas are some the recommendation that you're making could be incorporated into the final um the final draft of the resolution that's signed off on so those are definitely some valid points and concerns that you raised point of information trust authority yes after we um vote on this today should we be looking at increasing the three percent to five percent going forward the court says you can increase it more than three percent every time i mean as a recommendation to the senate uh coming from the grs um as from the board um because of the pending insolvency after we get this approved uh moving forward should we could we look at something like that increasing that which we would have we could also look at that let's try to address what's before us i'm good with this not sure what else we want to put in it i'm ready to move forward and vote i know it's needed based on which the advisors and our actuaries have indicated to us that it is okay so make the motion um i just lost it again i lost the whole thing here i hit a button you want to pull it up hold on see it just started with this yeah hold on

1:52:15 hold on we say no that's the room at tony williams that's bori mr safe move to increase the employer contribution rate an additional three percent effective january mr chairman mr chairman i have to step up second okay moved by so moved by dorsey seconded by smith let's take a quick um trustee bowery yes all right trustee dorsey yes trustee dorsey yes trustee liger trustee liger absent trustee russell see russell absent trustee smith yes trustee smith yes trustee callwood yes trustee callwood yes mr chairman foyer to absent all right motion carries um mr chairman with regards to the drafting of the resolution may i ask that it also direct the administrator to proceed accordingly effective january 2025 all right no very very good point all right privileges of the floor all right well i'll conclude the item on the agenda um meeting ends at 12 10 thank you folks have a good day y'all Thank you.

People named in this transcript

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

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

8x **Trustee Leona E. Smith**
heard in this transcript as: Smith

8x **Trustee Ronald Russell**
heard in this transcript as: Russell

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

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.

Referred to but not found in our acts corpus: Bill 35-0307