Government of the Virgin Islands· Retirement System Board Meeting

GERS Retirement System (Board of Trustees)

September 24, 2020 · 1.4 hours · gov

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0:00:00 Good morning, everyone. Good morning, everyone to call the meeting to order the employee retirement system of the government of the Virgin Islands regular meeting on the board of trustees for Thursday, September 24, 2020 to order will call, please. Trustee Caldwell.

0:00:30 Present. Trustee Bahri. Present. Trustee Clendenin. Good morning. Present. Trustee Cohen. Present. Trustee Liger. Present. Trustee Liger. absent trustee mcdonald absent chairman calendar present justice i'm present present six present two absent uh thank you secretary minutes uh red limited august 27 20 20. comments and suggestions comments from retirees and present i don't know okay it hasn't been several months since you've been on zoom okay need a motion for approval of the uh of the secretary's minutes for august 27 2020 any correction addition deletions i i want one slight correction that um on page 10 there's an e in my last name that shouldn't be there tend to be picky about that it's your name

0:02:32 that's that's the only thing i have it's on page 11 too oh okay yes it is so i would make a motion to accept the minutes with uh the changes that was just uh mentioned And I'll second. Trustee Caldwell?

0:03:08 Yes. Trustee Bari? Yes. Trustee Cohen? Yes. Trustee Liger? Absent. Trustee McDonald? Absent. Trustee Smith? Yes. Chairman Governor? Present. Yes, yes, yes. IBS 2 absent. The hearings have been approved.

0:03:42 Communications and correspondence. None. I received a letter from, well, an email from a Mr. Shane Gaspard. I'll read into the record, Dave Chairman Callender, the St. Thomas, St. John Chamber of Commerce, has for some time wanted to reach out and connect with GERS. we are currently aware of the proposed matching fund secretization act legislation and wanted to invite you to a discussion with the chamber board learn about your thinking and exchange ideas i was elected president of the chamber last week and john wood's president elect Our immediate past president, Sebastiano Pliwanski-Tastinelli, was elected to a two-year term on the chamber board.

0:04:55 Both are copied here. Kind regards, Shane Gaspard, president of the Chamber of Commerce, St. Thomas St. John, George Virgin Islands. This was sent to me on September the 4th. on September 8 I responded good day mr. Gaspard thank you for your email and your interest in the government employees retirement system GIS I am presently off Ireland and I am scheduled to return to st. Thomas on September 18 I would be happy to meet with your board and exchange ideas can you let me know when you will be available to me. Sincerely, Wilbur K. Calendar. I have not heard anything since then. That's the only correspondence I have.

0:06:03 Sorry, I keep losing my, my stuff. Can I ask a question, do we have an interest in, in, in reaching out to them? Do we have any assistance, sir?

0:06:44 I cannot hear you, sir. You are muted. You are mute, Mr. Kami. Dr. Kalender, you are muted. so did you hear the letter that i read yes i heard it okay sorry about that okay um i did not want to refuse to meet with them uh and and might have appeared that i had no interest in in the welfare of gis so i agreed to i don't know what they could offer us i would be willing to listen were you not copied on this also i i didn't receive it anything okay i i did i did i did receive a call from from cassinelli asking me about meeting and i i referred him to you i told him that any such meeting has to come to the chair i wouldn't i wouldn't meet outside of that so okay he did reach out to me um and just just give you let you know what what he said to me he told me that the chamber was concerned about the potential impact of an insolvency of grs on the business community and the economy and and hence the interest of the of the chamber in finding some resolution that's that's as far as he went and he made a anecdotal comment that the chamber would be interested in supporting any efforts that are geared towards um avoiding insolvency

0:08:45 he did um that that is around the time when the matching fund securitization transaction and proposal was was hot and heavy and i guess you guys recall that i i did write something to that effect in the daily news uh and just just so you know that i i did write a letter to the to the president of the legislature and to the governor in in my personal capacity i was very clear to indicate in any such communication that this is my personal view i'm not representing the board i'm not even speaking as a board member um but of course i'm speaking as a retiree which which i can't avoid so i don't want to avoid so that i did send a letter to both uh as i said it was addressed to the president of the legislature as um as at that time the the transaction was already submitted and i did copy the governor and i did actually receive a call from the governor about it and spoke to him about it so um as i say i'm very clear in in those communication to to make it known that and no way speaking on behalf of the board i think i have a little bit of background in in that in that topic so i'm presenting that plus i have an interest as a retiree i'm a vested interest in that discussion so but that's um that's the extent of my involvement or knowledge of what might have led to that call to you dr kennedy what a letter thank you for that okay yes sir i don't know how you would want to meet with them i guess it would have to be by zoom may i um suggest maybe board retreat carve out some time on the board retreat to entertain them sure so it's a great idea i think maybe the first day while the actuaries are there so they can listen uh maybe i can carve out some time for them to do a presentation no more than 45 minutes you really you know so i don't know it's up to the board if that's what they want let me know and we can carve out some time well we can let you know now anyone has any objection to that i i don't um i i think i i think we ought to reach out um even obviously they have a self-interest

0:11:46 but as long as the interest um coincide with ours i guess we have shouldn't be no reason why we don't want to to engage so that my it's my contribution to this discussion and specific to your question excuse me also there's the new group obviously a board member um is almost all new um and for us to meet them um hear suggestions any ideas and basically give them a little feedback from where we're coming from so it's all good you know i i i think maybe we can entertain them the first day and let them listen to the investment report and let them listen to the actuary and they'll get a lot of information from them you know no because that's public fine it sounds good that way they can get answers if they have any additional questions justice justice can you comment i am sorry i was multitasking could you i apologize no we we talk about inviting the the chamber of the the chamber board to our retreat any any objections to that i usually don't get a vote on these things but thank you for asking no i don't have an objection to that at all thank you for asking actually we're not voting we just get an opinion i know but even i'm i'm so grateful to give an opinion on that um thank you um no i don't have an objection

0:13:38 and just just just so you know this is pursuant to a request um yes i heard that as well i did hear you speak about your background and the conversation with the governor as well yes okay all right all right where's trustee smith trustee smith anybody any comment you okay with that no i welcome um i welcome that okay i don't have any problem with that i miss it okay um i'm gonna straighten it you got it yeah but you will have to communicate with them i'll give you the information on when the zoom information they'll have to zoom in i guess okay yeah police listening also so she can remind me okay all right okay happy happy to do Next is the chairperson report. I have no report.

0:14:51 Administrator's report. Okay, good morning. My meetings and presentations on September 2nd, I met with Senator Fred Gregory in regards to some issues that she have getting some information looking forward to legislation also we had a meeting with waffle representatives regarding the water distribution project at havenside mall we'll discuss that further i think in executive session we have some new information that we want to share with the board on september 4th i attended a joint oversight committee and havenside mall management meeting september 10th i met with department of tourism regarding the mou use of the welcome center havenside mall september 11th i met with dr davies in regards to grs leadership development initiative on september 14th i attended the grs versus wilson appeal hearing september 16 i attended the Havenside Mall transition meeting with Mr. R.P. and Wykoff. On September 17th, I attended the Carambola Northwest LLC board meeting. This was something that we will discuss also in regular session today. September 18th, I attended the senior management meeting. We had discussions on topics for upcoming board retreat. Also attended a joint meeting with U.S. Customs and Wyko regarding the use of grs property on september 21st i met with the budget committee grs budget committee regarding the fy 2021 budget and yesterday september 23rd i appeared on redfield talk show with um from 11 to 12 with uh kathy smith and the actuaries alwin frias and rocky joiner very good discussion could i could i ask if you um let us know when you're doing those

0:16:58 social yeah usually we would we would send it out but i don't know how we didn't this time yeah um applications still in in the inventories 100 as you can see the majority of the applications are or uh sent in in 2020 69 and that includes the central government and also the autonomous agencies uh refunds so far for the fiscal year yet we have processed 6.8 million dollars 51 five 591 units were completed out of the 591 regular which are non-vested members of 402 and of the 6.8 million dollars 6.4 million is for the non-vested employees we have 74 more cases and 64 of those are regular, which is non-vested members. Debt benefits, we have paid out 52. Debt benefits so far for the year, tune of $1.8 million. We have 82 to be completed. We have also made payments to heirs of deceased members. these some old cases that were sitting for some quite some time because of some issues with the software and management made a decision to make manual payments so that we can pay the heirs of the deceased members. There is no update for duty and non-duty disability there is no update for act 7261 or act 7128 the number of retirees as of the september 15th september 14th payroll 8 714 members

0:19:16 total amount paid out to retirees so far year-to-date fiscal year through september 15 is $245,732,408.29. From October 2019 to September 15, 2020, we have added to the payroll 332 retirees and in that same period we have deleted from the payroll 305 retirees. The gross payroll for pay date September 14th is $10.7 million.

0:19:56 Our loan portfolio is being reduced every month. We have 2,825 units as of August 31, and we have 91 mortgages also in the portfolio. the portfolio amount for august as of august 2020 is 37.1 million dollars left in the portfolio as you know the portfolio of the personal loan should um should end in um sometime in 2024 2035 and at that time we would have only uh mortgages our operations in st koi building we have been doing a significant amount of repairs in the st koi building um the security uh systems are up and running regard boot that we talked about was completed air condition unit and telephones were installed uh the common areas uh there's a proposal that was approved for ambrosia gardens this is an annual this is an annual project that is done by them every year the executive buildings repairs were completed however with a recent rainfall a leak that was apparently uh repaired on the roof started again so there's warranty uh on the roof so the company has been contacted and arrangements are being made to

0:21:43 correct the problem maintenance just about all the major maintenance equipment are in in working condition so i'm not going to go over those uh we are seeking proposal for replacement of glass doors between the lobby this is in in line with the active shooter situation and we're also going to be looking at proposal to replace some damaged tiles in various sections of the building in st croix in st thomas office building not that much issues we know we completed the um the refurbishment of the outside of this building we are presently putting in tiles in the floors in in st thomas um building we have the lobby to complete uh the roof project is coming along it hasn't started as yet air conditioning project also had not started as yet but those those projects should be coming online for fiscal year 2021. as far as the rental and collections it can also be seen in exhibit A. We have, for the month of August, we collected $177,205.73, of which $145,825.56 was for rental. Total year-to-date, we collected a total of $1,344,083, of which $881,087.20 is for rental. There is a total of rarities of $226,000, $152.15. You can see, look at that in exhibit A. The majority of the rarities is in electrical, is in Department of Justice.

0:24:00 And for the rental arranges, obviously Department of Justice also, Plesson does have some arranges. All of their rentals are in arrest and also Rescare, which is a federal client, federal tenant. So, it appears that the division of personnel has paid off the payroll, which is good. They do have a $26,000 in electrical errorage also.

0:24:43 The human resources... Could I... I just wanted to interject one point. I know in some cases when you're dealing with certain rental buildings, it's the responsibility of the owner of the building to bill indirect, excuse me, bill the renter. And in other cases, I found where the meters were listed in the renter's name and they would pay and be responsible. Is there any chance that we could shift some of that where we have these people running up bills that aren't paying? We have discussed this and we have looked at this.

0:25:30 It's cost prohibitive. It's going to cost a lot to change over, even the air conditioning unit. And that's what we were told. And the electricity. And we looked at doing it for the air conditioning unit separate. it we also look at doing it with wapa i don't think he understands there's one meter and not separate meters well what he's saying maybe we should have separate meters okay i just want to make sure you understand he was saying separate meters and we had looked into it and to me it was cost prohibitive at the time what we're doing is we building them based on square footage there was some contention with some tenants that you know it should probably it was fluctuating too much and they were concerned about using square footage but that's the best way right now without a separate meter okay thank you when you say cost prohibitive what does that mean in terms of numbers well i can't remember sir this is when i came here about 12 10 years ago we can we can look into it again but it was it was numbers i guess we would have had to we would have had to bear the cost of doing what i'm what i'm what i'm trying to get to that whether or not it's cost prohibitive will have to be um a decision in the context of the away wages is based on the general fund i'm not sure well i would say well okay what i'm saying what i'm saying is that something that appear initially to be caused to hesitate may not be if it would eliminate the religious elections well let's just get another quote

0:27:37 no there's just some idea you don't have to go yeah yeah no no what i'm saying um division of personnel and division of justice goes before the legislature they come up with a budget you should know how much they're gonna pay based on square footage every year they can determine an estimate it appears to me that either they're not getting their full allotments so i blame it on the general fund they can pay for a moment you're very correct because in the sense of although we may have it budgeted the government has a single payer system they use so we still have to go even though it may be budgeted to us we still have to go to finance to say release some monies to pay grs to pay um wapa so it's not like we have control with our um like with the rent with the rent we are more in control of that so we could pay that once we have the allotment it's a little different with wapa so we may always be a little behind because of the single-payer utility um uh thing the government is doing with all entity i mean i i i fully appreciate all that i mean i'm fully aware of the single-payer setup but my point is that in the meantime grs is paying wapper right yes yes yeah okay so um if if that bill comes off of us um depending on what the number is it may be worth it for to to reconsider the the separate meter thing i don't know why don't we go back if the board i mean i don't mind going back

0:29:27 and having whopper comes in we'll have to maybe it's a good time to look at it now since we're going to be putting new air condition i think maybe it should be separate too i think you know we have discussed this many times and this board so i'll go back and look at it it's no no harm in going back and looking at it maybe it might be beneficial at this time I was kind of surprised to see the arrearages for Pleasant. My recollection is usually they're up to date. Is there something?

0:30:14 sometimes they fall behind they just opened a new center in sunny isles i know that a few years ago they wanted to rent the entire top of where grs is housed right now um but um miss clandinen I just wanted to know if anything came in after this report. Anything came in subsequent to the report yesterday?

0:30:53 I got a check from the Virgin Islands Casino Control Commission. I didn't get anything from anyone else. else from pleasant okay we haven't received any anything since the report was done no okay okay only virgin islands casino control commission and first bank but not um plus Okay, thank you. Human researchers have enrolled, which I think is a good idea, in an online Learning Center. I think it's about $159 annually for employee to take courses online. I think this is something that is good in these times. It's cheaper than, you know, traveling to the States with a hotel and airfare and all that. When I looked at it, I think it came out very very uh you know in a positive light for us that is something that this um has implemented uh fema as far as fema as we continue to work with fema and vitema on a regular basis uh meetings are held by monthly to discuss the project and respond for information just yesterday female responded for a whole lot of legal and insurance information i don't look at attorney smith you saw that yeah i don't have access to my computer yet until today we have passed our audit from the office of disaster recovery miss ocelain i think i'm in and we're working with theme on the drawdowns for the haven side cameras in the amount of 419

0:32:52 thousand nine hundred and ninety five dollars and four cents we placed all the cameras after the hurricane grs paid out the pocket and we're going to get reimbursed and a hundred and thirty seven thousand seven hundred fourteen for the grs main building hurricane repairs we receive a check in the amount of fifteen thousand for cart category b hurricane repairs and category b repairs at haven site save given site more some small repairs it's in quite complex sent to fema crc to review and clarify we then was held to go through questions and measurement invoices and payments additional information what's the rc um it's their costing um fema has a costing uh for restoration bureau that's the center that does the costing of all the repairs okay okay additional information on pictures were requested fema here inside for saving site mall and warehouses human documentation was requested as i indicated um and the legal is is looking into that um i don't know if the board had opportunity i sent a copy of our draft for the board retreat um if you have any suggestions or you want to put insert anything let me know we would be based on the conversation this morning uh we probably would be inviting chamber of commerce the first day for the investment nikita presentation and also seagull's presentation i think it'll get a good feel as to the reasons why you know the system is in such a bad shape and they can ask their questions at that time on that same day i think i would like to um also have the uh the retiree groups for like an hour invite them i haven't done it so as as yet just to for us to share information of what they're doing and so if you have any questions on the topics or you want to add anything else please let us know by at least uh october what is the 20th is the by october 14th or so

0:35:30 let us know if you have any changes so we can make those changes okay let us suggest um that we require the chamber to to pre-submit the presentation so just so we could focus our you know our attention as to how best to use that time that we have with them they give us some idea of what you know what they want to know about what they're interested in doing that kind of stuff so we could we could tailor our preparation for them accordingly okay so i'll write something up for uh chairman callen uh letting him know the time and so on and then he can write to them and can get that information from them also mr nibs um i was hoping that um both the investment properties and um haven site um would be discussed at length when you say investment properties what do you mean rentals um well that could be part of it but mainly the the properties that we just had to assess the um uh undeveloped uh coakley bay in um st thomas yeah well what we're trying to do the end result is coming up with an insolvently contingency plan and part of the discussion in the board retreat is looking at all our assets we're looking at all of our human resources and anything that would have to be reduced to an acceptable level and obviously selling properties i think that would be part of it also um i think i discussed something in the budget committee i don't want to

0:37:35 say here out publicly but we we have some drastic measures that we have to look at um everything has to be on the table then everything has to be on the table okay um so i think we're going to discuss all that we're going to be writing up our recommendations the staff is going to be presenting to the board coming up with our recommendations and then the board would have to make obviously some type of plan has to be in place of going forward in 2021 2022 2023 just like the dynamic asset allocation what we should maybe get rid of based on the budget reductions at that time. You know our largest budget cost is wages and fringe. It's about seven close to eight million dollars. So we have ideas of what we think may have to be done but we would make those recommendations and put them on the table. Like I said everything is on the table and the board will have to make a decision. Okay? Thank you, sir. That's my presentation.

0:38:53 I see any any additional comments or questions for the administrator okay there were none will we proceed to the committee reports any committee reports there is a there's a budget committee report mr chairman all right you may proceed so the budget committee convened on september 21st 9 a.m by zoom committee members attending bowery chair calendar and call staff attending ceo ceo nibs therefore jeremiah matters discussed one fy 2019 financial audit and status two grs board 2020 retreat status of planning and three the main focus of the meeting was review of the fy 2021 budget so as a financial audit is concerned the ceo reported that the audit is progressing towards a 9 30 20 date for the for draft to be submitted to the actuaries target date for the final draft report is to be presented to the board that is october retreat um as far as the board board of treaties concerned the ceo confirmed that the dates have been set for august for october 20 20th through the 21st through the 22nd of 2020 and he promised to update the board on the planning for that as far as 2021 budget is concerned the ceo and cfo presented highlights and details of the FY 2021 21 budget as follows total expenditure of budget of 16.6 million which is a 14.5 percent

0:41:35 less than the 2020 budget reduction reflects the system's focus on reducing expenditures recognizing our current corporate impact realities reductions were basically across the board the board of trustees budget was reduced with 29 percent administration by two percent facilities and management reduced by 34 percent reductions were also across the expenditure line items personal services were pretty much held in check in spite of fringe benefit increases due to an increase in health insurance service and service and charges were reduced by two hundred seventy thousand dollars nine percent biggest decrease was in capital outlay which was reduced by 2.3 million almost half the current budget the 16.6 million proposed expenditures comprise 46 percent of that 7.7 million was of personal services including fringe 29 percent was for services and charges 4.8 million 1.7 for utilities and supplies and 2.2 for capital expenditures the personal services budget provides approximately 254 000 for contracted compensation increases for unionized and exempt employees The committee took note and advised the staff that the budget would likely be revised to reflect any strategic decisions made at the October retreat. However, the committee felt it was important that the system be managed pursuant to a board approved budget. Accordingly, after being satisfied by the staff's explanation and responses, the budget committee recommends that the board approve the fy 2021 budget in an amount of 16 million 595 388 for the purposes indicated in budget exhibit b which is which is incorporated by reference uh but that but that number comprise for 14 million 193 000 138 for operating operations which includes 5 million 391 812 for personal services 2.3 million for fringe benefit 790 000 for services and charges and 4.8 million dollars sorry 790 000 for supplies 4.8 million dollars for service and charges and 907 for utilities total capital budget of 2.2 million four hundred and

0:44:39 two thousand two hundred and fifty was also approved the committee questioned the proposed revenue and income budget of $3,688,167, comprising rental of $1,346,000, parking fees of a little over $9,000 and interest of $2,3 million. In particular, the committee noted that the budgeted The rental amount was 41% higher than the actual amount for 20, 20, 9, 20, 90, and almost two and a half times the projected 2020 estimate after we visit, we submit, um, uh we will promise a more definitive update on retreat plans in the september board meeting the budget committee would like to recognize and thank the ceo nibs and cfo jeremiah for their comprehensive preparation and representation of the f5 2021 budget that's that's my report mr. Chang thank you sir trustees any any questions any comments all right the medical review committee met on several occasions and those results will be discussed in executive session policy committee has no report today excuse me policy committee has no report all right thank you thank you ma'am all right can we go to the treasurer's report good morning board chair other um trustees this is the government employees retirement system schedule of receipts and disbursements for the month ending august 31st 2020 receipts from collections loan repayment one million six hundred and fourteen thousand five hundred and seventeen

0:47:19 year to date seventeen million seven hundred and thirty seven thousand one hundred and twelve Rent from tenants slash utilities, $156,899. Year-to-date, $1,270,000. Rents from Havenside tenants, $95,756. Year-to-date, $3,464,251.

0:47:51 Employee retirement contributions, $8,508,804 Year-to-date, $89,025,108 Employee retirement contributions, $4,596,398 Year-to-date, $47,544,224. Parking facility, $130. Year-to-date, $6,750. Miscellaneous, $129,363. Year-to-date, $11,866,523. Excuse me. total collection 15 million one hundred and one thousand eight hundred and sixty seven year to date 170 million nine hundred and thirteen thousand nine hundred and sixty eight disbursements annuity payments 22 million two hundred and sixty four thousand five hundred and year to date 241 419 i'm sorry 241 million 499 320. administrative expenses 2 million 428 780 year-to-date 16,748,353 personal loans 12,887 year-to-date 223,951 mortgage loans 31,059 year-to-date 216,914 there is nothing for retiree and utter loans year-to-date retirement loans 23 275 year-to-date auto loans 12 land loans 1026 year-to-date 1026 refund of contributions 514 324 year-to-date seven million eight hundred and twenty thousand

0:50:20 601 allotments to wico management fees 269 102 year to date 1 648 028 total disbursement 25 million five hundred and twenty one thousand seven hundred and thirty six the age of eight two hundred and sixty eight million one hundred and eighty one thousand four hundred and eighty for a net cash deficit of ten million four hundred and nine nineteen thousand eight hundred and seven year-to-date net cash deficit 97 million 267 512. that's the end of the reading for the schedule of receipts and disbursements thank you mr jeremiah trustees any question no question just my normal concern um just got to verbalize it so we paid out nine million one hundred and sixty thousand dollars more than we took it we paid in annuities versus contributions that means another drawdown is near yes it was done for the 30th payroll thank you okay is that a drawdown against cash or did we have to um liquidate any investment okay

0:52:12 trustee need a motion for approval mr chair i move to accept okay i'll second it yes trustee barry yes trustee cohen yes trustee leiger absent trustee mcdonald absent trustee smith yes chairman calendar yes j5 yes two absent thank you mr chairman uh i've asked mikita to um to uh i invited me peter to to um present the uh investment report for today i'm seeing gustavo on the screen so there he is not a problem i was i was happy to see this tab all right uh good morning everyone and and i'm glad to see everyone uh virtually in this new normal um i'm here to uh discuss with you the results uh performance results for the month of august I believe that you all have the presentation that we sent to Mr. Neves a few days back.

0:53:48 That being the case, I will ask you if you can please jump into page 9 out of 17 of that presentation. This is the total assets of the fund without the local assets. So these are the, again just repeating myself for a hundred times these are the assets that are under the scope of services Makita which excludes the local assets and that the the the total assets are as of August 31st at 479 251 851 the as a location breakdown uh we are at around 12 percent in equities um 74 in fixed income uh two percent that it reminds in alternative investments or private equity that is messy well and we have around 11 of cash and you were you were asking mr bonnie about um the um the um the the contributions the uh another contribution but but the cash outflow that just happened and uh we tend to uh plan for having around um uh an amount of a hundred million dollars in cash for the fiscal year uh we are closing the fiscal year and uh the cash is at 54 million dollars so that prevents us uh for having to liquidate any assets that might be in a moment of distress so um the reason why the 100 million dollars to refresh the mind of everyone it comes from our dynamic asset allocation

0:55:43 that is around the amount of cash that we will need for uh for a current a current one year period um so uh it's now at 54 we are at september what is today 20 21st uh 24 sorry and um we will be um redoing our dynamic allocation uh as of uh when when month ends at september 30th when fiscal year ends so we will be then um reallocating and making the necessary changes and recommendations in the asset allocation to move towards the dynamic asset allocation and one of the actions would be to add into whatever is left in the cash account to give that 100 dollar balance 100 million dollars so that's in terms of asset allocation i will ask you if you can please um move to page 11 of that presentation uh page 11 is the performance um quarter to date to this is August 31st so this does not have the performance of these days in September. As of August 31st for the quarter the system was up 2.3 percent for the year to date or 2020 calendar year 5.5 percent and for the fiscal year which is what we really care about at that point at 7.5 percent which which you know it's uh pretty much in line with the actual assumptions uh so that is good news uh it's still in a in a in a very good shape um we have a couple of more days in the month of september to see what actually uh the end result uh we've seen the equities market really taking a hit during the month of september as of yesterday they were done the u.s

0:57:40 equity markets were down 7.3% around, but the fixed income markets were a little bit on the positive side. So I'm guessing that if there has been any movements in the system, it has been no more than a minus 50 basic points. It should be around 7.3 or 7.1% the results in the month of September as of yesterday we have a couple of more days to go in the month of September so we keep our fingers crossed that we would be we will have some positive momentum and and could finish uh in around our actual assumption of around seven percent page 12 this actually shows the detail of what we have invested in just to remind everyone we have pretty much at this point, except for Pew, which is fixed income manager on the active side, everything else is invested in index. Pew and the remaining of the messy row private equity allocations that we have in the fund. That's pretty much it, what we have prepared for in terms of performance. Volatility came back in the month of September, combination of new cases, combination of getting closer to elections. Around the world, the cases are spiking up. In Europe, after summer vacation, we see some spike in the US as well with kids coming back to college and schools so all that is adding to the volatility in the markets uh thankfully uh for our system uh we are allocating we are located more than around between between cash and fixing more than 80 percent in in in fixed income assets so uh the um domestic equities volatility is not affecting much the movement of the fund which is the whole purpose of why we invested this way so again we're a few days from closing our fiscal year keeping finger crossed so but it looks very promising that even though this whole roller

1:00:11 cluster of markets will be in positive territory and more so that we are actually at actuarial rate of projected rate of return which is very good news i mean the system continues to be in the top quartile compared to other plants there's not much difference to what we showed with you last meeting because that is measured quarterly we are not at the end of the course so we don't have new results but from what we see from other clients of ours the system it's still performing very well compared to the universe so with that i'll open if there are any questions mr chair trustees any question thank you any question yes i had a question are you going to send us an updated on that little chat you usually send out on the performance it's a chat you refer to the chart that it shows uh the system compared to pierce yes yes that is not updated yet that is as of so it's exactly the same that you have uh before it's going to be uh the new one it's coming after september 30th so as soon as we have that we will definitely update okay thanks no problem anyone else if not as usual thank you gustavo all right ask ask ask a question and you may or may not want to add this discussion no we could probably have it beta or whatever but the what what is the the market like for for uh pension obligation bonds

1:02:12 uh i cannot give you an intelligent answer to that it's not it's not that you know we are we are monitoring uh you know daily uh i will be happy to ask around to my colleagues within Mekita on the next on our next consulting meeting on monday uh to see or in fact i will send an email right away uh to see what they are but uh i cannot give you an intelligent answer i appreciate that any any anything you could find out absolutely we'll be happy to thank you all right thank you sir all right thank you so much great seeing you all Thank you.

1:02:55 Yes, sir. Bye, Gustavo. Thank you, sir. We're going to regular session. New business. Trustee Barvey, you want to address that? Address what? well yeah i give them a one to approve the carryover of the fiscal year 2020 budget for further discussion okay that has to change right right i'm just looking for my agenda here okay so where are we now on approving the budget okay i i think um as i as i reported um in my earlier report that we have we made a decision the board the committee made a decision not to do the carryover budget for the reasons i explained in my report and instead to to approve to uh to recommend approval of the budget as submitted by my management um and so i guess in in terms of a motion is that is that in order now yes Okay. I move that the board approved FY 2021 budget, total amount of $16,595,388 for the

1:04:58 purposes indicated in budget Exhibit B, which is incorporated by reference in this motion. That total number comprise an operating budget of $14,193,138 and that's further broken down into personal services five million three ninety one eight hundred and twelve fringe benefits two million three hundred twenty four thousand ninety one supplies seven hundred ninety thousand three thirty six services and charges four million seven seventy nine thousand three ninety seven and utilities three hundred nine hundred and seven thousand one hundred and two and for capital budget totaling two million four hundred and two two hundred and fifty um i i saw move mr chair okay i'll i'll second this and just just for discussion it's exactly the same as the numbers as i on as submitted by the board by the staff specifically exhibit page two or four yes trustee gary yes trustee cohen yes trustee liger absent trusting no absent trustee smith yes chairman governor yes five yes two absent

1:06:55 thank you the 2021 fiscal year 2020 budget has been approved as presented by the administration item number two approve the salary increases for fiscal year 2021 monty who's going to weigh in on that i think um as part of the budget process um We recognize an amount included in the budget of I think $254,000 to cover contract and salary increases. I think that included, searching for my notes, give me a minute here.

1:07:56 you can make reference to it yeah so it says 254 000 uh included for compensation increases for unionizing exempt employees contracted compensation increases i think the committee is the committee specifically authorizing um recommends that any other comment on that mr mate is glendin gums would uh would you just expound on that okay um in submitted in the budget was the salary increases that were negotiated and approved by a resolution for the uiw siu and those are supervisors union and our steel workers union the resolution stated that we would use the premise across the board for all classifications in the agency and that has been reflected in the amount stated by Trustee Borey and represented in the budget. Effective October 1.

1:09:18 Okay so thank you. All right I just did a little discussion and I need you need a motion to approve yeah mr barry you have a comment i'm just going to add the committee took note of those increases were contracted and already negotiated uh we recognize that um if we are cutting back on the number of employees and it's asking those who remain to work a little harder and and under some very trained circumstances um i think we need to to be in a posture of trying to save our employees um given given the um given the much movement pending insolvency. I don't think anybody's going to be rushing to join our staff, so try to keep the employees that we have. That was the underlying rationale for the board, for the committee's approval.

1:10:35 All right. Anyway, a motion for approval? Mr. Chair, in light of my understanding that these increases are part of the budget that was just approved i don't believe you need a separate motion for that okay all right okay okay item number three to approve the decision of the camongola northwest llc board to proceed with the dissolution of carambola northwest llc naves you want to comment on there uh trustees the carambola northwest board met on thursday september 17th attending the meeting were all earl powell leona smith with the vice chair austin Nibs the secretary and Wilbur Callender the chair. Also in attendance were Cathy Smith the general counsel GRS, Yanis Jerry Meyer, CFO for GRS, Tom Bolt corporate counsel and his associates Steve Hardy and Adam Nadali, Deepak Banzhal the outside consultant, auditor and Pedro Williams was there also the agenda was very lengthy because we hadn't met since uh june after the uh prior to the the sale of the the asset and um we approved the board transcripts of june 19 2019 there were no

1:12:38 correspondences and communication there was no chairman report in regular session we updated uh the overall activity from july 5th 2019 to present that's subsequent to the um closing of the act of the uh the mortgage i mean not the mortgage but the closing of the deal there was a financial report by miss jerry meyer as to what has been paid out what monies we have left in the bank and also mr banzal gave a report of all the tax filings that were were done we do have a good standing up through june 20 june 30th 2021 all over 11 20 years tax files were were tax filings were done our gross receipts uh all of that stuff were done going back from 2017 all the way up um we in executive session we dealt with um legal matters um um there are only two claims left open to outstanding litigation um there's also a hold back in the transaction and the closing that is due to us uh about 250 000 and legal counsel is going to pursue that it should be in escrow it is an escrow it was for sellers indemnity deposit and what we're here for because the carambola board voted to for the solution of the of the company for the LLC, meaning we're winding up, meaning that we are winding up. We have some accounts payables to look at. Some are in dispute. Right now, we are currently researching those. That's about $147,000.

1:14:48 dollars um however we're winding down so since usually the the processes the carambola board makes a decision they will come to the grs board present and grs board will vote it up or down so today we're here to approve the decision of the carambola northwest llc board to proceed with the dissolution of the LLC that is what is on the agenda for the GRS board which represents GRS which is the sole owner sole shareholder of the LLC so we here to get your approval of the decision that was made by the Carambola northwest board to begin with the dissolution or the winding up of the LNC Mr. Nips, during when you started the discussion you called the name of the person's presence I might have missed attorney Williams name did you call his name yes i did yes it is okay all right thank you our trustees any any questions is claire i'd like um somebody to give me just a brief summary of um what you're asking i mean i understand it's a it's a decision by the come all aboard but could you just summarize the rationale for the solution why we should do it

1:16:41 well there are no assets left um we sold the property to um we sold it from davis bay davis bay llc the only asset of the company so the only assets of the company was the building the business so there has to be a dissolution uh like i said been we've been winding up we've been paying some bills that were incurred prior to there was a true up the last true up shows that there are still outstanding bills prior to the the closing um that was presented to us by the davis bay some of those may be in a little contention we have to go back and work with them to um to get some more clarity um they're asked they're the only assets i think we have is the cash we have some cash in the bank uh about a little over um it's about 300 and some thousand dollars plus we'll get it 250 um thousand from the escrow and though those monies would be to pay back because you know grs has been had loan and not grl the owner yes had had some bridge loans and things like that that were made most a lot of the times during the off period when they're they were not meeting their expenses the way they should especially in the summer time so that will be used and we will return to grs to pay down on those loans So what, like I said, the process has been that any decision that is made in the Karambola board is brought to the owner, which is GRS board, to ratify the decision. Yes, in the interest of GRS. That has been the process.

1:18:42 I don't know if Pedro, I mean, you know, whoever wants to win. That's the process. yeah i wasn't questioning the process i was just trying to figure out yeah i mean it could be that grs board don't want us to um to wind up but we're saying that's this we don't have any more assets the only asset we have right now is cash the building is gone which is material um but if you continue to keep the corporate the llc alive you will have to file your reports with the lieutenant governor's office you will have to continue to have board meetings and there's no point to it if the um entity has no assets so then we would come back and after this after that is done we will terminate now we wind it up and the solution that will terminate and then we'll come back again and you'll have to bless the termination you wind up today and you wind down later well what i said wind it up means yeah you wind up today why not later in termination if we want to put it out is there excuse me is there any is there any lingering litigation that's that hasn't been dealt with only two only two there two uh i think one of them we had um um they're they're they're where those things are one there two one is a debt that is old to carambola northwest that's being pursued and um those are winding down so that's part of the wind up process thank you another one we made an offer right something you're an executive you're not an executive session um yeah those will be concluded before the wind up that's part of the wind up process

1:20:37 any outstanding matters all right any any any additional questions no um no mr chair i would like to make a motion to approve the decision of the carmola nwllc border to proceed with the dissolution of carambola and wlnc i'll second that rusty carlwood yes trusty barry yes trusty cohen yes trustee liger absent trustee mcdonald absent trustee smith yes chairman yes five years two absent thank you okay this portion of the meeting will be close to the public for matters pertaining to trade secrets or financial or commercial information or personal or legal matters or matters whose premature disclosure may frustrate the implementation of the proposed agency action so I need a motion to go into an executive session mr. chair I i move that we go into executive session

1:22:23 i second it trustee forward yes trustee barry yes rossi cohen yes trustee liger absent trustee mcdonald absent trustee smith yes chairman calendar yes five years two absent Thank you. Because we'll be discussing these committee recommendations, we move to ask that only the trustees remain. yeah what he said we have an only trust in your name yeah i'm on the side bed yes pedro pedro can you call me on my cell when you're ready for us to come back The room is clear.

1:24:01 so we do we need a five-minute break I don't think so are we still we caught him we could be recording this session right business cool is the long it's still being recorded okay okay very good it has to be recorded cadetina here yeah that's why I said very good I didn't because everybody stepped out I was wondering if the phone it was recorded we're still on youtube live that's what i meant oh no we gotta come out we gotta get off so that's what i was asking so once we go in executive session i'll be no longer on youtube

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.

4x **Trustee Vincent Liger**
heard in this transcript as: Liger

2x **Senator Fred Gregory**
the surname alone also matches: Donna A. Frett-Gregory; Donna Frett-Gregory

2x **Trustee Leona E. Smith**
heard in this transcript as: Smith

Bills and acts referred to

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

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