Government of the Virgin Islands· Retirement System Board Meeting

GERS Retirement System (Board of Trustees)

June 15, 2020 · 0.6 hours · gov

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0:00:00 You see a slew of applications coming in from the Department of Education. As far as refunds, number of cases completed from October to May, 31 is 485. Up to 485, 328 non-vested regular members, we paid out $4.9 billion. dollars that benefits the same period we completed 42 for a total of 1.4 million dollars as far as life certificates remains the same we submitted 96 we sent out 96 life certificate validations, we received 80. Nine was suspended, waiting response from the retiree. And sevens were pending receipt of documents, meaning that one of the documents or a couple of pieces of documents were not submitted. As far as non-duty disability, It's the same from last period.

0:01:14 We have June 15, 2020, our payroll, retirees, 8,701. We added to the payroll from October through June 15, 252, retirees. We deleted same period, 236. The gross payroll as of 615 was $10.7 million. Our loan portfolio is being reduced each month, we have 3,414 units as of 531, 2020, as of personal loans. Mortgage is still constantly at 91. The total amount for the entire portfolio the same period is 41.6 million dollars as you know the personal loans all would expire around 2024 2025. as far as operation the St. Croix building we are waiting another proposal for the landscaping and gardening every year we do we have someone come in and do the landscaping and garden and the gardening services for us we're waiting for one more proposal as far as the building roof repair still pending the travel plans of the contractor from the states today is due to the kovic 19 situation and the hurricane shutters for the casino commission front doors were ordered as far as the generator you know it's hurricane season it has been maintained it's a normal operation normal operations

0:03:04 the air condition quarterly maintenance was completed also there were two minor issues occurred and were identified project the trash damster if you see it i do have pictures but there's it has really improved the aesthetic of the surroundings it was um widened and also they have gates and it's painted nicely. I want to thank Mr. Dempsey and Ms. Glendinen for getting that done. The security guard building renovations proposal will receive and the contractor selected Brothers Construction Inc. Also the glass door replacements for security purchases purposes I'm sorry active shooter protection. This was a recommendation by I think by Tima to us that we have this in case we do have an active shooter in the in the building training was conducted with employees as far as the st thomas complex we about 98 complete treated it looks the building looks very well it's been going on for now close to about a year with the repairs the roof project is another the the other project that is major project that is is online so you're going to be submitting i approved the rfps today and it will be posted in the newspapers for two weeks you see project is another project they have started the foundation i know that there's a large trailer on the premises so they're gearing up to also getting that project done in timely manner barring any unforeseen circumstances of the hurricane. On the estate Naliburg-Huffman property the survey was completed. Plans were received from the iridian design will be seeking three quotes to bid on the drawing for the fencing of the the wall also uh mccloskey the surveyor came over last week and i know that he mr borrows and him went over to that property he got his drone and everything so he's going to be completing that survey that appraisal i'm sorry um shortly he should have gone over to st croix i didn't get any report from mr dempster but uh the two properties and one is employed sd estate uh

0:05:44 will be reappraised as you know we um have six safety precautions in place regards to the disinfecting and we received three quotes and that is going to be done in short order before the employees come back to work security station in the main lobby the plexigas was done the air conditioner service provider and changing filters and supplies we were in supplies the tissues wipes disinfectant spray have been ordered for the staff since they're coming in more than one day during the week we want to take as much precautions as possible. As far as collections for the utilities we have collected for me $82,849.12. Total year-to-date, we receive $509,894.35 for rental, and electrical reimbursements, $415,082 for total collections of utilities, $924,995.17. Our rarage is, the largest is in electricity obviously some of the rearranges well this couldn't be anyway there are rearranges the rental is eighty three thousand one of seven seventy two cents and the electrical is one hundred and five thousand six sixty one sixty As you can see from Exhibit A, the ravages are mostly in the Department of Justice.

0:07:50 We did defer Division of Personnel. Justice has not asked for any deferments. Also from the schedule, you can see the decisions made in the last board meeting by the board in regards to Pleasant and division of personnel. We continue to work at FEMA and by FEMA on a regular basis. Meetings are held. My representative at those meetings is Ms. Clendenin and she usually responds before to me if there are any issues. The time the election is coming up. The vendor that was selected is Election America Inc. of Neola, New York. As you know, we have had experience with two elections, the entire elections before. Voting method, options, a paper ballot, interactive voice response, which is like telephone, and then online voting.

0:08:55 We had experience with paper ballot and online voting in the last election. Of course, as high as $8,955 in both districts, and as low as $5,471. When it says low, if one district maybe don't have an election, so it's going to be cheaper. It's going to be higher if you have two elections, and that would be $8,955. There's no election in the district, which has happened before, as low as $5,471. The timeline is from October 5th through January 18th and October 5th will be announced. The notice of the election and nomination packages will be available at both districts. Not sure yet. I'll have to discuss with Mr. Andina if we're going to do it. yes um one one question uh i'm taking issue with the the time period where the announcement and the um nomination packets are required back um less than a month um is that's a fairly short period of time to become alert and make a decision and evaluate with the situation what you're getting into i i would prefer that being opened up a little bit more maybe back to september first we never had any problems before it just seemed a very short period of time you know we may look at it again but you know if you have candidates who are really interested we can start hyping it up and talking about it prior to that maybe what i can do is move back the

0:10:51 notice gate somewhat instead of the i'd appreciate that yeah we look at it um can move it back from the fifth a little earlier so you'll have more time you know for members to make up their minds okay i i that's noted i don't have any problem okay all right thank you you're welcome um turn on the 26th we'll begin the candidate vetting process we're doing nomination packages now internally we we select two committees both districts they're members of the staff we use members of the staff usually individuals across section of the staff and then they did a beautiful job in both elections they're the nominating committee in both districts and then there's an overseeing committee meaning that those individuals will check back on the documents that are submitted by the candidates and we have never had a problem before only one problem we had was in St. Croix and there was a question in the St. Thomas district one time as far as eligibility uh educational requirements so as you can see it runs i'll move it back a little maybe in september for the announcement and it runs through the election closes on january 11 2021 and the uh we looked at the results the vendors sent us the results via email and then we would um announce on january 18th um that would give us enough time maybe for the income the person who's going out maybe another board meeting and then at the march board meeting probably the uh the new person whoever they are new persons would come in and after the uh orientation would come in and sit in the march meeting okay any questions go ahead mr i sent a copy of the um eligibility and the procedures for the election

0:13:24 they were promulgated in june 15 2010 by the board i just sent a copy to the to the board members in event they had any questions or they want to make any changes to the procedures so you can let me know between now and September but we got to start gearing up for the election because we have about six months so we need to have some good time to plan okay that ends my report thank you sir uh trustees any questions for there mr nips none sabari scoward no no no questions i'm good I do have one statement, though, Mr. Nibs, as far as education, what happens is for the date of when they do their letter of resignation, it's normally effective the last day of the school cycle.

0:14:56 so effective august 31st is normally the case because september 5th would have been the so it's always the the last day before the beginning of the new school year so that's why most of them don't come in on they can't put them on they can't submit them for retirement because they're still going to be on active payroll until august whatever that last period is but i know that they have submitted their letters because i've seen one yeah letters and that's what i keep telling them they said letters most letters have been submitted since april right and they do it every year but they don't send anything down you know these people are potential some people do change their mind but most of them when by may june they have packed up their classrooms or they've already started their stuff so you know they're not going to change their minds there's If they haven't packed up, then you know they're probably coming back. But if they've packed up and given away everything, you know they're gone. And you're about to get a lot of separations also. You're getting them.

0:16:02 I know you've started to get those. Those have come in. The ones who are resigning rather than retiring. All those teachers who are in their ninth year, they're considering. they had a whole group of them have been submitting um conversations and having conversations submitting and yeah because they're coming out yeah and if you didn't know to get the news yesterday the governor of florida signed 500 million dollars for teacher raises to change teacher salary scale st thomas you said florida florida no florida i was wondering about grs they're about to go so they're about to consider relocated oh wow so we're gonna have some more separation that's the sign of the times florida is not a good place to relocate to at this time but it didn't say miami In Florida, there's a lot of off-Peninsular cities and stuff that are not greatly affected by COVID right now, and they were affected by the storms, and they're having the same issues we have about rebuild, but it's going to be rough.

0:17:29 Okay. Anyone else? Okay. Committee reports. Policy Committee, we're going to finalize our, we bring in the governance manual to the floor today for the finalization. So we'll have that discussion in all business. okay any any other committee chair in the report yes the the budget committee met um on the 17th and we had about four items on our agenda we had a media review of the 2020 budget we had an update on the waiko mall transition and and it was like um let's see havenside mall not why come all okay i stand corrected it was like more um uh transition and um um we reviewed a a budget that was presented and by by um by the by the staff and we spent a few minutes talking about resolution 13 2020. as far as the media budget review um the staff presented a variance report with actual numbers um through april seven months the operating budget seemed in good in good touch pretty much on target the capital budget however was significantly expenditures was significantly below the budget we had a budget of

0:19:32 4.7 million dollars for capital outlay and less than one million dollars or 750 thousand dollars expenditure to date so uh mr nibs could talk a little bit about what's going on there um there was no further actions required we won't the staff didn't require us to make any changes to the budget um we were advised by staff that the f y 2021 budget is in progress and with with you to the board within 60 days or 60 days of of the date of that meeting 60 days prior to the end of the year by august 1 it will be in 60 days prior to the end of the day okay august okay thanks so um they didn't they stopped in this ceo did indicate that the budget will reflect a strategic plan to downsize with a shift towards greater use of technology in the operation so looking forward to that um as the in the site mall um transition the committee received an update on the ongoing repairs and renovations and it's mr nigel over those again full board um staff also recommended uh a budget more um to take it take us through the end of the fiscal year and um the committee voted to to support uh the request so we will be and to recommend it to the full board

0:21:38 to ask at the point that Mr. Sinips presented and the specifics of that as was approved by the committee. The focus of that request was on capital projects as you might expect since there's not much operations going on there and the staff is using the downtime to get all the capital infrastructure projects up and running the biggest item on the budget was the capital side most of it to roof replacements the other big item was other services and charges mostly for insurance third item on the agenda was rental default abatement program The staff updated us on the number of required abatements versus deferral. I think the committee affirmed its position that at least up until now, we'll continue with deferrals and no abatements.

0:22:59 I think we gave some further constraints with respect to who could get referrals. specifically that we um we didn't want to give any force to folks who are in a way as in the in the renter um last item was resolution 13 2020 which now was the resolution that we submitted to the governor and the president of the legislature as required by the code and that's the resolution we recommended the adjustment to benefits and that was just a general discussion basically pointing out that we didn't get any at least up at that point we had not seen any response no official recognition of receipt by either of the addressees that report so we want to talk a little bit more about that if you wish but that at conclusion i report mr mr chair uh for the budget committee i have the appropriate time we will we will move to um recommend the budget for the haven site mall as as presented by staff at that meeting thank you all right just thank you sir trustees any questions for just to worry any comments okay no thank you sir any other committee report okay thank you we now move to the treasurer's report good morning board chair and other trustees you can hear me yes ma'am

0:25:01 okay this is the government employees retirement system schedule of receipts and disbursements for for the month ending May 31st, 2020. Receipts from collection, loan repayment, 1,109,845. Rent from tenants slash utilities, 54,439. Rent from Havenside tenants, 60,233. Employee retirement contributions, $8,343,879. Employee retirement contributions, $4,168,128. Parking facility, $120. Miscellaneous, $299,633. For total collections of $14,036,278. Disbursement annuity payments 21,623,481. Administrative expenses 1,270,483. Personal loans 241. Mortgage loans 5,584. Retiree loans, auto loans, land loans, they were nothing for the month of May. Year to date, retiree loans 20,709.96. Auto loans 12. Refund of contribution. 1,006 100 sorry 167,424 year to date 6,000,400 and 1,000 913 allotments to WICO slash management fees nothing for May year to date $1,378,925 for total disbursement of $23,067,212 year to date $194,573,870 for net cash deficits of $9,030,934 year to the net cash deficit 71 million one hundred and eight thousand eight eight hundred and

0:27:33 fifty one that ends the reading of the judge's report all right trustees any questions any comments um i have one question chairman um in reference to the the diary loans or loans and land loans that um no money came in on did we give did the board or whoever um uh gave a deferment on the loan extended forward no this is not these are like refunds um that you um get in these are not the normal loan payments that we receive these are like for the insurance we paid out and things like that okay thank you the number we have at the top of the year today the 20 negative 62.1 million says beginning balance what what is the balance of what That amount represents the last amount for year-to-date 2020.

0:29:03 So in April of 2020, that's the ending balance, and so it's the beginning balance. Hence, it's underlined, so you're not totaling it with the others. it's just uh right in your face this is what it was last time so you add um so then you add the 9 million deficit to that and that's how you get the 71 million? Correct. Correct? All right. Ms. Jeremiah? Correct. Correct. Thought you heard. I'm sorry. all right thank you trustee you understood that yeah okay i'm sure uh trustee carlwood has seen it you didn't say anything about the rent collected from haven site um this in the month of may for 2020 versus what was collected in may of 2019 no yeah yeah yeah I'm not able this year okay any other questions for us any other comments if none we need a motion to approve the treasurer's report to accept the treasury report

0:31:06 second trusty carlwood yes trusty barry scott horton okay trusty cohen yes trusty leiger yes trusty mcdonald accent trustee smith excused chairman calendar yes four yes one not voting one absent one excuse thank you treasurer's report has been accepted move to the investment officers report Good morning, Mr. Chair. Good morning, sir.

0:32:00 This is the performance of the investment fund at the end of May 31st, 2020. The total plan returned 0.9% for the month. Year-to-date, we're up about 1.8%. Fiscal year-to-date, we're up about 3.2%. Our total equity returned 5.3% for the month and was pretty much in line with its benchmark. Total fixed income was up 0.4%, slightly underperformed its benchmark by 10 basis points, and our total alternatives portfolio was up about 1.1% for the month.

0:32:42 uh as it pertains to the managers of funds our russell 1000 index was up 5.3 percent for the month our few capital which is our six income manager returned 0.6 percent and outperforming benchmark by 16 basis points our u.s debt index fund was up 0.5 percent and our u.s tips fund was up 0.3 percent as it relates to the cash flow update for the month we ended the month at approximately 560 million so we started with