GERS BOT Monthly Board Meeting

GERS Retirement System (Board of Trustees)

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0:00:00 this is the meeting of the board of trustees of the grs that being in 5 27 2021 time being 9 41 um could we have a roll call um mr secretary what's the color absent trustee dana clintonin present trustee dorsey present trustee liger present trustee mcdonnell absent trustee smith present chairman barry present five present present five present two absent okay um all right so we have a quorum could you next item agenda mr secretary is comments and suggestion from retirees yes um i can't see the names i see one two probably aqua and chunnery any retiree uh good morning maybe just state your name please and if you're retiree you're active good good morning aquanet shinri here and i'd like to just thank the board um and the administration for um adding to their website the uh link um that has the documents very much appreciate it thank you great job thank you okay thank you we had a comment okay hearing none

0:02:06 um next item agenda mr secretary secretary minutes two for love secretary's men go ahead someone have to make a motion we have any Do you need a motion to accept the secretary's minute?

0:02:35 I make a motion to accept the secretary's minute. I second. Move and second there. Trustee Caldwell absent. Trustee Dorsey? Yes. Trustee Liger? Yes. Trustee McDonnell absent. Trustee McDonnell absent. Trustee Smith? Yes.

0:03:03 Chairman Bowery? Yes. Four yes, two absent. Okay. Minutes accepted. Any communication or correspondence? Yes, you just have a couple. First piece of correspondence is dated May 7th. from the legislative version now the chairman of the committee on finance uh kurt valley and just to summarize this is an annual invitation for the grs to present its budget although you know the legislature does not approve our budget but just um first piece of correspondence is dated may 7th it's from the legislature the chairman of the committee on finance uh earth valley just to summarize this is an annual invitation for the grs to present its budget although you know the somehow there's some someone probably had a recording because i had to stop because i heard myself being repeated are we back in real time i guess i believe we are okay so like i said this is just an invitation for the grs to present since uh a fiscal year 2022 budget this is something that is done annually an invitation that we receive from the legislature the access to be there on monday august 16 2021 at 1 p.m in the earl b artery legislative hall on the island of st thomas

0:04:59 i also said please be prepared to provide a committee as well as other members of the legislature no more than 30 minutes budget preparations for the operation of the government employee retirement system other piece of correspondence is an email from nathan simmons who is the director of finance for the vi public finance authority stated friday may 21 2021 it's the governor's invitation to municipal finance preparation uh june 4th 2021 so on jude 4th 2021 and 9 30 receive an invitation to attend um the governor's uh and the for the public finance authority uh to a municipal finance presentation it's at 9 30 a.m at the antilly school hall so there's a few limited seats for in person so if you can't be there in person you can use the link that was provided to you another piece of legislation is dated may 24 2021 and it's notice to the governor of the appointment of Ronald E. Russell Esquire as the elected retiree for the St. Croix District.

0:06:28 Mr. Attorney Russell was the only person that applied, being that he was qualified. The rules call that if it's only one person and they're qualified, they will be accepted as elected. That concludes the correspondences. Okay. Chair Parson's report. I don't have a report. I'd just like to say I'm delighted to work on the new trustees, and to thank you for stepping up to the plate.

0:07:18 As you know, we have been trying for a while to fill that slot. I think this was a third try. And so obviously as a board, we need to get a full compliment to deal with all the challenges we have to deal with. So I did call him and congratulated him and again, thank him for stepping up to the plate. So I'd like to do that on the record. That's a couple of other things. And I guess, I'd like to first as a board to, and then I'm gonna talk about this with management to step up. our plan our efforts to keep the plan sponsors free to the fire with respect to the upcoming insolvency as you know we had this special committee that was set up by legislature and we had this one meeting we had scheduled for a second meeting that was pre-empted by the lime tree emergency. I don't know if you said session and I'm just concerned that we will let the momentum slide. We need to keep the plan sponsors free to file on this issue. um so that's basically my my report uh really talk about that uh discuss with the board members and staff some ideas about how we go about doing that um so that that constitutes my report Next item is the administrator's report.

0:09:28 Morning again. On April 23rd, I met with the oversight committee. This was in regard to a carnival function that was being held on Waiko Dock on April 30th. On April 28th and 29th, I participated in the new trustee orientation. Three trustees were there, Bowrie, Dorsey, and Calwood. On April 30th, I had a meeting with the Havenside Mall Marketing Subcommittee. On May 3rd, 4th, 5th, and 6th, we had one-on-one meetings with the Havenside Mall tenants. On May 6th also, I met with a roof contractor for Havenside Mall. On May 7th, I had a meeting with a potential consultant for technical assistance for the Havenside Mall generator project. On May 10th, 11th, 12th, 13th, and 17th, again, we had one-on-one meetings with the Havenside Mall tenants. On May 17th, I met with the I-Port Authority director.

0:10:30 On May 19th, I met with a group interested in purchasing a state Huffman-Nolliburg property. That same day, I met at a meeting for presentation with technical assistance proposal for Havenside Mall generator project. That same day also, I met with the government virgin allen stakeholders which was port authority white coat tourism department of health regards to the protocol for the return of the cruise lines on may 20th i had one-on-one meetings with havenside mall tenants and the oversight committee and on may 21st i attended the investment committee meeting as far as member services regards to the applications as of may 31 this month, we would have remaining 123 applications to be processed.

0:11:25 As you can see, 2020, we still have at least 40 more. For those individuals from retirees who applied in 2020, we have at least 40 applications remaining to be processed. For the cases to be completed, that would be the correct term. And in 2021, we received 84 applications thus far, we have process 12, we have 72 remaining. And this includes the government of the Virgin Islands Central Government and also the semi-autonomous agencies. Disability life certificates remain the same, no change from April 30th.

0:12:07 Refunds through April 30th for the fiscal year, we have paid out $3.6 million of that $3.6 million. As you can see, those members that are not invested accounted for 3.3 of the $3.6 million. Debt certificate, we have paid out $1.4 million. So as you can see, those debt certificate payments active he paid out 327 000 of the 1.3 million dollars annuity payments number of retirees as of may 15 payroll the last payroll is 8668 retirees cumulative dollar amount paid out from october through may 15th is 160.9 million dollars the number of retirees added to the payroll for that same period is 182.

0:13:08 the number of retirees deleted for the same period is of 213 members that passed on the retiree payroll for that may 15 was 10.8 million dollars active members recorded through April 2021 is 8,780 members our loans program as you can see as of April 30th we have 2,506 units left to be paid of that 2502 the personal loans are 2416 units the total outstanding amount as of april 2021 it's 28.1 million dollars so between now and from what i saw our um a note from the chief of that section i think uh in a report she said at least for over 500 units should be paid off um of this balance should be paid off by the end of december so um we're going to be down under 2 000 units probably by the end of the year and and loans payments, the last units of personal loans probably will be paid off in early 2025. Obviously, mortgages go through probably 20, 30, 35. As far as our operations, the office complex in Singapore is really no issues to report. Next to that, you saw a lot of water tanks and pumps. should scratch that out. That's 5.4. The St. Thomas office complex, right now we are suffering from some AC issues. They're doing some repairs on the AC unit and as you know we're putting in

0:15:23 the new one also but there's some repairs that have to be done and that project should be completed by the end of june so if you do take a trip over to the complex you'll see the amount of work that was done in the back of the project to the north side the hip roof replacement um the rfp i think is going to be out this week um from what i saw um that's to replace the other part of the roof on the complex we do have some other ongoing projects the lobby atrium the restroom renovation and the ada compliance the architect has signed a contract and grs received the drawings and design as far as the rental collections in april we collected 295 134.46 of that amount rentals were $85,873.59. Total year to date, we have collected $826,425.45. Of that amount, the rental is $450,408.40. We have a rare ages at the end of April in the amount of $176,984.84.

0:16:46 of that amount the rental is $96,297.16 you can see the exhibit for additional information this is I think just about all our leases going very fine we do have an issue I think with with justice, if Ms. Clendenningam wants to expound on that, she could do that after I'm finished here. Casino Commission, they have accepted the language, and they are breaking the language for the option to renew.

0:17:34 So hopefully we'll have their delis in place as soon as possible. receive um two of the two appraisals from um for the st koi building and also for the st thomas building we received them last week and this week so we should be sharing that with the board shortly um strategic planning organizational as you know we have made a decision to continue that in the the board retreat. I think what's left to do with the stakeholders, meeting with the stakeholders is with the president of the legislature and the governor's teams.

0:18:18 And meetings are going to be scheduled by May 31. I did see a letter going out, I just signed a letter going out to the Senate president yesterday in regards to setting a date to meet with them for any input into the strategic plan. Ms. Glenn Denning-Gums, could you talk about a FEMA insurance and also exhibit B? Okay, good morning. This is Juan Denning-Gums. The FEMA insurance has been going well. We have done a couple of walkthroughs with them to ensure that the work was completed. We have two projects that are pending currently without an application for a drawdown request, which is the Haven site retail mall buildings. We're waiting for the roofs to be completed and the warehouses. All other projects we had, and we had 13 in total are completed. And we're working with VITEMA and FEMA to draw down the additional funds we have received over a million dollars already.

0:19:30 And we have a few more a hundred thousand to collect. Are there any questions on that? So this is a reimbursement program we spend first and I get to reimburse? That is correct. Morning. i i was trying to get i wanted to i had a question in reference to the department of justice um if you can go into explaining in the language make it a little clearer than what it is because the money they're asking to invest in are they asking for an abatement are they asking for something um related to the outstanding debt um does the improvements include separating out the electrical in your discussions back and forth no the um trustee dorsey the it does not include separating the electrical they want to make improvements to their interior floors walls um doors uh the negotiation is ongoing i just wanted to update what the last conversation was but we met with them and gave them the information we had a back and forth and now the ball is in their court they're getting some language together to return to us so it's still an active negotiation okay and what was the what was the electrical uh cost in the past that you indicated it would cost to separate out the electrical for that building for those two locations for all i guess for the entire building i don't have the exact figure um with me um trustee dorsey

0:21:30 uh but i did some extensive walkthrough of the property on thursday and i want you to allow me until next board meeting to properly respond um because of my findings but it would be too preliminary to talk about it so if you can give me until then let me just do a little more research please can you repeat the last part i said if you can just allow me to um the next report that i sent um i did an extensive walkthrough and i have to do just a tad more research since um i've been in this position so before i say anything let me do a little bit more research and then i'll get back to the board okay so i guess with mr nibs um did you have a number for separating out in the past did you have a number for separating out electrical for the main building the dorsey we have been through this many times i indicated to you that in prior years it was something that we discussed years ago um i put it on the table we met with geridian we met with i think was uh electrical contractor i can't remember his name plus mr borrows our director and they felt it would have been post prohibitive to do that now if we want to consider that i mean we what we do is we do it by based on square footage whether it's fair or not you know we have to look at that but um obviously grs since they're the landlords will be they have to be the one to do that right we constantly currently put it in the air condition where it's not separate so we got to look at all of those things because the air condition would have to be separated out also yeah i i think that's what my point was mr nims we're going forward and i was i would just look at this as a way of just planning the prior board said it was cost prohibitive i understand that but i wasn't here mr nims i'm here now so i'm

0:23:34 making requests okay well we'll do our best what we can do i guess i'll get the uh i'll get the okay from the chairman to to obligate funds to go out and get a consultant to come in electrical consental maybe one or two three and give us a quote as to what it will cost well what i was really requesting mr names as to what you already had on file that you said was denied by the previous board i just wanted to see a place where you can start i can start as a new trustee at least i could have a place to start i'm not asking you to go out and do it all over i was just trying to get what you already had completed in terms of trying to separate it out the other question i had mr nips the other question i had can i respond sir things things have changed since significantly because that was discussed really like you know 2010 2011 things have changed in the last 10 years around here as far as load so uh you know i think we need need a new we need to have a new survey if that is what the board is thinking about doing okay well in a previous meeting you you're quoted a half a million to get the job done I think that's what the number was an estimate when I was receiving the information in a previous board meeting I never really received any paperwork and I also received at that time that the past board indicated they thought the cost would have been too much but my question to you my second point is how much are we paying currently for the space or spaces how much are we paying on the electrical side each month on average what are we paying I cannot I can do it as an annual basis I know before uh when we had the LIAC we were paying over a million dollars since the LIAC is no longer in place i think it's down to about 800 and something thousand dollars miss jeremiah can can attest to

0:25:41 that but i know it's around 800 000 hours okay and um do you believe the estimate will be less than the 800 000 to convert or you're not sure i see dorsey i'm not an expert in that i like i said if the board wants me to go out and get quotes i can have three contractors come in here and give us support okay mr that's just a point of information although that's our total electric bill it's reimbursable we do get it back from the tenants i said our bill is not 800 000 i'm just saying that i'm giving them the amount for the entire building um yes and we have to divide we usually divide it by in square footage but i can't give you what our building off the top of my head what it costs our for just the grs space only we are really three different floors so we can give you that information mr jeremiah the only point i was saying is that we're putting out money we really don't have because of our financial constraints so i'm just trying to figure out how we can just nip this in a situation where the individuals will be on their own they'll be on their own meter basically going forward so i'm just trying to figure out how we get to that point um i think i i i think um what what what if that's something we want to consider seriously and and just not the prejudices discussion but i i don't think that because i mean the issue we're going to have is that we do if we do an analysis about breaking out we break out on the basis of the current the present um tenants that we have what happens when you have a next set of tenants with a different

0:27:39 set of screen footage i mean then the the configuration will be different so i i'm not sold on the idea of breaking it out but if if i mean because i mean you you'll get a quote if you ask for a quote for breaking it out you'll be a quote for breaking it out based on the current tenants and their usage what i mean what happens when we got a new set of tenants with different kind of usage then that configuration probably won't make any sense so um if i think before before we get there we need to make a decision as to whether we think it makes more it makes sense to try to to break it out not to uh makes more sense to just call it or put our efforts into collecting our portion of the bill from from opinions so that that's a decision we need to make as a board if that's uh if that's something that we want to look at and then then we could go look for a course but i mean i mean i i have done yeah so chairman i think we have done the best we can as far as getting in contact with omb as you can see the arrearages is done it's down to eighty thousand dollars now it used to be over two hundred and uh electrical over two hundred thousand dollars so i miss glennin and gums is on top of that and um we have been in contact with personal take on it is and especially especially when we're in the next part of the agenda we're talking about the the the um about the value the market value of the property um and i'm assuming that the market value is based on the market value of the property as a whole

0:29:37 so i'm i don't know i'm not sure what on what basis we want to reconfigure the electricity and i i don't i don't think that that's the world we need to go but um you know that's just that's just me if the boards want to do that we you know we'll have some some discussion on it and we'll make a decision but chair i i would just say that um the other way to look at it is we can redo the lease as we redoing these leases we could ask for probably more money based on what we've been paying out on average we can just go back the last three years of these tenants so that technically we'll be drawn down from a fund and i think the tenants would understand that since the system is in the predicament that it's in financially that probably shouldn't be a problem to draw down from a fund from their side not from our side where we're paying for their services and then get reimbursed so that's another way that we can look at it if the board decides they don't want to um separate right now that's my point i think we should just the focus of the discussion it should be on on the delinquent and i don't think our first option is to is to separate to break up the the configuration electricity i i i really don't think so i mean um quite quite apart from the fact that it's cost prohibitive or whatever that number is i mean as i said earlier it's going to be a different configuration if you have a different set of tenants with different usage how do we break it up at that point so um all right

0:31:25 so let's let's let's move on from that we'll we'll discuss this in the context of how we how we we collect at a different session. So Chair, can we put this in a committee? Can we assign this to a committee? Yeah, we'll put it on the next budget committee. Okay.

0:31:59 Mr. Chair, let me conclude. um we also submitted a exhibit c which shows um i just wanted um i'm sorry mr nev before you go on mr like indicated that wap is off in his area so he's offline um he was acting for a number to um to call in if that's possible miss cooley can you give him that information yes i'll call him thank you on exhibit c just wanted to show that the amount of activity i'm gonna please yes mr liger miss coolie uh just wanted to show you the amount of activity our customer service um has been um doing for the month of april as you can see there was 642 contacts territory-wide in st thomas there were 547 and in st croix 95 for a total of 642 contacts for whatever most of them were email uh most of it was by uh mail but email telephone walk-ins we don't have any walk-ins anymore for faxes and it gives you the type of contact you know what they were asking for um seems like the majority were asking for um copies of the 1099 rr and 1099 interest so there's a lot of activity um obviously if we had walk-ins it would have probably been more because i've seen it over sometimes over the 642 in prior months before pandemic so i just wanted to share that with the board also i want to also add that i i i wrote a email to the new

0:34:12 commissioner commissioner nominee bruce of department of finance following up on um i congratulated her on an appointment also following up on contact that i've had with the prior acting commissioner in regards to act number 8383 and um that act as you know in 20 fiscal year 2020 it would give us a 50 percent share of any revenues realized in excess of the funds appropriated by the legislature and uh so uh i'm waiting patiently to see um to get a response um um as to what the status is um my feeling is that probably they're waiting for the fine for the audited financials to be done but we just want to keep on top of it because the lost states that we're supposed to get in 2020 fiscal year and then at least 50 revenues realized in excess of of the funds are completed.

0:35:14 If he doesn't call you, and I keep trying to get across to him, he cannot call me, he's supposed to go through. Cati, mute, please, Cati, mute. Also, another piece of correspondence, I sent out a billing to Jennifer O'Neill and also the Poseidon Bruce, which is the Commissioner Nominee of Finance. Oh, they, we reached out to one of our consultants on the Generator Project, and they- Attorney Smith.

0:35:41 georgia line department she said she just didn't have the staff attorney smith but they didn't have um so the total employer contributions in the building is 30.9 million as of that 30.9 million third circuit code awarded 19.9 in the um the ruling that they just recently did and and the the outstanding contributions due for 2021 of uh 10 million dollars and a balance of a million dollars from 2020 um it's the contention of the government that they don't owe us anything for 2021 because it was not it was not budgeted in this latest section of the um budget from the internal revenue matching fund we contend our can we feel that that's not um so although it was not appropriated budgeted there's enabling legislation which states that every year we're supposed to receive 10 million dollars from the internal revenue matching fund um there was a schedule that was provided and um just wanted to let the board know that we submitted that billing so presently the government of virgin islands owes us 30.9 million dollars in prior period contributions not prior but partially prior period and outstanding contributions based on enabling legislation that ends my report motion to accept the report don't have to sir you don't have to no no okay i'd like a motion to to reorder the agenda because i'm gonna lose a couple of my board members

0:37:51 absolutely by 11 o'clock I understand and and I need some to address some issues before I lose I lose them so I'd like to get a motion to reorder the agenda to go to executive session next and then we could come back to the regular session after the executive session if you still have a call i i make a motion to uh go in we like rearrange the um the agenda to go into executive session second okay moved on seconded we'll call let's see carlwood absent trustee dorsey yes trustee liger yes trustee mcdonnell absent trustee smith yes chairman barry yes four years two absent okay so um so we're moving into executive session to hear legal matters um and personal matters right that's correct i mean i forget to say that no no you'll need a separate motion to not go into executive order you need a separate motion to go into executive session and say the reasons why okay so i make a motion to move into executive session um to hear uh legal matters um and personal matters second

0:39:39 moved and seconded will call trusty callwood absent trusty dorsey yes trusty liger yes trusty mcdonald absent trusty smith yes chairman barry yes four years two absent okay sorry i just have a question i'm a retiree should we just stay on is it going to come back to us after the executive session or do we have to sign back in miss Ms. Cooley, you need to put them in the, Ms. Cooley.

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.

2x **Trustee Andre Dorsey**
heard in this transcript as: Dorsey

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

2x **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.

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